

28<sup>th</sup> February 2019

## Report to shareholders for the Year Ended 31<sup>st</sup> December 2018

Australian Securities and Frankfurt Stock Exchange cross listed iSignthis Ltd (ASX: ISX | FRA\_DE: TA8), the global leader in RegTech for identity verification and transactional banking/payments, is pleased to provide the following business update and un-audited Appendix 4E for the year ended 31<sup>st</sup> December 2018.

As previously advised, the Company is moving its accounting dates to January to December financial year, effective 1<sup>st</sup> January 2019. However, in order to move the financial reporting calendar, the company has been required to report the 2018 year as January to December 2018 and with comparative period of January to December 2017. An annual report for calendar and financial year 2018 is due post audit by end of March 2019.

### Highlights:

- First EU merchant live on unified neobanking and payments platform
- First Bank to Bank transfers via SEPA BIC ISEMCY22XXX
- EU/EEA Visa and Mastercard Tier 1 card acquiring, processing and settlement live
- Discover Card, Diners Club International issues ISXPay Global (non-USA) Card Acquiring License
- Further key Technology Platforms completed inhouse
- Preparations for final APRA audits for Australian ADI license commenced
- AFSL application lodged
- Reserve Bank of Australia Exchange Settlement Account (ESA) opening in progress
- Commenced Deployment of Probanx.com CORE banking Platform for Australian ADI
- Probanx.com CorePlus core banking platform live in the EEA supporting ISX IBAN holders
- Hong Kong's Wanfuteng Bank now live with Probanx CorePlus

### Introduction

The Financial Year and Calendar Year ended 31<sup>st</sup> of December 2018 was a period of progress and continued business development. The year also presented its share of challenges, as we moved from the reliance on third party partnerships to creating our own Tier 1 banking capabilities.

The second half of the year in particular was used as a period of to conclude key elements of our European Tier 1 infrastructure build, finalising steps to launch our own services independent from other traditional and neobanks in the New Year. The efforts to complete Tier 1 opportunities created during 2015/16, are now set to deliver the rewards that we believe are possible when we as part of our neobanking strategy.

- The neobanking strategy has been pursued with determination since March 2015, and we have achieved regulatory authorisation, scheme licensing, third party certification and operational capabilities since then, with \$10m Institutional Placement completed (issue price of \$0.145 per share in October 2018).

### Business Update

The Company has been developing its merchant and business focussed neo-banking capabilities since 2015, commencing initially with its patented identity verification service on the Paydentity™ platform, and then progressing to being an EU/EEA authorised eMoney Institution in early 2017.

This was followed by principal member licensing of Visa, Mastercard, JCB, Diners, Discover, China UnionPay and AMEX licensed as payment capabilities, with Eurosystem central banking facilities, deposit taking and IBAN account issuing capabilities, and SEPA transfers live during December quarter.

**Strengthening Board Experience and Expertise**

In July 2018 the Company was pleased to announce the appointment of Mr. Christakis (Takis) Taoushanis as a non-executive director. Mr. Taoushanis brings extensive banking and finance knowledge and experience to our organisation having spent over 30 years in the industry in various senior roles. The board members have met with Australian Prudential Regulation Authority representatives as part of the below Authorised Deposit-Taking Institution (ADI) licensing process.

**Regulatory Licensing**

- The Company has applied for an Australian Authorised Deposit-Taking Institution (ADI) license directly to the Australian Prudential Regulation Authority (APRA), with authorisation anticipated early Q2 2019.
  - The Company has already been granted Australian licensing under the Reserve Bank of Australia (RBA) “Card Access Regime” by Mastercard, with Amex, Diners, Discover and China Unionpay also licensed.
  - Application for an RBA Exchange Settlement Account (ESA) is in progress.
  - Australian Securities and Investment Commission (ASIC) Australian Financial Services License (AFSL) application is in progress.
  - Banking Executive Accountability Regime (BEAR) submitted to APRA.
  - iSignthis eMoney (AU) Pty Ltd now a member of the Australian Financial Complaints Authority.

**Probanx.com**

- The Company acquired Probanx Information Systems (Cyprus) Ltd, which has developed the CorePlus internet-based core banking platform since 2000 and has been deployed to more than 20 banks globally, including to meet Swiss, UK, Hong Kong, EU, and now Australian regulatory requirements.
- Hong Kong’s Wanfuteng Bank is the latest deployment, at their Vanuatu subsidiary.
- APRA requires ADI applicants to install and certify their CORE banking platforms. The Probanx.com system installation has been commenced at an Australian data centre for active/active service, with Azure cloud-based deployment as passive standby.
  - Grant Thornton engaged to prepare a report on that the Probanx ‘*systems maintain fair and true records for financial obligations, systems calculate interest accurately etc*’ to satisfy APRA. Report completed and submitted to APRA February 2019.
  - Secure Centric engaged to review IT security and policies for the draft APRA Prudential Standard CPS234, which takes effect July 2019. The Company seeks to be ahead of the regulatory requirements and meet CPS234 as part of its license submissions. Report completed and submitted to APRA February 2019.

## Operations

The first EU merchant went live with funds processed via ISXPay's Principal member Tier 1 connections. In doing so, iSignthis became the first ASX listed fully authorised EU neobank with inhouse deposit taking and payment capabilities. Unlike almost every other neobank, ISX has built and operates its own Tier 1 network to Visa, Mastercard, JCB and SEPA networks, and does not 'piggy back' on other institutions infrastructure.

The Payidentity platform is:

- i) performing the identity verification,
- ii) ISXPay is performing the payment processing and settlement, and
- iii) Probanx.com is performing the journaling of the settlement deposits from ISXPay, with ISXPay executing outbound transactions.

The first Bank to Bank transfers via BIC: ISEMCY22XXX were completed in the quarter ending 31 December 2018. These facilities allow the Company to offer its customers;

- IBAN based Euro (€) denominated eMoney accounts (EMA), in the name of legal or natural persons
- electronic funds transfer from/to any of the ~4300 SEPA scheme connected banks and branches in the EU28, EEA including Norway, Lichtenstein, Monaco, San Marino, Iceland and Switzerland
- zero credit risk facilities to ISXPay depositing customers, under the Eurosystem of central banking
- fast clearing of Euro (€) settlements from card and payment schemes
- International SWIFT inbound and outbound transactions by late January 2019
- Corporate EMA facilities are managed from our Cyprus office, via a private banking relationship management, specifically tailored for our customers in the Equities, CFD, and FX industries, and their affiliates.
- The Company is focussed on providing corporate customers with EURO (€) denominated eMoney (EMA) services initially, with eMoney accounts in other currency denominations including USD\$, GBP£, HKD\$, SGD\$, CAD\$, AUD\$ and CHF, by Q2 2019.

## **Our Focus for the Upcoming year**

The Company will be focussed on revenue and growth, in addition to reducing its cost of goods through implementation of its own Tier 1 supply chain, releasing several new products to market for additional revenue streams, and completing the transformation to a commercially focussed transactional banking institution.

We have provided market guidance on expected revenues and profit to be achieved in 2019. The delivery of our first profit and the generation of positive cashflows are reasons to be excited about the immediate future of the business created. We look forward to sharing further news and updates as the company develops and builds scale.

**iSignthis Ltd**  
**Appendix 4E**  
**Preliminary final report**

**1. Company details**

Name of entity: iSignthis Ltd  
ABN: 93 075 419 715  
Reporting period: For the year ended 31 December 2018  
Previous period: For the year ended 31 December 2017

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**2. Results for announcement to the market**

			\$
Revenues from ordinary activities	up	250.5% to	6,623,413
Loss from ordinary activities after tax attributable to the owners of iSignthis Ltd	up	62.4% to	(8,038,650)
Loss for the year attributable to the owners of iSignthis Ltd	up	62.4% to	(8,038,650)

*Dividends*

There were no dividends paid, recommended or declared during the current financial period.

*Comments*

The loss for the consolidated entity after providing for income tax amounted to \$8,038,650 (31 December 2017: \$4,950,486).

The total revenue increased by approximately \$4.7 million when compared to last year. This is in line with the overall growth of the business operations, an increased customer base and additional revenue streams built by the consolidated entity.

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**3. Net tangible assets**

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>0.92</u>	<u>1.22</u>

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**4. Control gained over entities**

Name of entities (or group of entities) Probanx Information Systems Ltd  
Date control gained 19 September 2018

	\$
Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities before income tax during the period (where material)	(97,780)
Profit/(loss) from ordinary activities before income tax of the controlled entity (or group of entities) for the whole of the previous period (where material)	(97,780)

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**5. Loss of control over entities**

Not applicable.

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**6. Dividends**

*Current period*

There were no dividends paid, recommended or declared during the current financial period.

*Previous period*

There were no dividends paid, recommended or declared during the previous financial period.

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**7. Dividend reinvestment plans**

Not applicable.

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**8. Details of associates and joint venture entities**

Not applicable.

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**9. Foreign entities**

*Details of origin of accounting standards used in compiling the report:*

Not applicable.

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**10. Audit qualification or review**

*Details of audit/review dispute or qualification (if any):*

The financial report is in the process of being audited.

At this point in the audit process there have not been any disputes nor issues raised that will be subject to audit qualification.

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**11. Attachments**

*Details of attachments (if any):*

The Preliminary Report of iSignthis Ltd for the year ended 31 December 2018 is attached.

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**12. Signed**

Signed  \_\_\_\_\_

Date: 28 February 2019

Nickolas John Karantzis  
Managing Director

**iSignthis Ltd**  
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**iSignthis Ltd**  
**Consolidated Statement of profit or loss and other comprehensive income**  
**For the year ended 31 December 2018**

	<b>Note</b>	<b>Consolidated 31 December 2018 \$</b>	<b>31 December 2017 \$</b>
<b>Revenue</b>		6,623,413	1,889,915
<b>Expenses</b>			
Corporate expenses		(1,559,022)	(1,154,915)
Advertising & marketing		(178,208)	(141,457)
Employee benefits expense		(4,225,408)	(2,780,531)
Research & development expenses		(333,964)	(324,608)
Depreciation & amortisation expense		(178,997)	(126,878)
Other expenses		(1,967,349)	(1,151,940)
Operating costs		(5,676,645)	(864,015)
Share based payments		(486,204)	(248,080)
Net realised foreign exchange loss		(43,104)	(43,403)
Finance costs		(4,564)	(4,574)
<b>Loss before income tax expense</b>		(8,030,052)	(4,950,486)
Income tax expense		(8,598)	-
<b>Loss after income tax expense for the year attributable to the owners of iSignthis Ltd</b>		(8,038,650)	(4,950,486)
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		(50,484)	7,400
Other comprehensive income for the year, net of tax		(50,484)	7,400
<b>Total comprehensive loss for the year attributable to the owners of iSignthis Ltd</b>		<u>(8,089,134)</u>	<u>(4,943,086)</u>
		<b>Cents</b>	<b>Cents</b>
Basic loss per share	7	(1.01)	(0.78)
Diluted loss per share	7	(1.01)	(0.78)

*The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*

**iSignthis Ltd**  
**Consolidated Statement of financial position**  
**As at 31 December 2018**

	<b>Consolidated</b>	<b>Consolidated</b>
	<b>31 December</b>	<b>31 December</b>
<b>Note</b>	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	8,433,874	7,653,681
Trade and other receivables	798,183	288,868
Other assets	11,104,937	1,115,522
<b>Total current assets</b>	<u>20,336,994</u>	<u>9,058,071</u>
<b>Non-current assets</b>		
Plant and equipment	182,039	99,032
Intangibles	1,531,113	1,220,941
<b>Total non-current assets</b>	<u>1,713,152</u>	<u>1,319,973</u>
<b>Total assets</b>	<u>22,050,146</u>	<u>10,378,044</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	904,934	378,798
Employee benefits	128,348	123,048
Other	9,452,823	188,060
<b>Total current liabilities</b>	<u>10,486,105</u>	<u>689,906</u>
<b>Non-current liabilities</b>		
Other payables	-	300,000
Deferred tax	90,947	-
Employee benefits	29,130	33,863
<b>Total non-current liabilities</b>	<u>120,077</u>	<u>333,863</u>
<b>Total liabilities</b>	<u>10,606,182</u>	<u>1,023,769</u>
<b>Net assets</b>	<u>11,443,964</u>	<u>9,354,275</u>
<b>Equity</b>		
Issued capital	3 40,677,673	30,677,294
Reserves	4 1,024,087	4,518,891
Accumulated losses	<u>(30,257,796)</u>	<u>(25,841,910)</u>
<b>Total equity</b>	<u>11,443,964</u>	<u>9,354,275</u>

*The above consolidated statement of financial position should be read in conjunction with the accompanying notes*



**iSignthis Ltd**  
**Consolidated Statement of changes in equity**  
**For the year ended 31 December 2018**

<b>Consolidated</b>	<b>Issued capital</b> <b>\$</b>	<b>Share based payments reserve</b> <b>\$</b>	<b>Accumulated losses</b> <b>\$</b>	<b>Foreign currency reserve</b> <b>\$</b>	<b>Total equity</b> <b>\$</b>
Balance at 1 January 2017	22,734,789	7,304,960	(22,649,054)	(74,414)	7,316,281
Loss after income tax expense for the year	-	-	(4,950,486)	-	(4,950,486)
Other comprehensive income for the year, net of tax	-	-	-	7,400	7,400
Total comprehensive income for the year	-	-	(4,950,486)	7,400	(4,943,086)
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs (note 3)	6,253,977	479,234	-	-	6,733,211
Share-based payments	155,000	92,869	-	-	247,869
Lapse of options and rights	-	(1,757,630)	1,757,630	-	-
Transfer from share based payments reserve upon the exercise of options	1,533,528	(1,533,528)	-	-	-
Balance at 31 December 2017	<u>30,677,294</u>	<u>4,585,905</u>	<u>(25,841,910)</u>	<u>(67,014)</u>	<u>9,354,275</u>

<b>Consolidated</b>	<b>Issued capital</b> <b>\$</b>	<b>Share based payments reserve</b> <b>\$</b>	<b>Accumulated losses</b> <b>\$</b>	<b>Foreign currency reserve</b> <b>\$</b>	<b>Total equity</b> <b>\$</b>
Balance at 1 January 2018	30,677,294	4,585,905	(25,841,910)	(67,014)	9,354,275
Loss after income tax expense for the year	-	-	(8,038,650)	-	(8,038,650)
Other comprehensive loss for the year, net of tax	-	-	-	(50,484)	(50,484)
Total comprehensive loss for the year	-	-	(8,038,650)	(50,484)	(8,089,134)
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs (note 3)	10,000,379	(307,760)	-	-	9,692,619
Share-based payments	-	486,204	-	-	486,204
Lapse of options and rights	-	(3,622,764)	3,622,764	-	-
Balance at 31 December 2018	<u>40,677,673</u>	<u>1,141,585</u>	<u>(30,257,796)</u>	<u>(117,498)</u>	<u>11,443,964</u>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

**iSignthis Ltd**  
**Consolidated Statement of cash flows**  
**For the year ended 31 December 2018**

	<b>Consolidated</b>	
	<b>31 December</b>	<b>31 December</b>
<b>Note</b>	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Receipts from customers	6,325,612	1,102,656
Payments to suppliers and employees	(13,570,524)	(6,567,754)
Interest received	36,722	91,922
Research and development incentive received	471,769	578,884
	<u>                    </u>	<u>                    </u>
Net cash used in operating activities	(6,736,421)	(4,794,292)
<b>Cash flows from investing activities</b>		
Payments for plant and equipment	(110,000)	(59,707)
Payments for intangibles	-	(173,987)
Payments for deposits	(115,201)	-
Proceeds from acquisition of business	(490,973)	-
Loans advanced to third parties	(1,013,000)	-
Loans repaid from third parties	693,000	-
Cash acquired on acquisition of Probanx	94,840	-
	<u>                    </u>	<u>                    </u>
Net cash used in investing activities	(941,334)	(233,694)
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	10,000,000	6,900,000
Capital raising costs	(307,693)	(167,000)
Card scheme membership security	(1,190,888)	(469,700)
	<u>                    </u>	<u>                    </u>
Net cash from financing activities	8,501,419	6,263,300
Net increase in cash and cash equivalents	823,664	1,235,314
Cash and cash equivalents at the beginning of the financial year	7,653,681	6,410,831
Effects of exchange rate changes on cash and cash equivalents	(43,471)	7,536
	<u>                    </u>	<u>                    </u>
Cash and cash equivalents at the end of the financial year	<u>8,433,874</u>	<u>7,653,681</u>

*The above consolidated statement of cash flows should be read in conjunction with the accompanying notes*

**iSignthis Ltd**  
**Notes to the financial statements**  
**31 December 2018**

**Note 1. General information**

The preliminary financial statements cover iSignthis Ltd as a consolidated entity consisting of iSignthis Ltd and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is iSignthis Ltd's functional and presentation currency.

iSignthis Ltd is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

456 Victoria Parade  
East Melbourne  
Victoria, 3002

**Note 2. Significant accounting policies**

This preliminary financial report has been prepared in accordance with International Financial Reporting Standards, other authoritative pronouncements and Interpretations of the Australian Standards Board and the Corporations Act 2001.

This preliminary financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2018 and any public announcements made by iSignthis Limited during the reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year end.

**Note 3. Equity - issued capital**

	<b>Consolidated</b>			
	<b>31 December 2018</b>	<b>31 December 2017</b>	<b>31 December 2018</b>	<b>31 December 2017</b>
	<b>Shares</b>	<b>Shares</b>	<b>\$</b>	<b>\$</b>
Ordinary shares - fully paid	<u>1,075,714,618</u>	<u>667,080,241</u>	<u>40,677,673</u>	<u>30,677,294</u>

**iSignthis Ltd**  
**Notes to the financial statements**  
**31 December 2018**

**Note 3. Equity - issued capital (continued)**

*Movements in ordinary share capital*

<b>Details</b>	<b>Date</b>	<b>Shares</b>	<b>Issue price</b>	<b>\$</b>
Balance	1 January 2017	621,869,714		22,734,789
Exercise of options	10 February 2017	10,000,000	\$0.04	400,000
Share placement	3 November 2017	34,210,527	\$0.19	6,500,000
Issue of shares upon the vesting of performance rights	5 December 2017	1,000,000	-	155,000
Transfer from share based payments reserve on conversion of options		-	-	1,533,528
Capital raising costs		-	-	(646,023)
Balance	31 December 2017	667,080,241		30,677,294
Issue of shares upon the vesting of performance rights	1 March 2018	216,667	-	46,583
Issue of shares upon the vesting of performance rights	2 July 2018	250,000	-	40,000
Issue of shares upon the vesting of performance rights	16 July 2018	618,584	-	132,996
Issue of shares upon the vesting of performance shares	29 August 2018	336,666,667	-	-
Issue of shares upon the vesting of performance rights	3 September 2018	143,333	-	22,217
Issue of shares upon the vesting of performance rights	19 September 2018	72,500	-	11,238
Institutional placement	8 October 2018	68,965,517	\$0.145	10,000,000
Ordinary share issue	8 October 2018	1,408,609	\$0.145	204,248
Issue of shares upon the vesting of performance rights	2 November 2018	292,500	-	49,725
Capital raising costs		-	-	(506,628)
Balance	31 December 2018	<u>1,075,714,618</u>		<u>40,677,673</u>

*Ordinary shares*

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

*Share buy-back*

There is no current on-market share buy-back.

*Capital risk management*

The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

**Note 3. Equity - issued capital (continued)**

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The consolidated entity is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

**Note 4. Equity - reserves**

	<b>Consolidated</b>	
	<b>31 December 2018</b>	<b>31 December 2017</b>
	<b>\$</b>	<b>\$</b>
Foreign currency reserve	(117,498)	(67,014)
Share-based payments reserve	1,141,585	4,585,905
	<u>1,024,087</u>	<u>4,518,891</u>

*Foreign currency reserve*

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

*Share-based payments reserve*

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

*Movements in reserves*

Movements in each class of reserve during the current and previous financial year are set out below:

<b>Consolidated</b>	Foreign currency reserve \$	Share based payments reserve \$	Total \$
Balance at 1 January 2017	(74,414)	7,304,960	7,230,546
Foreign currency translation	7,400	-	7,400
Share-based payments issued	-	92,869	92,869
Transfer to issued capital upon the exercise of options	-	(1,533,528)	(1,533,528)
Lapse of options and rights	-	(1,757,630)	(1,757,630)
Options issued to advisers for capital raising	-	479,234	479,234
Balance at 31 December 2017	(67,014)	4,585,905	4,518,891
Foreign currency translation	(50,484)	-	(50,484)
Share-based payments issued	-	486,204	486,204
Transfer to issued capital upon the vesting of performance rights	-	(307,760)	(307,760)
Lapse of options and rights	-	(3,622,764)	(3,622,764)
Balance at 31 December 2018	<u>(117,498)</u>	<u>1,141,585</u>	<u>1,024,087</u>

**iSignthis Ltd**  
**Notes to the financial statements**  
**31 December 2018**

**Note 5. Interests in subsidiaries**

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest	
		31 December 2018 %	31 December 2017 %
Authenticate Pty Ltd	Australia	100.00%	100.00%
Authenticate BV	Netherlands	100.00%	100.00%
iSignthis BV	Netherlands	100.00%	100.00%
ISX IP Ltd	British Virgin Islands	100.00%	100.00%
iSignthis eMoney Ltd	Cyprus	100.00%	100.00%
iSignthis Inc.	USA	100.00%	100.00%
iSignthis (IOM) Ltd	Isle of Man	100.00%	100.00%
iSignthis (UK) Ltd	United Kingdom	100.00%	100.00%
iSignthis eMoney (Au) Pty Ltd*	Australia	100.00%	100.00%
Probanx Information Systems Ltd**	Cyprus	100.00%	-

\* iSignthis eMoney (Au) Pty Ltd was incorporated on 2 March 2018.

\*\* Probanx Information Systems Ltd was acquired on 19 September 2018.

**Note 6. Events after the reporting period**

On 2 January 2019, the consolidated entity issued 1,208,936 fully paid ordinary shares upon the vesting of performance rights.

On 15 February 2019, the consolidated entity announced the completion of the acquisition of 100% of share capital of UAB Baltic Banking Services.

The purchase price consists of an initial payment of €75,000, as well as €75,000 of fully paid ordinary shares in the consolidated entity, to be issued on or around 28 February 2019, converted to AUD at the RBA spot rate.

There will also be an earn out associated with the acquisition, based upon a multiplier of EBIT as at 31 December 2019 minus the Initial Payment, capped at €1.5m, with consideration payable as 85% fully paid ordinary shares with a majority escrow provision, and 15% cash component.

No other matter or circumstance has arisen since 31 December 2018 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

**iSignthis Ltd**  
**Notes to the financial statements**  
**31 December 2018**

**Note 7. Earnings per share**

	<b>Consolidated</b>	
	<b>31 December 2018</b>	<b>31 December 2017</b>
	<b>\$</b>	<b>\$</b>
Loss after income tax attributable to the owners of iSignthis Ltd	<u>(8,038,650)</u>	<u>(4,950,486)</u>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic loss per share	<u>798,352,882</u>	<u>636,253,853</u>
Weighted average number of ordinary shares used in calculating diluted loss per share	<u>798,352,882</u>	<u>636,253,853</u>
	<b>Cents</b>	<b>Cents</b>
Basic loss per share	(1.01)	(0.78)
Diluted loss per share	(1.01)	(0.78)