

26th August 2016

2016 Half Year Results

Solid Traction to Date, Strategic Initiatives In Place Post Listing to Drive Efficiencies, Expansion and Growth

Highlights

- Total revenues for the group up 5% on 1H 2015 to SG\$6.2 million
- Underlying loss before income tax of SG\$2.5 million for 1H 2016, led by increases in employee costs aligned with expansion and investment in product development as well as one-off advertising and IPO expenses
- Strengthened owned production assets through strategic acquisitions in Aroi Mak Mak, a lifestyle and travel portal, and Ripplewerkz, a digital production house.
- Expansion plans for new markets are underway as operational set-up is completed in Taiwan and market entry preparation is in progress for Indonesia

Netccentric Limited (ASX:NCL or 'the Company') is pleased to report the Company's half year results for the year ended 30 June 2016.

Financial and Operational Results

Total Group revenues for the six months ended 30 June 2016 amounted to SG\$6.2 million (30 June 2015: SG\$5.9 million), a growth of 5% from the previous period. The increase was primarily driven by growth in revenue from the Digital Assets Production and Social Media Agency segments. These segments achieved a revenue for the half year ended 30 June 2016 of SG\$1.6 million (30 June 2015: SG\$0.7 million) which contributed 25% of total revenue for the half year ended 30 June 2016 (30 June 2015: 12% of total revenue). These results, which proved fruitful, include the first full six months operating with Ripplewerkz Pte Ltd and Aroi Mak Mak Pte Ltd which were fully acquired in July 2015 and February 2016 respectively.

The Group's loss before income tax was SG\$2.5 million, partly attributable to an increase in employee benefits expenses of \$1.1 million (of which \$0.3 million was contributed by Ripplewerkz Pte Ltd's acquisition) due to additional headcounts caused by group expansion with new hires across various business units. In addition to one-off advertising expenses of \$1.5 million due to expansion efforts of Dayre and Aroi Mak Mak Pte Ltd, IPO expenses and foreign exchange losses amounting to \$0.5 million were also charged during the reporting period.

This financial performance reflects the changing structure of the Group as a whole. Business expansion strategy into new markets such as Taiwan and Indonesia is expected to add to the Group's revenue base as Taiwan becomes operationally ready to receive revenue and Indonesia completes its market entry. The EBIT contribution of the Group's new growth businesses, coupled with group expansion and product development will take time before they make a more significant contribution.

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Summary of Results for Half Year Ended 30 June 2016

Business Units	Half year ended 30 June 2016	Half year ended 30 June 2015
Influencer Platform (Nuffnang / Churpchurp)	4,523,121	4,845,911
Display Ad Network (Banner Ads)	111,054	365,446
Digital Asset Production (Ripplewerkz / ReelityTV)	772,690	265,190*
Social Media Agency (Sashimi)	814,920	450,476
Others	20,373	22,140
Total	6,242,158	5,949,163
EBIT	(2,478,354)	(657,513)

* Note: Revenues exclude Ripplewerkz, which was fully acquired upon Netccentric's listing on 6 July 2015

Strategic Initiatives and Outlook

The Company continues to diversify its business portfolios with valuable acquisitions and partnerships. In 2016, it acquired Aroi Mak Mak, a one-stop travel and lifestyle guide boasting 1.1 million readership. Aroi Mak Mak adds a strong content unit to the Company's stable of media brand and proprietary assets. The Company also partnered media group DestinAsia, leading travel and lifestyle publisher in Indonesia. The partnership opens up access to DestinAsia's content units of magazines and industry connections to celebrities and influencers.

Mobile app development business, Dayre, is focused on increasing its marketing and sales efforts internationally. The app employs a lean team of community specialists across Malaysia, Thailand, Australia and the United Kingdom, has found its international user downloads increase from 4% to 15%, citing demand from users outside of its Asia base.

As the Company continues to implement its growth initiatives, the Regional team will work towards driving operational efficiencies and achieve growth across mature, growth and new markets.

Mr Cheo Ming Shen, CEO of Netccentric Limited commented:

"2016 has proven to be a difficult year with macroeconomic headwinds in all our markets. This had made it more difficult to achieve short-term growth, in our incumbent businesses and geographies.

However, as a company, we have planted the seeds for mid-term growth in our new operations of Taiwan, Indonesia, and through acquisitions like Aroimakmak.com, and this will bear fruit for us in time to come. We also maintain a healthy cash balance of IPO proceeds, and stand ready to capitalise on any opportunities that may present itself.

With focused execution of our growth initiatives, we expect continued growth in the medium to long term."

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For more information please contact:

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About Netccentric

Netccentric is a digital media business established in 2006 and operates eight businesses in the digital advertising sector across multiple geographies including Singapore, Malaysia, Australia, Philippines, China, Taiwan, Indonesia and the U.K. Netccentric provides advertisers with an innovative platform to connect advertisers with publishers and social influencers to promote their products and services. It's Display Ad Network and Influencer Platform spans over 950,000 blogs making it one of the largest blog advertising networks reaching over 41 million people per month.

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