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I SYNERGY GROUP LIMITED

FINANCIAL PERIOD ENDED 30 JUNE 2018 (H1 2018) OPERATIONAL UPDATE

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BUSINESS PERFOMANCE

OPERATIONAL UPDATE

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TRANSACTIONS

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128% increase in the total transaction amount generated via our affiliate programs

H1 2017	
TRANSACTION AMOUNT	AUD 3.2 million
TRANSACTION COUNT	142,000

H1 2018	
TRANSACTION AMOUNT	AUD 7.3 million
TRANSACTION COUNT	220,000

Reasons for Increase :

- Participation of big brand advertisers
- The performance of our Indonesian anchor affiliate program, Smart$aver.id, is gaining momentum
- Advertising initiatives

STAKEHOLDERS

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Growth of affiliate and advertiser base :

H1 2017	
AFFILIATE BASE	25,333
ADVERTISER BASE	1,400

H1 2018	
AFFILIATE BASE	28,584
ADVERTISER BASE	1,682

% Increase : **13%**

% Increase : **20%**

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OPERATIONAL HIGHLIGHTS

MOBILE-OPTIMISED & RETAIL FOCUS

MOBILE-OPTIMISED

Launched a new mobile solution for our retail loyalty affiliate program, **MyKad Smart Shopper ("MSS")**

- Available for both Apple IOS and Android devices
- Provides detailed and timely reports, including rewards and program transaction records
- Ease of adoption for merchants with the availability of the MSS merchant mobile application and QR code system to process transactions without the need for costly terminals

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RETAIL FOCUS

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HARBOUR MALL SANDAKAN
PULSE OF THE CITY

Harbour Mall Sandakan, a major Malaysian retail outlet, has signed on to MSS as a “flagship mall” client. Tenants of the mall include global brands such as Samsung, McDonald’s, The Body Shop and Levi’s.

Some of our new advertisers inlcude :

malaysia airlines

digi

Garuda Indonesia
The Airline of Indonesia

KFC

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INDUSTRY OUTLOOK

INTERNET ECONOMY & REGIONAL OPPORTUNITY

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SOUTHEAST ASIA INTERNET ECONOMY

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Expected to hit
$88B
in 2025 [1]

90% of advertisers said that affiliate programs are important to their overall marketing strategy

In The **US**

affiliate marketing spend will increase by a CAGR of 10.1 per cent between 2015 and 2020, to an estimated **$6.8 billion** industry [2]

[1] Anandan, R. & Sipahimalani, R. 330 million internet users accelerating the growth of Southeast Asia's internet economy. (2017, Dec 12) Retrieved from https://www.blog.google/around-the-globe/google-asia/sea-internet-economy/

[2] Affiliate Marketing Industry to Grow to $6.8 Billion Over Next Five Years. (2016, February 4). Retrieved from https://mthink.com/affiliate-marketing-industry-grow-6-8-billion-next-five-years/

REGIONAL OPPORTUNITY

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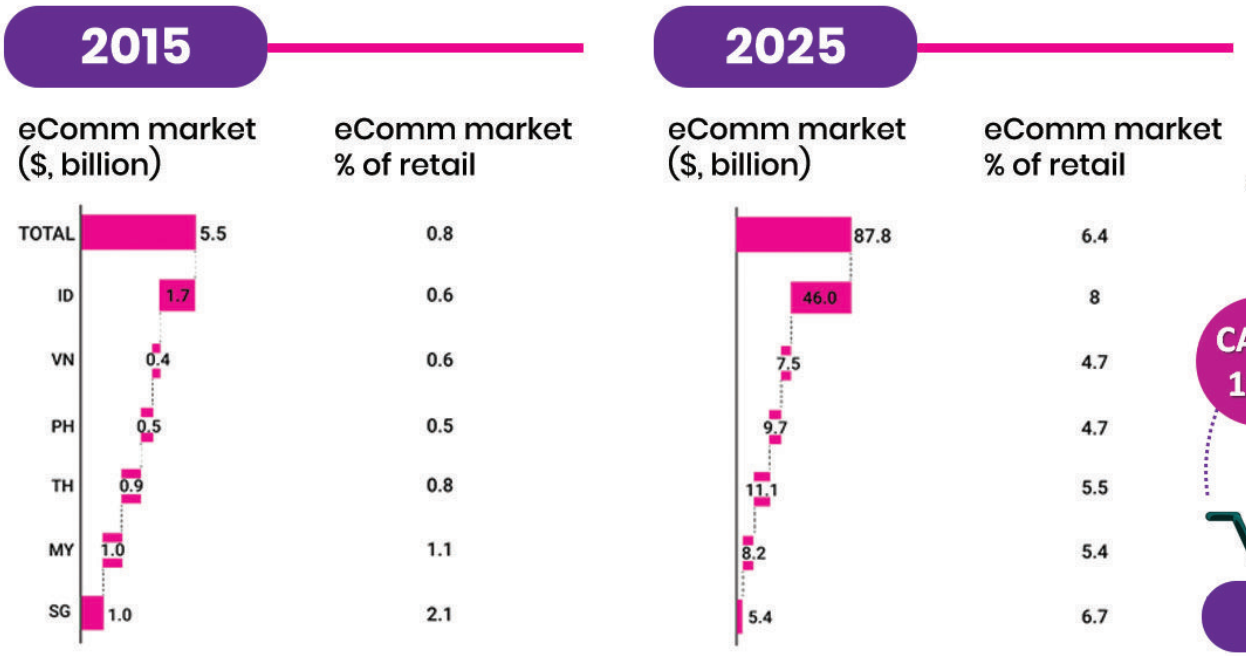
Population Size

By **2025** each SEA country will have an eCommerce market >$5 billion; Indonesia expected to reach $46 billion [1]

- INDONESIA : **261M**
- VIETNAM : **92M**
- PHILIPPINES : **103M**
- THAILAND : **69M**
- MALAYSIA : **31M**
- SINGAPORE : **5M**



[1] Anandan, R. & Sipahimalani, R. 330 million internet users accelerating the growth of Southeast Asia's internet economy. (2017, Dec 12) Retrieved from https://www.blog.google/around-the-globe/google-asia/sea-internet-economy/

[2] ASEAN RETAIL: Overview, Trends, and Outlook, with a focus on SGX-listed Companies. (2016, June). Retrieved from www.sgx.com/retailcluster

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GROWTH STRATEGY

GEOGRAPHICAL EXPANSION & ECOSYSTEM DEVELOPMENT

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GEOGRAPHICAL EXPANSION

Progress update on our business expansion initiatives:

AUSTRALIA - exploration of mergers and acquisitions as a stepping stone to tap into the Australian market.

THAILAND and THE PHILIPPINES - groundwork is being initiated with preliminary market research to identify opportunities.

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ECOSYSTEM DEVELOPMENT

Exploration of new tech features to provide superior platform offerings:

- E-Wallet/Mobile Payment Solution - a solution that facilitates transactions and payments–providing convenience for merchants and consumers
- E-Mall - an e-commerce marketplace that is designed to provide a venue for our offline merchants to participate in the online commerce landscape

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