



Netccentric Limited (200612086W)

Listed on the ASX

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Dear Shareholders,

As per our previous update during the AGM, our biggest goal in 2018 is to turn Netccentric into a viable and profitable business at some point in this year. To achieve this, we have devised a 3-prong strategy to:

1. Ensure that all our business units and subsidiaries are profitable, before driving synergies between them.
2. Set our focus on content, influencer and performance marketing solutions. Consider investments or acquisitions to strengthen our position in this area.
3. Become advertisers' top of mind when sourcing for independent solution providers.

As of the first half of 2018, our results (as per the following 2 paragraphs) would suggest that we're making good steps into the right direction.

In H1 2018, we achieved a total revenue of \$4.22m, a 24% YoY decline compared to our H1 2017 revenue of \$5.53m. However, if we would to exclude revenues from all the business entities we have disposed (from the total H1 2017 revenue) to make an apple to apple comparison, we would be looking at a 10% growth from \$3.84m in H1 2017 – *Refer to table below*.

Revenue	H1 2018	H1 2017	Growth / Decline
Including disposed entities	\$4.22m	\$5.53m	-24%
Excluding disposed entities	\$4.22m	\$3.84m	+10%

Our YoY losses have reduced tremendously from \$1.46m in H1 2017 to \$0.50m in H1 2018, a reduction of 66% (*Refer to table below*). This was contributed by:

- a) Higher operational efficiencies we've been able to achieve and
- b) 2 profitable months in H1 2018, being March and June. This did not include extraordinary items (i.e. non-recurring forex losses and legal expenses)

Loss before tax	H1 2018	H1 2017	Growth / Decline
Including disposed entities	\$0.50m	\$1.46m	-66%
Excluding disposed entities	\$0.50m	\$1.14m	-56%

This is testament that our fundamentals are strengthening and it puts us at an encouraging position to show more positive results in H2 2018, provided that all our strategies are well implemented.

We've also taken this opportunity to refresh the image and positioning of our core businesses i.e. Nuffnang (from "The World's Leading Blog Advertising Community" to "Asia's Leading Influencer & Content Marketing Company").





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This move will better represent our current focus and help us increase our relevance to the demands of the market today – where marketing dollars are moving significantly into the influencer and content domains.

We will also be looking into further monetization of our 400,000-strong micro-influencer database in Malaysia. This will become a unique proposition for marketers to drive influence via the voices of the mass, instead of selected individuals. We also intend to scale this product across all our markets in Asia in the near to mid-term.

Apart from our core (influencer marketing) business, our investments in the digital, social media and performance agency sectors have been successful and we look forward to further scale up these successes.

Thank you for your on-going support and stay tuned as we move forward to become Asia's Leading Influencer and Content Marketing Company.

Warm regards,

Desmond Kiu
CEO