

**ASX RELEASE**

24 February 2016

**Results for the Half Year ended 31 December 2015**

iSentric Limited (the Company) is pleased to announce its financial report and accounts for the six months ending 31 December 2015.

Commenting on the result, iSentric Limited CEO Mr Sean Tham said: “Over the first half of the 2016 financial year, we have continued to execute our strategy of growing our high margin Digital Media business and expanding into geographies with attractive growth opportunities. The strong result across all key metrics reflects the underlying performance of our Digital Media Service product offering.”

EBITDA for the group for the 6 months to December were \$1.40M. This result is consistent with management expectations and reflects a trend where core earnings have grown with a significant contribution from Arte Mobile Technology, since its acquisition in February 2015.

Underlying business performance (AUD)	
EBITDA	1,401,821
<b>Underlying earnings</b>	<b>1,401,821</b>
Finance costs	21,604
Depreciation & amortisation	231,733
<b>Underlying earnings before taxation</b>	<b>1,148,484</b>

Key Financial Information (AUD)	December 15	December 14	% Change
<b>Operating Revenue</b>	5,448,234	3,896,839	↑ 40%
<b>– Sales Direct Cost</b>	(2,150,292)	(2,428,879)	↓ 11%
<b>– Operating Expenses</b>	(1,896,121)	(1,193,975)	↑ 59%
<b>= EBITDA before non-recurring items</b>	1,401,821	273,985	↑ 412%
<b>– Non-Recurring items</b>	-	(277,691)	
<b>– Depreciation &amp; Amortisation</b>	(231,733)	(64,497)	↑ 259%
<b>– Finance Costs</b>	(21,604)	(48,085)	↓ 55%
<b>– Income tax gain / (expense)</b>	546,998	(156,645)	
<b>= Net Profit / (Loss) After Tax (reported)</b>	1,695,482	(272,933)	↑ 721%



## Review of Operations

The Digital Media Services division continued to make a significant contribution to the Group driven by strong performance from Indonesia. Despite the impact of the GST in Malaysia, digital payment revenue improved during 1H 2016 primarily due to a direct carrier partnership with a major Malaysian telco targeting the mobile gaming segment. The Enterprise Mobility division slowed during 1H 2016 reflecting the current economic climate in Malaysia. Nonetheless, the Group continues to enhance the mobile financial service platforms of its existing Banking clients having successfully expanded service offerings into Cambodia during 1H 2016.

The Company's high margin Digital Media Services division is the largest contributor to Gross Profit and is the growth driver for the business. Growth in the company's Digital Media Services division reflected strong underlying performance from the division's core products:

1. Arte Mobile continuously develops new digital media services and penetrates the huge Indonesia mobile subscriber base via both exclusive Telco branded services and non-exclusive services across all major Telcos in Indonesia. The vast Digital Media Services provided by Arte Mobile commands a huge demand from Indonesian subscribers, leveraging several top celebrities' digital properties rights. Celebrities featured on the platform include Agnes Monica who has the largest Twitter following in Asia with over 14.9 million followers and Aliando, the current rising star in Indonesia with over 5.8 million Instagram followers, in addition to the Groups other celebrities.
2. HUSH ([www.hush.co.id](http://www.hush.co.id)), a proprietary mobile reality TV subscription channel has continued to grow and contribute to gross profit. A 12-month exclusivity period with XL AXIATA is due to expire shortly and we have been negotiating with other telco operators in order to continue the success of HUSH while expanding the reach of the product to greater numbers of subscribers.

## Financial Review

During the 6 months ended 31 December 2015, iSentric Group posted a 40% increase in revenue, compared to the previous corresponding period, mainly due to the contribution from Arte Mobile. Direct cost of sales decreased by 11% as Indonesian digital content is predominantly owned by the Group. As a result, the Group's Gross Profit margin increased from 37% to 60%.

Operating expenses increased in line with revenue, reflecting the additional expenses incurred in developing content, product development and marketing, while corporate expenses associated with being a listed entity also increased. The increase in operating expenditure was largely due to:

1. Investment in human capital to strengthen and grow our presence in new regional markets;
2. Increased marketing expenditure to promote and build a community presence and our brand name in both Malaysia and Indonesia; and
3. Regional expansion into Thailand and Cambodia.

As a result, the Group posted an EBITDA of \$1.4M, which represents a significant increase from a Loss Before Interest Tax Depreciation and Amortisation of \$3,706 posted in 1H 2015.

## **Summary and Outlook**

Commenting on the outlook, Mr Tham said: "I'm pleased to release our financial result for 1H 2016. During the period, we have continued to grow while ensuring profitability. The current economic climate has not derailed our regional expansion ambition. Having laid the ground work via investments into our platform and content generation capabilities, we remain well positioned for growth over the second half of FY 2016 and beyond."

### **For further information:**

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### **ABOUT ISENTRIC LIMITED (ASX: ICU)**

To learn more about iSentric Limited visit [www.isentric.com](http://www.isentric.com)