

22 December 2016

**Non-Renounceable Rights Issue – Letter to Optionholders**

Dear Optionholder

**Pro rata, Non-renounceable Rights Issue**

On 22 December 2016, iSentric Limited (ASX:ICU) (“**the Company**”) announced to ASX that it intended to undertake a pro rata, non-renounceable rights issue of one (1) New Share at an issue price of 6 cents (\$0.06) for every four (4) Shares held at the Record Date and subscribed for and one (1) free attaching option having an exercise price of 9 cents (\$0.09) and expiry date of 31 January 2018 (“New Option”) for every one (1) New Share purchased (“the Offer” or “the Rights Issue”) (“**the Offer**” or “**Rights Issue**”).

The Rights Issue also incorporates a Shortfall Facility under which Eligible Shareholders can apply for New Shares in excess of their pro-rata entitlement. The issue of the New Shares under the Shortfall Facility will be dependent on there being a shortfall in the take up of the pro-rata entitlements under the Offer and subject to discretion of the Board. Eligible Shareholders who wish to apply for New Shares under the Shortfall Facility can do so by specifying the number of additional New Shares they wish to apply for in the space provided on their Entitlement and Acceptance Form.

The Company intends to raise up to approximately \$2,035,556 before costs, through the issue of up to 33,925,926 New Shares at an issue price of 6 cents (\$0.06) per New Share. The main purpose of the Rights Issue is to provide funds to:

- (a) fund the work that the Company is undertaking with Touch ‘n Go Malaysia, in developing a mobile payments platform.
- (b) fund the development of the Company’s mobile payment technology in conjunction with its financial and telecommunications partners; and
- (c) provide working capital to the Company.

The Offer is not underwritten. As the Offer is non-renounceable, entitlements under the Offer cannot be sold, traded on the ASX or on any other exchange, nor can they be privately transferred.

The Offer is made to Eligible Shareholders being shareholders of the Company registered on the Company's share register as at 5.00pm AEDT the Record Date (29 December 2016) and residing in Australia and New Zealand. Please note that the Company's shares will be traded on an "ex" entitlement basis from 28 December 2016, and therefore any of the Company's shares acquired on market on and after this date will not be entitled to participate in the Rights Issue.

### **Purpose of this Letter**

The purpose of this letter is to notify you of the Company's intention to undertake the Right Issue, so that you have adequate opportunity to exercise some, or all, of your options in the Company prior to the Record Date if you wish to be eligible to participate in the Offer.

If you wish to participate in the Offer, your options must be currently exercisable and you will need to exercise those options, and pay the exercise price (if applicable) in accordance with the terms of any option agreement so that you are issued shares in the Company in respect of those options and are registered as a shareholder in respect of such shares prior to the Record Date.

We note that if, in addition to your options in the Company, you currently also hold shares in the Company, you will be able to participate in the Offer, but only in respect of the shares in the Company that you currently hold. Please refer to our Letter to Shareholder sent to you on the same date of this Letter for further information.

If you do not wish to participate in the Offer in respect of your options, you do not need to take any action.

### **Further details of the Offer**

The Offer is made pursuant to a prospectus issued in accordance with section 713 of the Corporations Act ("the Prospectus") available at [www.asx.com.au](http://www.asx.com.au) and [www.isentric.com](http://www.isentric.com). The Prospectus contains further details of the Offer and should be read in its entirety. Documents relating to the Offer were lodged with ASX and ASIC on 22 December 2016.

A copy of the Prospectus and personalised Entitlement and Acceptance Form will be despatched to Eligible Shareholders in accordance with the timetable below:

<b>EVENT</b>	<b>DATE</b>
<b>Offer announced and Appendix 3B lodged with ASX and Prospectus lodged with ASIC. Notice of Offer sent to Optionholders.</b>	22 December 2016
<b>Notice of Offer sent to Eligible and Ineligible Shareholders</b>	23 December 2016

<b>Shares quoted ex Rights</b>	28 December 2016
<b>Record Date (5.00pm AEDT)</b>	29 December 2016
<b>Prospectus and Entitlement and Acceptance Form dispatched to Shareholders</b>	4 January 2017
<b>Closing Date</b>	25 January 2017
<b>New Shares quoted on a deferred settlement basis.</b>	27 January 2017
<b>Notification to ASX of Shortfall Offer</b>	31 January
<b>Issue date for New Shares and New Options (including Shortfall Offer). Deferred settlement trading ends</b>	2 February 2017
<b>Commencement of trading of New Shares (Normal trading of Shares resumes)*</b>	3 February 2017

*\*Trading of New Options is subject to them being granted official quotation.*

Dates and times in this announcement are indicative only and subject to change. All dates and times are references to Australian Eastern Daylight Time. The Company reserves the right to amend any or all of these dates and times, subject to the Corporations Act, the ASX Listing Rules and other applicable laws and regulations.

### **Enquiries**

If you have any questions regarding this Offer, please telephone the iSentric Shareholder Enquiry's Line on 1300 420 545 between 9:00am and 5:00pm (AEDT) on business days during the offer period for the Offer.

Thank you for your ongoing support of the Company.

Yours sincerely



**Lim Keong Yew**

Chairman