

23 December 2016

**Non-renounceable Rights Issue Pro Rata Entitlement Offer  
Ineligible Shareholder Letter**

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 made pursuant to a prospectus issued in accordance with section 713 of the Corporations Act. The Offer is not underwritten.

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.

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.

Documents relating to the Offer were lodged with ASX on 22 December 2016<sup>2016</sup> and will be despatched to Eligible Shareholders on 4 January 2017.

### **Ineligible shareholders**

The Company is of the view that it is unreasonable to extend the Offer to Shareholders with registered addresses outside Australia or New Zealand, having regard to:

- (a) the small number of Shareholders with registered addresses outside Australia and New Zealand;
- (b) the number and value of the New Shares which would be offered to ineligible Shareholders; and
- (c) the cost of complying with the legal requirements and requirements of the regulatory authorities, in the respective overseas jurisdictions.

Accordingly, shareholders who do not have a registered address in Australia or New Zealand are not eligible to participate in the Offer.

Unfortunately, according to our records, you do not satisfy the eligibility criteria for an Eligible Shareholder. Accordingly, the Company wishes to advise you that it will not be extending the Offer to you and you will not be able to subscribe for New Shares and New Options under the Offer. If you believe you are eligible under all applicable securities laws to receive an offer under the Entitlement Offer and wish to participate please contact us as set out below.

You are not required to do anything in response to this letter.

**Enquiries**

If you have any questions regarding this non-renounceable pro rata Rights Issue, please telephone the iSentric Shareholder Enquiry's Line on +61 1300 420 545.

Thank you for your ongoing support of the Company.

Yours sincerely

A handwritten signature in black ink, consisting of a large, stylized 'L' followed by a series of loops and a long horizontal stroke extending to the right.

**Lim Keong Yew**

Non-executive Chairman