

**4 May 2020**

### **3QFY2020 – Supplementary Quarterly Activity Report**

iSentric Limited (ASX:ICU) (iSentric or the Company) refers to its quarterly activity report for the quarter ended 31 March 2020 (3QFY2020) released on 29 April 2020 and now provides an overview of its operational highlights.

#### **Commercial Operations**

The global economic growth has been 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 have been impacted by COVID-19, particularly, as Governments have implemented additional orders/policies, which have restricted business activities. The social restrictions have impacted, our Digital Media & Services, Enterprise Mobility and Digital Gaming divisions which have slowed down during this quarter amidst the market uncertainty.

The net operating cashflow per division for the March 2020 quarter (“3QFY20”) is outlined below in accordance with Listing Rule 4.7C.1:

	<b>Enterprise Mobility</b>	<b>Digital Media</b>	<b>Digital Gaming</b>	<b>Group Corporate Expenses</b>	<b>Total</b>
	<b>A\$'000</b>	<b>A\$'000</b>	<b>A\$'000</b>	<b>A\$'000</b>	<b>A\$'000</b>
Receipts from customers	1,682	274	95	-	2,051
Payments for:					
(i) Product costs	(1,165)	41	(22)	-	(1,146)
(ii) Advertising and marketing	(5)	(20)	(41)	-	(66)
(iii) Leased assets	(8)	(2)	-	-	(10)
(iv) Staff costs	(106)	(175)	(112)	(27)	(420)
(v) Administration costs	(43)	(76)	(11)	(75)	(205)
Interest / Finance costs	-	-	(1)	-	(1)
Income tax paid	-	(15)	-	-	(15)
<b>Total Net Operating Cash Flow</b>	<b>355</b>	<b>27</b>	<b>(92)</b>	<b>(102)</b>	<b>188</b>

The Enterprise Mobility Division operates bulk SMS services and annual support and maintenance for customers. This division managed a strong net operating cash inflow due to bulk SMS services performing above expectation during this quarter as the Company's banking clients have been using this service to disseminate information to their customers. In addition, payment to suppliers were also delayed to April due to lock down imposed by the Malaysian Government in the middle of March.

Our Digital Media & Services Division business in Indonesia was impacted by a service platform cancellation by a telecommunications partner XL Axiata. Revenue for the quarter, was impacted through the issuance of credit notes amounting to approximately A\$300,000 related to this services platform. 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 Digital Gaming Division business was impacted by technical issues in our “Shan Koe Mee World” (“SKM:”) game. Our digital gaming team is developing a new back end server to solve these issues. Management are targeting to complete the development of SKM in the 4<sup>th</sup> quarter of financial year ended 2020. On completion of the development management expect the revenue for 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.

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

**For further information:**

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