

Appendix 4D

Half yearly report

Introduced 30/6/2002.

Name of entity

iSentric Limited

ABN or equivalent company
reference

11 091 192 871

Half yearly
(tick)



Preliminary
final (tick)



Half year/financial year ended ('current period')

31 December 2018

Results for announcement to the market

		Half-year ended 31 Dec 2018 \$	Half-year ended 31 Dec 2017 \$	Change %
1.	Reporting period			
2.1	Revenues from ordinary activities	3,997,267	5,111,503	(21.80%)
2.2	(Loss)/profit after tax from ordinary activities attributable to members	(1,839,293)	434,467	(523.34%)
2.3	Net (loss)/profit attributable to members	(1,839,293)	434,467	(523.34%)
2.4	Dividends paid and proposed	Amount per ordinary share 2018	Amount per ordinary share 2017	
	Interim distribution	-	-	
	Final distribution	-	-	
2.5	Record date for determining entitlement to the final distribution	N/A	N/A	
	Date the final distribution is payable	N/A	N/A	
2.6	Commentary on Results and Explanatory Information. Refer to the Review of Operations in the Directors Report on page 2.			
3.	Net tangible assets per share (cents)	0.83	1.84	
4.	Details of entities over which control has been gained or lost during the period	N/A	N/A	
5.	Details of individual and total dividends or distributions and dividend or distribution payments	N/A	N/A	
6.	Dividend reinvestment plan	N/A	N/A	

+ See chapter 19 for defined terms.

7.	Details of associates and joint venture entities	N/A	N/A
8.	Foreign entities accounting framework	N/A	N/A
9.	Audit dispute or qualification. This report is based on accounts which have been reviewed and the review report is attached to the half year report attached to this Appendix 4D.		

This is a half yearly report, it is to be read in conjunction with the most recent annual financial report.

iSENTRIC LIMITED

ABN 11 091 192 871

AND CONTROLLED ENTITIES

INTERIM REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

iSENTRIC LIMITED
ABN 11 091 192 871
AND CONTROLLED ENTITIES

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iSENTRIC LIMITED
ABN 11 091 192 871
AND CONTROLLED ENTITIES

DIRECTORS' REPORT

Directors

The names of directors who held office during or since the end of the half-year:

Lim Keong Yew	Non Executive Director (Chairman)
Terry Cuthbertson	Non Executive Director
Kwong Yang Chong	Non Executive Director
Raymond Hor	Executive Director
Lee Chin Wee	Executive Director
Tim Monger	Non Executive Director

Review of Operations

The consolidated entity loss for the half year ended 31 December 2018 was \$1,839,293 compared to a profit of \$434,467 for the half year ended 31 December 2017.

The Group experienced a challenging half year ended 31 December 2018, which was impacted by sub-par operating performance and an impairment on goodwill. The current year's result includes:

- (a) Arte Mobile Technology Pte. Ltd. suffered a loss of \$533,695 which was impacted by a withholding tax write off amounting to \$434,043 and revenue dropped due to change of Telco's billing system and promotional method. In addition, PT iSentric Technology also suffered a loss of \$378,169.
- (b) A non-cash impairment charge of \$997,338 on the carrying value of goodwill for My Play Company Limited, but it was compensated by the gain on re-measurement of financial liability, contingent consideration of A\$673,544 and reversal of provision of staff's remuneration of A\$192,345 which is in relation to the My Play acquisition; and
- (c) A loss from our Malaysian operation of \$202,557, which was mainly due to our enterprise mobility business in Malaysia underperforming as majority of our customers reduced their IT expenditures as a result of an economic slowdown.

Significant Changes in the State of Affairs

Other than as disclosed in this report, there were no significant changes in the state of affairs of the consolidated group for the half-year ended 31 December 2018.

Events Subsequent to Reporting Date

There are no other matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

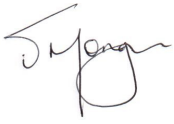
iSENTRIC LIMITED
ABN 11 091 192 871
AND CONTROLLED ENTITIES

DIRECTORS' REPORT

Auditor's Independence Declaration

The lead auditor's independence declaration under s307C of the Corporations Act 2001 in relation to the review of the interim financial report for the half-year ended 31 December 2018 is shown on page 17 and forms part of this report.

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

Director  _____

Dated this 26th day of February 2019

iSENTRIC LIMITED

ABN 11 091 192 871

AND CONTROLLED ENTITIES

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018**

		Consolidated Group	
	Note	31.12.18 \$	31.12.17 \$
Revenue		3,276,660	5,067,237
Other income	2	720,607	44,266
		<hr/>	<hr/>
		3,997,267	5,111,503
Sales direct costs		(2,201,826)	(2,038,829)
Amortisation and depreciation		(516,144)	(398,318)
Compliance and professional fees		(169,968)	(431,480)
Administration expenses		(199,798)	(224,903)
Employee benefits expense		(964,879)	(913,148)
Impairment of goodwill	10	(997,338)	-
Marketing expenses		(41,434)	(56,897)
Travel expenses		(105,020)	(99,060)
Insurance expenses		(10,862)	(10,493)
Other expenses		(238,118)	(140,080)
		<hr/>	<hr/>
(Loss)/profit before income tax		(1,448,120)	798,295
Income tax expense		(391,173)	(363,828)
		<hr/>	<hr/>
Net (loss)/profit for the period		(1,839,293)	434,467
Other comprehensive income			
Items that will be reclassified subsequently to profit or loss when specific conditions are met:			
Exchange differences on translating foreign operations, net of tax		301,020	187,546
		<hr/>	<hr/>
Total comprehensive (loss)/income for the period attributable to members of the parent entity		(1,538,273)	622,013
		<hr/>	<hr/>
Earnings per share:			
Basic (cents per share)	4	(1.00)	0.25
Diluted (cents per share)	4	(1.00)	0.21

The financial statements should be read in conjunction with the accompanying notes.

iSENTRIC LIMITED
ABN 11 091 192 871
AND CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

		Consolidated Group	
	Note	31.12.18	30.06.18
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		565,830	1,144,340
Trade and other receivables		1,949,235	2,690,576
TOTAL CURRENT ASSETS		2,515,065	3,834,916
NON-CURRENT ASSETS			
Property and equipment		805,359	789,648
Intangible assets		6,121,366	7,342,337
Deferred tax asset		74,722	71,446
TOTAL NON-CURRENT ASSETS		7,001,447	8,203,431
TOTAL ASSETS		9,516,512	12,038,347
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		1,472,700	2,402,462
TOTAL CURRENT LIABILITIES		1,472,700	2,402,462
NON-CURRENT LIABILITIES			
Deferred tax liability		403,500	457,300
TOTAL NON-CURRENT LIABILITIES		403,500	457,300
TOTAL LIABILITIES		1,876,200	2,859,762
NET ASSETS		7,640,312	9,178,585
EQUITY			
Issued capital	3	20,966,750	20,966,750
Foreign currency translation reserve		425,471	124,451
Accumulated losses		(13,751,909)	(11,912,616)
TOTAL EQUITY		7,640,312	9,178,585

The financial statements should be read in conjunction with the accompanying notes.

iSENTRIC LIMITED
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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

	Issued Capital	Foreign Currency Translation Reserve/(Losses)	Accumulated Losses	Total
	\$	\$	\$	\$
Balance at 1 July 2017	19,972,742	(395,299)	(11,254,148)	8,323,295
Shares issued	1,000,000	-		1,000,000
Cost related to shares issued	(5,992)	-		(5,992)
Foreign currency translation	-	187,546	-	187,546
Profit for the period	-	-	434,467	434,467
Balance at 31 December 2017	20,966,750	(207,753)	(10,819,681)	9,939,316
Balance at 1 July 2018	20,966,750	124,451	(11,912,616)	9,178,585
Foreign currency translation	-	301,020	-	301,020
Loss for the period	-	-	(1,839,293)	(1,839,293)
Balance at 31 December 2018	20,966,750	425,471	(13,751,909)	7,640,312

The financial statements should be read in conjunction with the accompanying notes.

iSENTRIC LIMITED
ABN 11 091 192 871
AND CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

	Consolidated Group	
	31.12.18	31.12.17
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	3,619,670	4,202,061
Payments to suppliers and employees	(4,090,385)	(3,539,467)
Interest received	622	13,408
Finance costs paid	-	(18,173)
Income tax (paid)/refund	(282)	73,404
	<hr/>	<hr/>
Net cash (used in)/provided by operating activities	(470,375)	731,233
	<hr/>	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(30,298)	(45,581)
Purchases of intangible assets	(103,873)	(119,481)
Payment for subsidiary, net of cash acquired	-	(939,835)
	<hr/>	<hr/>
Net cash used in investing activities	(134,171)	(1,104,897)
	<hr/>	<hr/>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowing	-	-
Repayment of borrowings	-	-
Capital raising costs	-	(816)
	<hr/>	<hr/>
Net cash used in financing activities	-	(816)
	<hr/>	<hr/>
Net decrease in cash held	(604,546)	(374,480)
Cash at start of period	1,144,340	1,726,678
Effect of exchange rate changes	26,036	58,975
	<hr/>	<hr/>
Cash at end of period	565,830	1,411,173
	<hr/>	<hr/>

The financial statements should be read in conjunction with the accompanying notes.

iSENTRIC LIMITED
ABN 11 091 192 871
AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

These general purpose interim financial statements for half-year reporting period ended 31 December 2018 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: Interim Financial Reporting. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

iSentric Limited is the legal parent of iSentric Sdn. Bhd. The consolidated financial statements are issued under the name of iSentric Limited but are deemed to be a continuation of the legal subsidiary iSentric Sdn. Bhd.

This interim financial report is intended to provide users with an update on the latest annual financial statements of iSentric Limited and its controlled entities (referred to as the "consolidated group" or the "Group"). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2018, together with any public announcements made during the following half-year.

(b) Accounting Policies

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements. Except in relation to the matters discussed below.

(c) Critical Accounting Estimates and Judgments

The critical estimates and judgments are consistent with those applied and disclosed in the June 2018 annual report.

(d) New and Revised Accounting Requirements Applicable to the Current Half-year Reporting Period

The Company has adopted all the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current reporting period.

The Group has adopted AASB15 from 1 July 2018. The Standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Standard introduced a new contract based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. Credit risk is presented separately as an expense rather than adjusted to revenue.

The adoption of all the new and revised Standards and Interpretations has not resulted in any changes to the Company's accounting policies and has no effect on the amounts reported for the current or prior periods. The new and revised Standards and Interpretations has not had a material impact and not resulted in changes to the Company's presentation of, or disclosure in, its interim financial statements.

iSENTRIC LIMITED
ABN 11 091 192 871
AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) New and Revised Accounting Requirements Applicable to the Current Half-year Reporting Period (Continued)

New Accounting Standards and Interpretations issued but not yet applied by the Group

There are no other Standards that are not yet effective and that are expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

(e) Investments

Investments are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at cost.

Investments are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period.

(f) Going Concern

The financial report has been prepared on a going concern basis. This presumes that funds will be available to finance future operations and the realisation of assets and settlement of liabilities will occur in the normal course of business.

For the half year ended 31 December 2018 the Group generated loss after tax of \$1,839,293 (31 December 2017: profit \$434,467), as at the balance date the Group's total assets exceeded total liabilities by \$7,640,312 (30 Jun 2018: net assets \$9,178,585).

The Directors believe that the Group will be able to continue as a going concern and, as a consequence, the financial report has been prepared on a going concern basis. This basis presumes that funds will be available to finance future operations and the realisation of assets and settlement of liabilities will occur in the normal course of business.

The Directors believe that the going concern basis of accounting is appropriate due to the expected cash flows to be generated by the Group over the next twelve months and that the company will be able to pay its debts as and when they fall due.

(g) General information and basis for preparation

The condensed interim consolidated financial statements (the interim financial statements) of the Group are for the half year ended 31 December 2018 and are presented in Australian Dollars (\$), which is the functional currency of the parent entity.

Statement of Financial Position

- The 30 June 2018 Statement of Financial Position represents iSentric Limited and its controlled entities as at 30 June 2018.
- The 31 December 2018 Statement of Financial Position represents iSentric Limited and its controlled entities as at 31 December 2018.

iSENTRIC LIMITED

ABN 11 091 192 871

AND CONTROLLED ENTITIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018 (CONTINUED)**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) General information and basis for preparation (Continued)

Statement of Profit or Loss and Other Comprehensive Income

- The 31 December 2018 Statement of Profit or Loss and Other Comprehensive Income comprises six months of iSentric Limited and its controlled entities for the period from 1 July 2018 to 31 December 2018.
- The 31 December 2017 Statement of Profit or Loss and Other Comprehensive Income comprises six months of iSentric Limited and its controlled entities for the period from 1 July 2017 to 31 December 2017.

Statement of Changes in Equity

- The 31 December 2018 Statement of Changes in Equity comprises iSentric Limited and its controlled entities changes in equity for the six months period from 1 July 2018 to 31 December 2018.
- The 31 December 2017 Statement of Changes in Equity comprises iSentric Limited and its controlled entities changes in equity for the six months period from 1 July 2017 to 31 December 2017.

Statement of Cash Flows

- The 31 December 2018 Statement of Cash Flows comprises six months of iSentric Limited and its controlled entities cash transactions for the period from 1 July 2018 to 31 December 2018.
- The 31 December 2017 Statement of Cash Flows comprises six months of iSentric Limited and its controlled entities cash transactions for the period from 1 July 2017 to 31 December 2017.

The interim financial statements have been approved and authorised for issue by the Board of Directors on the 26th of February 2018.

(h) Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market's participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;

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

Level 3: Inputs are unobservable inputs for the asset or liability.

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

iSENTRIC LIMITED
ABN 11 091 192 871
AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

	Consolidated Group	
	31.12.2018	31.12.2017
	\$	\$
NOTE 2: OTHER INCOME		
Bank interest	725	13,188
Gain on foreign exchange translation	25,897	12,640
Gain on re-measurement of financial liability, contingent consideration	673,544	-
Other miscellaneous income	20,441	18,438
	<u>720,607</u>	<u>44,266</u>

	Consolidated Group	
	31.12.2018	30.06.2018
	\$	\$
NOTE 3: SHARE CAPITAL		
Issued shares:		
183,655,041 (30.06.2018: 183,655,041) ordinary shares	<u>20,966,750</u>	<u>20,966,750</u>
Shares issued during the period:		
Opening balance	20,966,750	19,972,742
Add: Shares issued	-	1,000,000
Costs related to shares issued	-	(5,992)
	<u>20,966,750</u>	<u>20,966,750</u>

Options

No options were issued during the period. The balance of options at 31 December 2018 is nil (2017: 33,926,092).

	Half-year ended	
	31.12.2018	31.12.2017
NOTE 4: EARNINGS PER SHARE		
Basic (cents per share)	(1.00)	0.25
Diluted (cents per share)	(1.00)	0.21
Weighted average number of shares used in the calculation of basic earnings per share	183,655,041	172,068,968
Weighted average number of shares used in the calculation of diluted earnings per share	183,655,041	207,364,625

iSENTRIC LIMITED

ABN 11 091 192 871

AND CONTROLLED ENTITIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018 (CONTINUED)**

NOTE 5: DIVIDENDS

No dividends were declared or paid in the period

NOTE 6: CONTINGENT LIABILITIES

There are no contingent liabilities as at 31 December 2018.

NOTE 7: EVENTS SUBSEQUENT TO REPORTING DATE

There are no other matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

NOTE 8: FAIR VALUE MEASUREMENT

The Group has a number of financial instruments which are measured at fair value in the balance sheet. These had the following fair values as at 31 December 2018.

	Carrying Amount	Fair Value
	\$	\$
Current receivables		
Trade and other receivables	1,949,235	1,949,235
	<hr/>	<hr/>
	1,949,235	1,949,235
	<hr/>	<hr/>
Current liabilities		
Trade and other payables	1,472,700	1,472,700
	<hr/>	<hr/>
	1,472,700	1,472,700
	<hr/>	<hr/>

Due to their short-term nature, the carrying amounts of current receivables, current payables and financial liabilities are assumed to approximate their fair value.

iSENTRIC LIMITED**ABN 11 091 192 871****AND CONTROLLED ENTITIES****NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018 (CONTINUED)****NOTE 9: SEGMENT REPORTING**

The Group identified its operating segments based on internal reports that were reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining allocation of resources.

	Malaysia \$	Singapore \$	Australia \$	Indonesia \$	Myanmar \$	Consolidation Adjustment \$	Consolidated Group \$
31.12.18							
REVENUE							
External sales	2,527,911	498,148	-	148,065	174,195	(71,659)	3,276,660
Interest revenue	304	52	-	103	266	-	725
Other income	21,096	22,764	673,544	1,980	-	498	719,882
Total revenue	2,549,311	520,964	673,544	150,148	174,461	(71,161)	3,997,267
Expenses	(2,784,035)	(613,951)	(1,061,975)	(528,290)	(308,724)	(148,412)	(5,445,387)
Loss before income tax expense	(234,724)	(92,987)	(388,431)	(378,142)	(134,263)	(219,573)	(1,448,120)
Income tax expense							(391,173)
Loss after income tax expense							(1,839,293)
31.12.18							
ASSETS							
Total assets	2,994,547	6,917,965	17,775,013	841,955	193,024	(19,205,992)	9,516,512
LIABILITIES							
Total liabilities	1,369,984	165,161	3,660,104	1,531,042	170,905	(5,020,996)	1,876,200

iSENTRIC LIMITED

ABN 11 091 192 871

AND CONTROLLED ENTITIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018 (CONTINUED)**

NOTE 9: SEGMENT REPORTING (CONTINUED)

	Malaysia \$	Singapore \$	Australia \$	Indonesia \$	Myanmar \$	Consolidation Adjustment \$	Consolidated Group \$
31.12.17							
REVENUE							
External sales	2,496,116	1,901,640	-	633,517	113,539	(77,575)	5,067,237
Interest revenue	11,411	50	1,205	92	430	-	13,188
Other income	10,853	154	-	18,284	-	1,787	31,078
Total revenue	2,518,380	1,901,844	1,205	651,893	113,969	(75,788)	5,111,503
 Expenses	 (2,736,936)	 (575,387)	 (398,046)	 (483,816)	 (97,848)	 (21,175)	 (4,313,208)
Profit before income tax expense	(218,556)	1,326,457	(396,841)	168,077	16,121	(96,963)	798,295
Income tax expense							(363,828)
Profit after income tax expense							434,467
 31.12.17							
ASSETS							
Total assets	3,943,425	6,662,211	18,065,298	1,106,347	173,174	(17,537,002)	12,413,453
 LIABILITIES							
Total liabilities	1,700,682	301,479	2,833,075	1,255,010	63,075	(3,679,184)	2,474,137

iSENTRIC LIMITED

ABN 11 091 192 871

AND CONTROLLED ENTITIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018 (CONTINUED)**

NOTE 10: GOODWILL IMPAIRMENT

Description of the cash generating units and other information

Goodwill acquired through business combinations has been allocated to three cash generating units (CGUs) for impairment testing.

The aggregate carrying amounts of goodwill allocated to CGUs are as follows:

	Consolidated Group	
	31.12.18	30.06.18
	\$	\$
Arte Mobile Technology	2,418,789	2,418,789
Datamorph	63,312	61,999
My Play	-	997,338
	<u>2,482,101</u>	<u>3,478,126</u>

An impairment test was undertaken at 31 December 2018 involved determining the recoverable amount of each CGU based on their fair value less cost to sell and comparing it to the CGU's carrying amount. Fair value reflects the best estimate of the amount that an independent third party would pay to purchase the CGUs, less related selling costs. Carrying value reflects goodwill and the other identifiable assets and liabilities that can be allocated to each CGU and that generate the CGU's cash flows.

Based on the results of the tests undertaken, the impairment loss of A\$997,338 (30.06.18: nil) has been recognised in relation to goodwill of My Play in the 2019 financial year.

iSENTRIC LIMITED
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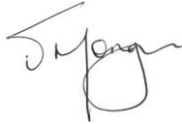
DIRECTORS' DECLARATION

In accordance with a resolution of the directors of iSentric Limited, the directors of the company declare that:

1. The financial statements and notes, as set out on pages 4 to 15 are in accordance with the Corporations Act 2001, including:
 - a. complying with Accounting Standard AASB 134: Interim Financial Reporting; and
 - b. giving a true and fair view of the consolidated entity's financial position as at 31 December 2018 and of its performance for the half-year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

Director



Dated this 26th day of February 2019



**ISENTRIC LIMITED AND CONTROLLED ENTITIES
ABN 11 091 192 871**

**AUDITOR'S INDEPENDENCE DECLARATION UNDER S 307C OF THE
CORPORATIONS ACT 2001
TO THE DIRECTORS OF ISENTRIC LIMITED AND CONTROLLED ENTITIES**

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2018 there have been no contraventions of:

- i. the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. any applicable code of professional conduct in relation to the review.

MNSA Pty Ltd

MNSA Pty Ltd

Mark Schiliro
Director

Sydney
Dated this 26th day of February 2019



ISENTRIC LIMITED AND CONTROLLED ENTITIES
ABN 11 091 192 871

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF
ISENTRIC LIMITED AND CONTROLLED ENTITIES
ABN 11 091 192 871

Report on the Half-year Financial Report

We have reviewed the accompanying half-year financial report of iSentric Limited, which comprises the consolidated statement of financial position as at 31 December 2018, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' Responsibility for the Half-year Financial Report

The directors of iSentric Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the iSentric Limited's financial position as at 31 December 2018 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of iSentric Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards 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.

While we consider the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.



Matters Relating to Electronic Publication of the Audited Financial Report

This review report relates to the financial report of iSentric Limited for the half-year ended 31 December 2018 included on the website of iSentric Limited. The directors of the company are responsible for the integrity of the website and we have not been engaged to report on its integrity. This review report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to or from the financial report. If users of the financial report are concerned with the inherent risk arising from publication on a website, they are advised to refer to the hard copy of the reviewed financial report to confirm the information contained in this website version of the financial report.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of iSentric Limited is not in accordance with the *Corporations Act 2001* including:

- (i) giving a true and fair view of iSentric Limited's financial position as at 31 December 2018 and of its performance for the half-year ended on that date; and
- (ii) complying with AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Material Uncertainty Regarding Continuation as a Going Concern

Without qualifying our conclusion, we draw your attention to Note 1 in the financial report which indicates that the consolidated entity has experienced operating losses and negative operating cash flows during the period ended 31 December 2018, and as of that date, the continuing viability of the consolidated entity and its ability to continue as a going concern and meet its debts and commitments as and when they fall due are dependent upon the consolidated entity's ability to successfully achieve positive cash flows from the groups business units and the raising of additional funds or through sale by corporate transaction. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast doubt about the consolidated entity's ability to continue as a going concern and, therefore, the consolidated entity may be unable to realise assets and settle its liabilities in the normal course of business and at the amounts stated in the financial report.

MNSA Pty Ltd

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Mark Schiliro
Director

Sydney
Dated this 26th day of February 2019