

29 April 2020

Q4/2019 – Quarterly Activity Report

iSentric Limited (ASX:ICU) (iSentric or the Company), has published its Appendix 4C for the three months ended 31 March 2020 (“**3QFY20**”) and provides an overview of its operational highlights.

Commercial Operations

The global economic growth is affected due to the outbreak of COVID-19 and its rapid spread across the globe. Inevitably, social and economic conditions in Malaysia, Indonesia and Myanmar has been impacted by COVID-19, particularly, as Governments have implemented additional orders/policies, which has restricted business activities. The social restrictions have impacted, our Digital Media & Services, Enterprise Mobility and Digital Gaming divisions which have slowed down during this period amidst market uncertainty.

Our Digital Media & Services Division business in Indonesia was impacted by a service platform cancellation by a telecommunications partner XL Axiata. This has reduced the marketing support normally received from XL Axiata and has adversely impacted of our services distributed via XL Axiata in the short term. Management are working with XL Axiata and other telecommunication partners to develop new digital media products which management is targeting for implementation in the next two quarters.

Our Enterprise Mobility Division is dependent on annual support and maintenance from customers and bulk SMS services. Enterprise Mobility works with large financial institutions who have reduced their spending and therefore we did not secure new projects in 3QFY20. Management is actively working to reduce costs whilst the downturn continues to impact the business. .

Our Digital Gaming Division business was impacted by technical issues in our “Shan Koe Mee World” (“SKM:”) game. Our digital gaming team is in the midst of to developing a new back end server to solve these issue. Management are targeting to complete the development of SKM in the 4th quarter of financial year ended 2020. On completion of the development management expect the revenue of this division to recover back to its normal level prior to the technical issue. Gaming users are spending more time on social gaming and management expect that SKM will also benefit as a result to the lockdown imposed by the Burmese Government.

Business Development

Mr. Bai GuoJin joined as a non-executive director to our Board in 3QFY20 to provide expert input to our Enterprise Mobility division on the development of fintech and payment solutions. Enterprise Mobility Division had started to engage with Wise MPay Pte Ltd to explore fintech and payment solutions in relation to enterprise-ready Blockchain-as-a-Service to governments, financial institutions and enterprises. Whilst management are initially focussing on its existing expertise of payment solutions other sectors or verticals are being reviewed as targets to utilise the Blockchain-as-a-service technology which is under development.

Related Party Transactions

Payment to related party as disclosed in the item 6.1 of the Appendix 4C was in relation to revenue sharing for the company's D'Points services in Malaysia. iSentric Sdn Bhd functions as the payment aggregator which receives the payment from telecommunication service providers. Thereafter, we then pay the related party the payment received from telecommunication partners after deducting the aggregator commission. All transactions were made at arm's length.

This Announcement has been authorised by the Board of iSentric Limited.

For further information:

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