

Baltic Banking Service 100% acquired by iSignthis

Highlights

- **BBS expected to contribute positively to 2019 EBIT**
- **Acquires SEPA CORE and INSTANT network capabilities**
- **Lithuanian based core banking and central bank connectivity provider**
- **BBS develops document management system with electronic signature capabilities**

Vilnius, 15th February 2019: iSignthis Ltd (ASX: ISX | FRA: TA8) ("The Company") is pleased to announce that it has acquired 100% of the share capital of UAB Baltic Banking Services ("BBS"), <https://www.bbservice.lt/en/>

BBS is located in Lithuania, and has developed specialised banking software that allows rapid connectivity to the SEPA Core and SEPA Instant networks, together with the development of specialised core banking modules on a basis of document driven solution including client onboarding (KYC, AML), transaction core, product configuration, electronic document management (automated document relations and storage), reporting, etc, which will integrate with Paydentity™ and incorporate components of iSignthis' patented intellectual property.

With Lithuania becoming a jurisdiction of choice for banking, payments and emoney operators¹, the Company sees advantages in BBS' integration with the Central Bank of Lithuania's ("CBL") CENTROLINK service².

The CBL provides technical access for any EU authorised bank, emoney institution and payment service provide ("PSPs"), enabling the PSPs to send and receive SEPA payments. CENTROLINK is a payment system operated by the Bank of Lithuania, providing a key gateway, clearing, and settlement mechanism ("CSM") to the Single Euro Payments Area (SEPA). The CBL is unique amongst Eurosystem central banks in accepting PSP's licensed in other jurisdictions to gain access to its CENTROLINK CSM.

About 100 financial companies and start-ups from Britain and elsewhere are applying for a licence in burgeoning fintech hub Lithuania to ensure they have access to the European Union after Brexit, the CBL told Reuters³.

BBS is a registered testing partner with the CBL, and already provides services to more than 16 CBL licensed financial institutions, including 8 banks/credit unions, and 8 payment service providers, making it the leading integration provider for gateway services into the CBL.

Strategy

Synergy of BBS technology including SEPA GATEWAY and the Probanx® CorePlus banking platform, and together with ISXPay® and Paydentity™, will create a fully integrated solution for banks, emoney institutions, and wallet operators.

BBS will extend their network engineering experience as well as core banking "know-how" into other jurisdictions, including Australia's New Payments Platform, leveraging their network engineering skills.

Deal Terms

The Company will issue on 28th February 2019 converted to AUD\$ at the RBA spot of €75k in ordinary shares at the entire February monthly VWAP, plus a €75k payment ("Initial Payment")

An earn out applies, based upon multiplier of EBIT at 31st December 2019 minus the Initial Payment, capped at €1.5m, with consideration payable as 85% ordinary shares with a majority escrow provision, and 15% cash component. EBIT estimate will be provided to market post mid year audit, or as major contracts develop.

John Karantzis, CEO of iSignthis said, "BBS is a high calibre, specialised provider of network and core banking services, that compliments our Probanx® CORE Banking, ISXPay® transaction banking and Paydentity™ identity verification platforms. I welcome the BBS team, led by Raimundas Maciulevicius, into the iSignthis Group, and look forward to working closely with them to take advantage of the opportunities in Lithuania and beyond"



¹ <https://investlithuania.com/news/google-receives-electronic-money-institution-license-from-bank-of-lithuania/>

² <https://www.lb.lt/en/centrolink>

³ <https://mobile.reuters.com/article/amp/idUSKCN1PX15X>

About iSignthis Ltd (ASX: ISX | DE_FRA: TA8)

Australian Securities and Frankfurt Stock Exchange listed iSignthis Ltd (ASX: ISX | FRA: TA8) is the global RegTech leader in remote identity verification, payment authentication with deposit taking, transactional banking and payment processing capability. iSignthis provides an end-to-end on-boarding service for merchants, with a unified payment and identity service via our Payidentity™ and ISXPAY® solutions.

By converging payments and identity, iSignthis delivers regulatory compliance to an enhanced customer due diligence standard, offering global reach to any of the world's 4.2Bn 'bank verified' card or account holders, that can be remotely on-boarded to meet the Customer Due Diligence requirements of AML regulated merchants in as little as 3 to 5 minutes. Payidentity™ has now onboarded and verified more than 1.5m persons to an AML KYC standard.

iSignthis Payidentity™ service is the trusted back office solution for regulated entities, allowing merchants to stay ahead of the regulatory curve, and focus on growing their core business. iSignthis' subsidiary, iSignthis eMoney Ltd, trades as ISXPAY®, and is an EEA authorised eMoney Monetary Financial Institution, offering card acquiring in the EEA, and Australia.

ISXPAY® is a principal member of Visa Inc, Mastercard Inc, Diners, Discover, (China) Union Pay International and JCB International, an American Express aggregator, and provides merchants with access to payments via alternative methods including SEPA, Poli Payments, Sofort, Trustly, WeChat, AliPay and others.

Probanx Information Systems Ltd (Probanx®), a wholly owned subsidiary of iSignthis Ltd, is an international banking software company which has been serving the banking industry since the year 2000 by developing comprehensive banking software solutions to financial institutions around the globe. Probanx offers web-based banking solutions using the latest technology and international standard business rules. Our customers are located on five continents and supported from our technical centres in Europe and Australia.

iSignthis' Probanx delivers core banking software, including a fully comprehensive and versatile banking solution for retail, corporate and private banks, emoney and payment institutions, offering capabilities that up until now were affordable only by large commercial banks.

Read more about the company at our website www.isignthis.com and www.probanx.com
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