

Netccentric Limited
Appendix 4D
Half-year report

1. Company details

| | |
|----------------------------|--------------------------------------|
| Name of entity: | Netccentric Limited |
| ARBN: | 605927464 |
| Current reporting period: | For the half-year ended 30 June 2021 |
| Previous reporting period: | For the half-year ended 30 June 2020 |

2. Results for announcement to the market

| | | | S\$ |
|---|----|----------|------------|
| Revenue from ordinary activities | up | 60% to | 5,227,554 |
| Loss from ordinary activities after tax attributable to the owners of Netccentric Limited | up | >100% to | 1,540,760 |
| Loss for the half-year attributable to the owners of Netccentric Limited | up | >100% to | 1,540,760 |

Dividends

There were no dividends paid, recommended or declared by Netccentric Limited during the current reporting period.

Comments

The loss before tax for the Group amounted to S\$1.51 million (H1 FY2020: profit before tax of S\$0.01 million). The loss was primarily driven by non-cash items related to share options expenses (associated with the placement the Group conducted in February 2021), employee share options, and forex movements amounting to S\$1.56 million. Excluding these non-cash expenses, the Group would deliver a profit before tax of S\$0.05 million (H1 FY2020: loss before tax of S\$0.01 million).

3. Net tangible assets

| | Reporting period Cents | Previous period Cents |
|--|---------------------------------------|--------------------------------------|
| Net tangible assets ("NTA") per ordinary share | <u>1.59</u> | <u>1.65</u> |

4. Dividends

There were no dividends paid, recommended or declared during the current and previous reporting period.

5. Details of associates and joint venture entities

| Name of associate / joint venture | Reporting entity's percentage holding | | Contribution to profit/(loss) (where material) | |
|--|---------------------------------------|-------------------|--|---------------------|
| | Reporting period % | Previous period % | Reporting period S\$ | Previous period S\$ |
| Nuffnang Philippines Inc | 40.00% | 40.00% | N.M. | N.M. |
| <i>Group's aggregate share of associates and joint venture entities' loss (where material)</i> | | | | |
| Loss from ordinary activities before income tax | | | N/A | N/A |

N.M. – Not material to the group.

As of the date of this report, Nuffnang Philippines Inc. is still in the process of strike off.

6. Details of entities over which control has been gained or lost during the period

Nil

7. Audit qualification or review

Details of review dispute or qualification:

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Financial Statements.

8. Attachments

Details of attachments:

The Interim Financial Statements of Netccentric Limited for the half-year ended 30 June 2021 are attached.

9. Signed



Ganesh Kumar Bangah
Executive Chairman

Date: 25 August 2021

NETCCENTRIC LIMITED

(Incorporated in Singapore. Registration Number: 200612086W)

and its subsidiaries

ARBN 605927464

Interim Financial Statements for the six months ended 30 June 2021

Netccentric Limited
Directors' Report
30 June 2021

The directors of the company are pleased to present their report together with the financial statements of the consolidated entity (referred to hereafter as the “group”) consisting of Netccentric Limited (referred to hereafter as the “company” or “parent entity”) and its controlled entities for the six-month reporting period ended 30 June 2021.

Directors

The directors of the company in office during the reporting period and at the date of this report are:

Ganesh Kumar Bangah
Darren John Cooper
Robert William Sultan
Joanne Khoo Su Nee

Principal activities

During the period, the principal continuing activities of the consolidated entity consisted of:

- Development of other software and programming platforms to engage consumers;
- Online advertising; and
- Connecting businesses to promote products and services of advertisers with consumers through with bloggers and social media influencers.

Review of operations (in \$SG)

Netccentric achieved revenue of S\$5.23 million in H1 FY2021, up 60% compared to H1 FY2020 and driven by strong growth across the Group's business units which built momentum into Q2 FY2021. H1 FY2021 revenue for Influencer Platform (Nuffnang) increased by 49% year-on-year (“YoY”) to S\$2.96 million, Social Media Agency (Sashimi) increased by 52% YoY to S\$1.21 million and Performance Marketing Agency (Plata & Punta) increased by 126% YoY to S\$0.86 million.

Gross profit grew by 34% YoY to S\$2.23 million. The Group delivered H1 FY2021 EBITDA of S\$0.19 million (H1 FY2020: S\$0.09 million), a YoY increase of 108%, excluding the impact of extraordinary expenses relating to the issue of options, M&A activities and forex movements.

Although the Group delivered a H1 FY2021 net loss before tax of S\$1.51 million, this was due to non-cash items related to share options expenses (associated with the placement the Group conducted in February 2021) of S\$1.28 million, employee share options of S\$0.17 million and forex movements of S\$0.11 million. Excluding these non-cash expenses, the Group would deliver a profit before tax of S\$0.05 million (H1 FY2020: loss before tax of S\$0.01 million).

In H1 FY2021, the Group consumed net operational cash of S\$0.26 million, with the consumption a byproduct of Nuffnang's strong revenue growth and associated working capital cycle, with certain campaigns involving payment of influencers prior to collection from clients.

Netccentric entered H2 FY2021 with S\$5.43 million in cash and no debt, providing strength and flexibility to fund the Group's growth objectives.

The Group's financial results reflect a continuing strengthening as the business gains scale and management executes Netccentric's growth strategy.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the consolidated entity during the reporting period.

This report is made in accordance with a resolution of Board of Directors.

Netccentric Limited
Directors' report
30 June 2021

On behalf of the Board of Directors



Ganesh Kumar Bangah
Director

25 August 2021



Joanne Khoo Su Nee
Director

Netccentric Limited**Contents****30 June 2021****Contents**

| | |
|---|----|
| Consolidated Statement of Profit or Loss and Other Comprehensive Income | 4 |
| Consolidated Statement of Financial Position | 5 |
| Consolidated Statement of Changes in Equity | 6 |
| Consolidated Statement of Cash Flows | 7 |
| Notes to the Financial Statements | 8 |
| Directors' Declaration | 14 |
| Independent Auditor's Report on Review of Interim Financial Information to the Members of Netccentric Limited | 15 |

General information

The financial statements cover Netccentric Limited as a consolidated entity consisting of Netccentric Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Singapore dollars, which is Netccentric Limited's functional and presentation currency.

Netccentric Limited is a listed public company limited by shares, incorporated and domiciled in Singapore. Its registered office and principal place of business are:

Registered office

600 North Bridge Road
#23-01 Parkview Square
Singapore 188778

Principal place of business

600 North Bridge Road
#23-01 Parkview Square
Singapore 188778

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 25 August 2021.

Netccentric Limited
Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the half-year ended 30 June 2021

| | | <u>Group</u> | |
|--|------|--------------------|--------------------|
| | Note | <u>30 Jun 2021</u> | <u>30 Jun 2020</u> |
| | | \$ | \$ |
| Revenue | 3 | 5,227,554 | 3,265,485 |
| Cost of sales | | (2,999,610) | (1,606,246) |
| Gross profit | | <u>2,227,944</u> | <u>1,659,239</u> |
| Interest income | | 1,480 | 2,187 |
| Other gains | 4 | 62,543 | 129,537 |
| Administrative and operating expenses | 5 | (3,693,457) | (1,768,352) |
| Other losses | 4 | (104,373) | (11,497) |
| Finance costs | | (2,919) | (4,020) |
| (Loss)/profit before income tax | | <u>(1,508,782)</u> | <u>7,094</u> |
| Income tax expense | | (3,947) | (11,255) |
| Loss, net of tax | | <u>(1,512,729)</u> | <u>(4,161)</u> |
| Other comprehensive profit (loss): | | | |
| Items that may be reclassified subsequently to profit or loss | | | |
| Exchange differences on translating foreign operations, net of tax | | 9,986 | (1,400) |
| Other comprehensive profit (loss), net of tax | | <u>9,986</u> | <u>(1,400)</u> |
| Total comprehensive loss | | <u>(1,502,743)</u> | <u>(5,561)</u> |
| (Loss)/profit for the period attributable to: | | | |
| Owners of the parent | | (1,540,760) | 127 |
| Non-controlling interests | | 28,031 | (4,288) |
| Loss, net of tax | | <u>(1,512,729)</u> | <u>(4,161)</u> |
| Total comprehensive loss for the period attributable to: | | | |
| Owners of the parent | | (1,530,774) | (1,273) |
| Non-controlling interests | | 28,031 | (4,288) |
| Total comprehensive loss | | <u>(1,502,743)</u> | <u>(5,561)</u> |
| (Loss)/profit per share | | <u>Cents</u> | <u>Cents</u> |
| Basic and diluted | 14 | <u>(0.54)</u> | <u>0.00</u> |

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Netccentric Limited
Consolidated Statement of Financial Position
As at 30 June 2021

| | | Group | |
|--|-------------|--------------------|--------------------|
| | Note | 30 Jun 2021 | 31 Dec 2020 |
| | | \$ | \$ |
| <u>ASSETS</u> | | | |
| <u>Non-current assets</u> | | | |
| Plant and equipment | | 405,350 | 379,971 |
| Investments in associates | | 154,591 | 154,591 |
| Intangible asset | | 150,831 | 88,240 |
| Other financial assets | 7 | 521,513 | — |
| Deferred tax assets | | 40,774 | 41,504 |
| Total non-current assets | | 1,273,059 | 664,306 |
| <u>Current assets</u> | | | |
| Trade and other receivables | | 2,655,002 | 2,219,596 |
| Other assets | | 110,492 | 120,727 |
| Cash and cash equivalents | 8 | 5,428,441 | 3,376,785 |
| Total current assets | | 8,193,935 | 5,717,108 |
| Total assets | | 9,466,994 | 6,381,414 |
| <u>EQUITY AND LIABILITIES</u> | | | |
| <u>Equity</u> | | | |
| Share capital | 9 | 14,112,365 | 13,797,086 |
| Accumulated losses | | (11,247,684) | (9,706,924) |
| Share option reserve | 11 | 1,451,005 | — |
| Foreign currency translation reserves | | (348,295) | (358,281) |
| Equity attributable to owners of the parent | | 3,967,391 | 3,731,881 |
| Non-controlling interests | | 681,721 | 689,906 |
| Total equity | | 4,649,112 | 4,421,787 |
| <u>Non-current liabilities</u> | | | |
| Lease liabilities | | 53,651 | 73,339 |
| Total non-current liabilities | | 53,651 | 73,339 |
| <u>Current liabilities</u> | | | |
| Income tax payable | | 703 | 37,022 |
| Trade and other payables | | 1,599,025 | 1,289,061 |
| Lease liabilities | | 144,259 | 461,495 |
| Other financial liabilities | 12 | 2,680,224 | — |
| Other non-financial liabilities | | 340,020 | 98,710 |
| Total current liabilities | | 4,764,231 | 1,886,288 |
| Total liabilities | | 4,817,882 | 1,959,627 |
| Total equity and liabilities | | 9,466,994 | 6,381,414 |

The above statement of financial position should be read in conjunction with the accompanying notes

Netccentric Limited
Consolidated Statement of Changes in Equity
For the half-year ended 30 June 2021

| | <u>Total equity</u> \$ | <u>Attributable to parent Sub-total</u> \$ | <u>Share capital</u> \$ | <u>Accumulated losses</u> \$ | <u>Share option reserves</u> \$ | <u>Foreign currency translation reserves</u> \$ | <u>Non- controlling interests</u> \$ |
|--|-------------------------------|---|--------------------------------|-------------------------------------|--|--|---|
| Group: | | | | | | | |
| Current period: | | | | | | | |
| Balance at 1 January 2021 | 4,421,787 | 3,731,881 | 13,797,086 | (9,706,924) | – | (358,281) | 689,906 |
| Movements in equity: | | | | | | | |
| Total comprehensive loss for the period | (1,502,743) | (1,530,774) | – | (1,540,760) | – | 9,986 | 28,031 |
| Issue of share capital (Note 9) | 490,703 | 490,703 | 490,703 | – | – | – | – |
| Share issue expenses (Note 9) | (197,497) | (197,497) | (197,497) | – | – | – | – |
| Exercise of equity share options (Note 9) | 22,073 | 22,073 | 22,073 | – | – | – | – |
| Share-options expense (Note 11) | 1,451,005 | 1,451,005 | – | – | 1,451,005 | – | – |
| Dividend paid to non-controlling interest | (36,216) | – | – | – | – | – | (36,216) |
| Balance at 30 June 2021 | <u>4,649,112</u> | <u>3,967,391</u> | <u>14,112,365</u> | <u>(11,247,684)</u> | <u>1,451,005</u> | <u>(348,295)</u> | <u>681,721</u> |
| Previous period: | | | | | | | |
| Balance at 1 January 2020 | 4,302,539 | 3,695,925 | 13,797,086 | (9,936,696) | 228,000 | (392,465) | 606,614 |
| Movements in equity: | | | | | | | |
| Total comprehensive income for the year | 81,461 | 35,956 | – | 1,772 | – | 34,184 | 45,505 |
| Acquisition of a non-controlling interest with a change of control | 37,787 | – | – | – | – | – | 37,787 |
| Expiry of share options | – | – | – | 228,000 | (228,000) | – | – |
| Balance at 31 December 2020 | <u>4,421,787</u> | <u>3,731,881</u> | <u>13,797,086</u> | <u>(9,706,924)</u> | <u>–</u> | <u>(358,281)</u> | <u>689,906</u> |

The above statement of changes in equity should be read in conjunction with the accompanying notes

Netccentric Limited
Consolidated Statement of Cash Flows
For the half-year ended 30 June 2021

| | Group | |
|---|--------------------|--------------------|
| | 30 Jun 2021 | 30 Jun 2020 |
| | \$ | \$ |
| <u>Cash flows from operating activities</u> | | |
| (Loss)/profit before income tax | (1,508,782) | 7,094 |
| Adjustments for: | | |
| Interest income | (1,480) | (2,187) |
| Finance costs | 2,919 | 4,020 |
| Amortisation of intangible assets | 5,367 | – |
| Depreciation of right-of-use assets | 51,063 | 58,390 |
| Depreciation of plant and equipment | 49,298 | 39,747 |
| Share options expense | 1,451,005 | – |
| Gain on disposal of plant and equipment | – | (451) |
| Net effect of exchange rate changes in consolidating foreign operations | (5,871) | (1,400) |
| Operating cash flows before changes in working capital | 43,519 | 105,213 |
| Trade and other receivables | (400,117) | 55,398 |
| Other assets | 10,235 | 37,723 |
| Trade and other payables | 285,693 | (197,823) |
| Other non-financial liabilities | (121,475) | (9,596) |
| Net cash flows used in operations | (182,145) | (9,085) |
| Income taxes paid | (74,825) | (23,593) |
| Net cash used in operating activities | (256,970) | (32,678) |
| <u>Cash flows from investing activities</u> | | |
| Purchase of plant and equipment | (41,542) | (15,895) |
| Purchase of intangible assets | (27,830) | – |
| Investment in other financial assets | (521,513) | – |
| Interest received | 1,480 | 2,187 |
| Net cash used in investing activities | (589,405) | (13,708) |
| <u>Cash flows from financing activities</u> | | |
| Dividends paid to non-controlling interests | (36,216) | – |
| Finance costs | (2,919) | (4,020) |
| Proceeds from issuance of shares | 3,193,000 | – |
| Share issue costs (Note 9) | (197,497) | – |
| Lease liabilities – principal portion paid | (58,337) | (60,977) |
| Net cash from (used in) financing activities | 2,898,031 | (64,997) |
| Net increase (decrease) in cash and cash equivalents | 2,051,656 | (111,383) |
| Cash and cash equivalents at the beginning of reporting period | 3,376,785 | 3,135,870 |
| Cash and cash equivalents, at the end of reporting period (Note 8) | 5,428,441 | 3,024,487 |

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

The consolidated financial statements for the interim half-year reporting period ended 30 June 2021 have been prepared in accordance with Singapore Financial Reporting Standard (“FRS”) 34, Interim Financial Reporting.

These financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with any public announcements made by the company during the interim reporting period.

The principal accounting policies adopted are consistent with those of disclosed in the audited financial statements for the reporting year ended 31 December 2020. The report is presented in its functional currency, Singapore dollars.

Changes and adoption of financial reporting standards

For the current reporting period the consolidated entity has adopted all of the new or revised Singapore Financial Reporting Standards that are mandatory for the current reporting period. The new or revised standards applicable to the group are as follows:

| <u>FRS No.</u> | <u>Title</u> |
|----------------|--|
| FRS 1 and 8 | Definition of Material – Amendments to |
| FRS PS 2 | FRS Practice Statement 2 Making Materiality Judgements |
| FRS 116 | Covid-19 Related Rent Concessions - Amendment to (effective from 30 June 2020) |

Note 2. Segment Reporting

For management purposes, the group is organised into the following major strategic operating segments that offer different products and services: (1) Influencer Platform, (2) Social Media Agency, (3) Digital Asset Production and (4) Performance Marketing Agency. Such a structural organisation is determined by the nature of risks and returns associated with each business segment and it defines the management structure as well as the internal reporting system. It represents the basis on which the management reports the primary segment information that is available and that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing the performance. They are managed separately because each business requires different strategies.

The principal segments and type of products and services are as follows:

| | |
|----------------------------------|---|
| (1) Influencer Platform | Enables advertisers to engage social media influencers to promote their products and services. |
| (2) Social Media Agency | Digital marketing agency specialising in social media strategy and campaign management for advertisers. |
| (3) Digital Asset Production | Boutique all-in-one digital media production house specialising in web design and development; print & graphic designs; and corporate identity designs. |
| (4) Performance Marketing Agency | Performance marketing agency specialising in the manufacture and construction of advertising devices through any media. |

Segment results consist of costs directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Inter-segment sales are measured on the basis that the entity actually used to price the transfers. Internal transfer pricing policies of the Group are as far as practicable based on market prices. The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies.

Note 2. Segment Reporting (cont'd)

The following tables illustrate the information about revenue by business units and countries.

Business Units

| | Group | |
|------------------------------|---------------------------|---------------------------|
| | <u>30 Jun 2021</u> | <u>30 Jun 2020</u> |
| | \$ | \$ |
| Influencer Platform | 2,956,433 | 1,980,595 |
| Social Media Agency | 1,206,840 | 792,856 |
| Performance Marketing Agency | 857,156 | 378,702 |
| Digital Asset Production | 207,125 | 109,553 |
| Display Ad Network | – | 3,779 |
| Total | <u>5,227,554</u> | <u>3,265,485</u> |

Country

| | Group | |
|--------------|---------------------------|---------------------------|
| | <u>30 Jun 2021</u> | <u>30 Jun 2020</u> |
| | \$ | \$ |
| Malaysia | 4,578,563 | 2,698,237 |
| Taiwan | 630,052 | 481,498 |
| Singapore | 18,939 | 85,750 |
| Total | <u>5,227,554</u> | <u>3,265,485</u> |

Note 3. Revenue

| | Group | |
|-----------------------|---------------------------|---------------------------|
| | <u>30 Jun 2021</u> | <u>30 Jun 2020</u> |
| | \$ | \$ |
| Rendering of services | <u>5,227,554</u> | <u>3,265,485</u> |

Note 4. Other income and gains and (other losses)

| | Group | |
|--|---------------------------|---------------------------|
| | <u>30 Jun 2021</u> | <u>30 Jun 2020</u> |
| | \$ | \$ |
| Allowance for impairment on trade receivables – (loss) | – | (11,497) |
| Foreign exchange adjustment (loss) / gain | (104,373) | 16,501 |
| Government grants | 39,154 | 67,086 |
| Gain on disposal of plant and equipment | – | 451 |
| Other income | 23,389 | 45,499 |
| Net | <u>(41,830)</u> | <u>118,040</u> |
| Presented in profit or loss as: | | |
| Other gains | 62,543 | 129,537 |
| Other losses | (104,373) | (11,497) |
| | <u>(41,830)</u> | <u>118,040</u> |

Note 5. Administrative and operating expenses

The major components include the following:

| | Group |
|---|--------------------|
| | 30 Jun 2021 |
| | \$ |
| Advertising expenses | 48,767 |
| Depreciation expense | 100,361 |
| Salaries and other short-term employee benefits | 1,855,048 |
| Share options expense relating to placement agent | 1,281,513 |
| Operating lease expense | – |
| Professional fees | 143,738 |
| Travelling expenses | 2,919 |
| | 30 Jun 2020 |
| | \$ |
| | 24,494 |
| | 98,137 |
| | 1,387,792 |
| | – |
| | 6,636 |
| | 57,258 |
| | 3,378 |

In connection with the issue of shares on 25 February 2021 (Note 9), the company allotted 6,500,000 share options to the placement agent that assisted the company. These options were fully vested during the period.

Note 6. Employee benefit expense

| | Group |
|---|--------------------|
| | 30 Jun 2021 |
| | \$ |
| Short term employee benefits expense | 1,478,823 |
| Contributions to defined contribution plan | 164,020 |
| Share options expense relating to employees | 169,492 |
| Other benefits | 42,713 |
| Total employee benefits expense | 1,855,048 |
| | 30 Jun 2020 |
| | \$ |
| | 1,208,789 |
| | 143,680 |
| | – |
| | 35,323 |
| | 1,387,792 |

Note 7. Other financial assets

| | Group |
|---|--------------------|
| | 30 Jun 2021 |
| | \$ |
| Unquoted investment at FVTOCI: | |
| Unquoted equity shares in a corporation | 521,513 |
| Balance at end of the year | 521,513 |
| | 31 Dec 2020 |
| | \$ |
| | – |
| | – |
| Movements during the year: | |
| Fair value at beginning of the year | – |
| Addition | 521,513 |
| Fair value at end of the half year | 521,513 |

On 26 May 2021, the group acquired a 5% shareholding interest in Innovatic Commerce Solution Sdn Bhd for a consideration of RM1,551,872 (\$521,513). The group has no significant influence and the unquoted equity shares are measured at fair value through other comprehensive income (“FVTOCI”) (See Note 13).

Note 8. Cash and cash equivalents

| | Group |
|------------------------------|--------------------|
| | 30 Jun 2021 |
| | \$ |
| Not restricted in use | 5,428,441 |
| Cash at end of the half year | 5,428,441 |
| | 31 Dec 2020 |
| | \$ |
| | 3,376,785 |
| | 3,376,785 |

The interest earning balances are not significant.

Reconciliation of liabilities arising from financing activities:

The group does not have any external borrowings except for finance leases that are not significant.

Netccentric Limited
Notes to the Financial Statements
30 June 2021

Note 9. Share capital

| <u>Group and company</u> | <u>Number of shares issued</u> | <u>Share capital \$</u> |
|--|--|---------------------------------|
| <u>Ordinary shares:</u> | | |
| As at 1 January 2020, 31 December 2020 | 262,500,000 | 13,797,086 |
| Issue of shares at \$0.16 | 20,391,666 | 490,703 |
| Share issue expenses | — | (197,497) |
| Exercise of warrants | 120,000 | 22,073 |
| As at 30 June 2021 | <u>283,011,666</u> | <u>14,112,365</u> |

On 25 February 2021, the Company issued 20,391,666 shares accompanied by free warrants (2 warrants for every 3 shares) for cash proceeds of \$3,193,000. The Company recognised a derivative liability of \$2,680,224 (Note 12) arising from the free warrants, with the residual of the proceeds allocated to share capital. The warrants expire on 1 September 2023.

Note 10. Dividends

There were no dividends paid during the six month reporting period ended 30 June 2021 (2020: \$Nil).

Note 11. Share option reserve

| | <u>Group</u> <u>30 Jun 2021</u> <u>\$</u> | <u>31 Dec 2020</u> <u>\$</u> |
|--|---|---------------------------------|
| As at 1 January 2020, 31 December 2020 | — | — |
| Share options expense | 1,451,005 | — |
| As at 30 June 2021 – included in share option reserve | <u>1,451,005</u> | <u>—</u> |
| The expense is allocated in the profit or loss as follows: | | |
| Administrative and operating expenses | <u>1,451,005</u> | <u>—</u> |

The outstanding number of options at the end of the half year was:

| <u>Exercise price outstanding</u> | <u>Grant date</u> | <u>Exercise period</u> | <u>Number of options</u> <u>30 Jun 2021</u> | <u>31 Dec 2020</u> |
|---------------------------------------|-------------------|---|--|--------------------|
| \$0.19 | 3 March 2021 | From 3 March 2021 to 1 September to 2023 | <u>6,500,000</u> | <u>—</u> |
| \$0.0149 | 27 May 2021 | From 1 January 2022 to 1 January 2024 | <u>12,650,000</u> | <u>—</u> |

During the reporting period, there were no options exercised in respect of the above grants.

The estimate of the grant date fair value of each option issued is based on the Black-Scholes option pricing model (Level 3). In order to approximate the expectations that would be reflected in a current market or negotiated exchange price for these options, this model takes into account several factors and assumptions.

The following assumptions were used:

| | <u>30 Jun 2021</u> | <u>31 Dec 2020</u> |
|---------------------------------|--------------------|--------------------|
| Range of share price | \$0.17 – \$0.31 | — |
| Range of exercise price | \$0.187 – \$0.015 | — |
| Dividend yield expected | — | — |
| Risk-free annual interest rates | 0.12% to 0.40% | — |
| Volatility expected | 89% - 92% | — |
| Expected option term of years | <u>2.5 – 3.8</u> | <u>—</u> |

Note 12. Other financial liabilities

Other financial liabilities of \$2,680,224 represents a derivative liability carried at fair value through profit and loss (Note 13), that arose on the issuance of the free attaching warrants attached to the shares issued (Note 9).

Note 13. Fair value measurement

Fair value hierarchy

The following tables detail the group's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

| Consolidated - 30 Jun 2021 | Level 1 \$ | Level 2 \$ | Level 3 \$ | Total \$ |
|--|---------------|---------------|---------------|-------------|
| <i>Assets</i> | | | | |
| Ordinary shares at fair value through other comprehensive income (Note 7) #A | - | - | 521,513 | 521,513 |
| Total assets | - | - | 521,513 | 521,513 |
| <i>Liabilities</i> | | | | |
| Derivative liabilities at fair value through profit or loss (Note 12) #B | - | 2,680,224 | - | 2,680,224 |
| Total liabilities | - | 2,680,224 | - | 2,680,224 |

#A. For fair value measurements categorised within Level 3 of the fair value hierarchy, a description of the valuation techniques and the significant other observable inputs used in the fair value measurement are as follows:

Level 3:

Unquoted equity shares through FVTOCI:

E-commerce industry, Malaysia

Fair Value: \$521,513 (2020: \$Nil).

Valuation technique: Market comparable companies.

The carrying amount of the financial asset is assumed to approximate their fair values given the short duration between the date of acquisition and the end of the half year reporting period, as well as there being no significant events occurring between these dates.

#B. For fair value measurements categorised within Level 2 of the fair value hierarchy, a description of the valuation techniques and the significant other observable inputs used in the fair value measurement are as follows:

Level 2:

Derivative liabilities at FVTPL:

Fair Value: \$2,680,224 (2020: \$Nil).

Valuation technique: Black-Scholes option pricing model.

Note 13. Fair value measurement (cont'd)

The following assumptions were used:

| | <u>30 Jun 2021</u> | <u>31 Dec 2020</u> |
|---------------------------------|--------------------|--------------------|
| Range of share price | \$0.17 – \$0.31 | — |
| Range of exercise price | \$0.187 – \$0.015 | — |
| Dividend yield expected | — | — |
| Risk-free annual interest rates | 0.12% to 0.40% | — |
| Volatility expected | 89% - 92% | — |
| Expected option term of years | <u>2.5 – 3.8</u> | <u>—</u> |

There were no transfers between levels during the financial half-year.

Note 14. (Loss)/profit per share

The following table illustrates the numerators and denominators used to calculate basic and diluted (loss)/earnings per share of no par value:

| | <u>30 Jun 2021</u> | <u>Group</u> <u>30 Jun 2020</u> |
|--|--------------------|------------------------------------|
| | \$ | \$ |
| A. Numerator: (loss)/profit attributable to equity: | | |
| Continuing operations: | | |
| Total basic and diluted (loss)/profit attributable to owners of the parent | <u>(1,540,760)</u> | <u>127</u> |
| B. Denominator: weighted average number of equity shares | | |
| Basic and diluted | <u>283,011,666</u> | <u>262,500,000</u> |
| | <u>Cents</u> | <u>Cents</u> |
| Basic and diluted | <u>(0.54)</u> | <u>0.00</u> |

The weighted average number of equity shares refers to shares in circulation during the reporting period.

The basic (loss)/profit per share ratio is based on the weighted average number of ordinary shares outstanding during each reporting year. There is no material difference between the basic and diluted weighted average number of shares.

Netccentric Limited
Directors' declaration
30 June 2021

The Directors declare that:

- (a) in the directors' opinion, the attached consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity, consolidated statement of cash flows, and notes thereto are drawn up so as to give a true and fair view of the state of affairs of the group as at 30 June 2021 and of the results and cash flows of the group and changes in equity of the group for the reporting six-month period then ended; and
- (b) in the directors' opinion, at the date of this statement there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

Signed in accordance with a resolution of Board of Directors.

On behalf of the Board of Directors



Ganesh Kumar Bangah
Director



Joanne Khoo Su Nee
Director

25 August 2021

**Independent Auditor's Report on Review of Interim Financial Information
to the Members of
NETCCENTRIC LIMITED (Registration No: 200612086W)****Introduction**

We have reviewed the accompanying condensed interim consolidated financial information of Netccentric Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the six months period then ended, and a summary of significant accounting policies and other explanatory notes as set out on pages 4 to 13.

Management is responsible for the preparation and fair presentation of this interim financial information in accordance with Singapore Financial Reporting Standard 34 Interim Financial Reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with Singapore Standard on Review Engagements 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial information does not give a true and fair view of the financial position of the entity as at 30 June 2021, and of its financial performance and its cash flows for the six month period then ended in accordance with Singapore Financial Reporting Standard 34 Interim Financial Reporting.



RSM Chio Lim LLP
Public Accountants and
Chartered Accountants
Singapore

25 August 2021

Partner in charge: Naveen Sasidaran