

ASX Release

26 February 2021

FY2020 Delivers Robust Growth

Hong Kong, 26 February 2021: 99 Technology, (ASX: NNT) (“99 Technology” or “the Company”), is pleased to announce its results for the 12 months ended 31 December 2020.

Highlights¹:

- Revenue of RMB 231.73 million (AUD 48.66 million) in FY2020, up 23% from RMB 189.13 million (AUD 39.72 million) in FY2019
- Gross profit of RMB 231.05 million (AUD 48.52 million) in FY2020, up 23% from RMB 187.96 million (AUD 39.47 million) in FY2019
- EBITDA of RMB 73.95 million (AUD 15.53 million) in FY2020, up 84% from RMB 40.10 million (AUD 8.42 million) in FY2019
- Net profit of RMB 31.56 million (AUD 6.63 million) in FY2020, up 140% from RMB 13.12 million (AUD 2.75 million) in FY2019

99 Technology Limited provides comprehensive digital marketing solutions for its business partners. The outbreak of the COVID-19 pandemic in the first half of FY2020 and the sporadic recurrence in the north of China recently weakened the Chinese economy in regional area. Notwithstanding, the Company achieved 23% increase in both Revenue and Gross profit. This is the result of NNT offering diverse and multi-functional products and services to its business partners to efficiently fulfil their needs in customer acquisition, engagement, enhancement and retention in a difficult environment. Our high quality services combined with our well-formed reputation is recognised in the market, especially in the financial sector.

¹ RMB translated into AUD using the average rate of AUD/RMB 4.7622 for FY2019 and FY2020 to eliminate the exchange rate impact, except otherwise stated. The information for FY2020 is in the process of being audited

The Company reported Net Profit of RMB 31.56 million (AUD 6.63 million) in FY2020 representing a significant increase of 140% from FY2019. This is the result of Revenue and Gross Profit improvement, demonstrating that our business partners highly recognise the effectiveness of our products and marketing services even under the conditions of market sentiment downturn. Net Profit included a RMB 25 million Value-Added Tax (“VAT”) reversal from FY2017.

Summary Financials²

RMB, 31 December year end	FY2020	FY2019	Growth
Net revenue	231,734,330	189,133,588	23%
Gross profit	231,047,450	187,964,091	23%
<i>Gross margin (%)</i>	<i>99.70%</i>	<i>99.38%</i>	<i>0.32%</i>
EBITDA	73,945,334	40,095,123	84%
PBT	46,508,587	16,745,476	178%
NPAT	31,559,540	13,124,533	140%

Former CEO Amalisia Zhang and current CEO Henry Chen commented: “FY2020 was a difficult and challenging year for the market and for the Company, however, as a result of our strong resilience and perseverance, 99 Technology maintained its solid growth trend. This demonstrates that the comprehensive services and products we provide are recognised by our business partners and the market. Our customised products and services portfolio can efficiently help our business partners in acquiring, engaging and growing their customer bases even in a weak economy. We continue on the right track of aligning our core competencies with our business model. We shall continually focus on enhancing our service standards to our business partners.”

Commenting on the result, Chairman Ross Benson said: “We are delighted to see the strong growth of the business during the past twelve months even though the market was negatively effected by COVID-19. The Company is well positioned to capitalise on

² The information for FY2020 is in the process of being audited

the market opportunities emerging from China's fast evolving consumer market and digitalisation of products and services.”

Outlook for FY2021:

The COVID-19 pandemic has brought much uncertainty to NNT's market. The stabilisation of the effects of COVID-19 will favourably impact the market sentiment and business partner activity, however the Company will obviously remain attentive to the latest developments of COVID-19, in order to react actively to any potential adverse impact to its financial position and operating performance.

Our business scale and financial performance will be driven by:

- ✓ Recovery of China's economy and growth of GDP
- ✓ Business partners' evolving demand for digital marketing solutions and cloud delivered services to capture their customers' market needs
- ✓ Market and business partners' rebound marketing activity post COVID-19
- ✓ Evolution of consumers' consumption behavior and the increase of consumers' demand for digital products
- ✓ Development of technology providing innovation for products and services applied in digital marketing solutions, cloud services and SaaS services.

In FY2021, the Company will remain focused on delivering comprehensive products and services to our valuable business partners, to efficiently assist them in increasing their consumers' activeness and loyalty, and to accelerate the growth of their brand values.

For further information, please contact:

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About 99 Technology Limited:

99 Technology, a Mobile Solutions and Cloud Delivered Services Provider, takes technology as the core of strategy, creates a unique system and provides comprehensive solutions for the full business process from customer acquisition, marketing, customer activeness and stickiness, customer incentives, customer retention and loyalty management, to customer lifecycle extension, and etc.

- **Mobile Solutions** – Based on virtual products and big data analysis, offers comprehensive M-commerce marketing solutions, including 99 Mobile Marketplace, Business Costs Procurement Tools, Offline to Online Integration, Customer Behaviour Data Analysis and so on.
- **Cloud Delivered Services** – Provides scene-based and customized cloud solutions and services for business partners, channels and employees, including Online Insurance, Insurance Supply Chain Management, Employee Benefits, Offline to Online Integration, Loyalty Marketing Program Development, and so on.

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