

ANNUAL GENERAL MEETING



17TH MAY 2019

Presenter

John Karantzis, CEO

*“ISX has now evolved into a wholesale **neobank**, differentiated by its unique digital identity and banking services for (regulated) businesses and financial institutions in Australia and the EEA.”*



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BÖRSE
FRANKFURT

ico.

PRINCIPAL
MEMBER:

VISA



Diners Club
INTERNATIONAL

DISCOVER

AGGREGATION
PARTNER:



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iSignthis Ltd

iSignthis is publicly listed on the Australian Securities and Frankfurt Stock Exchange (ASX : ISX | DE_FRA : TA8).

We are the only neobank offering payments, eMoney deposit taking and identity verification across multiple jurisdictions.

As a neobank, we are authorised as an EEA authorised Monetary Financial and Payment Institution, with license to issue emoney, IBAN bank accounts, and operate transactional banking and card services across Europe and which will soon also be available in Australia.

We provide services to cross border, regulated and high value businesses, which includes a complete customer onboarding solution, remote identity verification, credit scoring to payment processing, settlement, spot FX and deposit taking emoney services.

Our inhouse developed Paydentity™, Probanx® and ISXPay® platforms make delivery of these services possible. We have identified more than 1.6m customers to a full AML KYC standard using our patented technology. Most of these customers would be considered high middle to upper income category or high net worth individuals.

The iSignthis Probanx® platform now underpins core banking and core networking software to more than 25 banks, credit unions, and payment institutions in North America, Asia Pacific and the EU/EEA, as well as to iSignthis itself in the EU and Australia (as an ADI applicant) .

iSignthis Limited (ASX: ISX / DE : TA8) SWIFT / BIC : ISEMCY22

iSignthis is the only neobank, offering payments, eMoney deposit taking and identity verification across multiple jurisdictions.

Capital structure – Australian Securities Exchange

Ordinary shares - quoted on ASX 1,082,146,224*

Performance Rights – staff (not as yet vested) 2,612,167

Total Shares (incl not as yet vested performance rights) **1,084,758,391**

Unlisted advisor options (various expiry and strike prices) 11,500,877

Share price (@ 4pm 16th May 2019) A\$0.445/share

Market Capitalisation* A\$483m

(*Market Capitalisation based on ASX quoted shares)

ASX Share Price Chart – past 12 months



Source : Commsec

iSignthis Ltd – European Regulatory & Scheme Status



CENTRAL BANK OF CYPRUS
EUROSYSTEM



LIETUVOS BANKAS
EUROSISTEMA

eMoney and Payment Services authorisation granted March 2017.
Passported to all EEA member states. Central Banking + issue of IBAN's.



Finalising submissions for use of Company's patented solutions for September 2019 PSD2 Strong Customer Authentication mandate. Further unique advantages to be exploited for additional revenue streams.



Voting Board member of the <https://www.e-csg.eu/about>



Scheme participant alongside 4300 other interconnected EEA banks



Scheme participant with SWIFT BIC ISEMCY22XXX.

iSignthis Ltd – Australian ADI application Update



Licensing as an ADI anticipated late Q2 2019



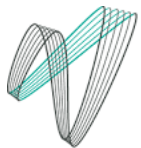
ASIC
Australian Securities &
Investments Commission

AFSL application lodged late August 2018 (with ADI).
Expecting license issue contemporaneous with ADI
license.



RESERVE BANK OF AUSTRALIA

Exchange settlement Account (ESA) anticipated Q2.



Australian
Payments Network
Connect Inspire Thrive

Membership & access to core payments systems
(BECS + BSB allocation) subject to ADI license or ESA



Member.

Principal Member of Major Card & Payment Schemes

A principal member of:

- Visa
- Mastercard
- JCB
- CUP/UIP
- AMEX
- Diners Club
- Discover



As we move towards finalising ChinaUnionPay, Amex, Diners and Discover technical integrations, iSignthis will have a world class card payment channel capability, that boasts not only being more extensive than Australia's Big 4 banks, but is comparable to card payment channel capability offered by the world's largest banks.

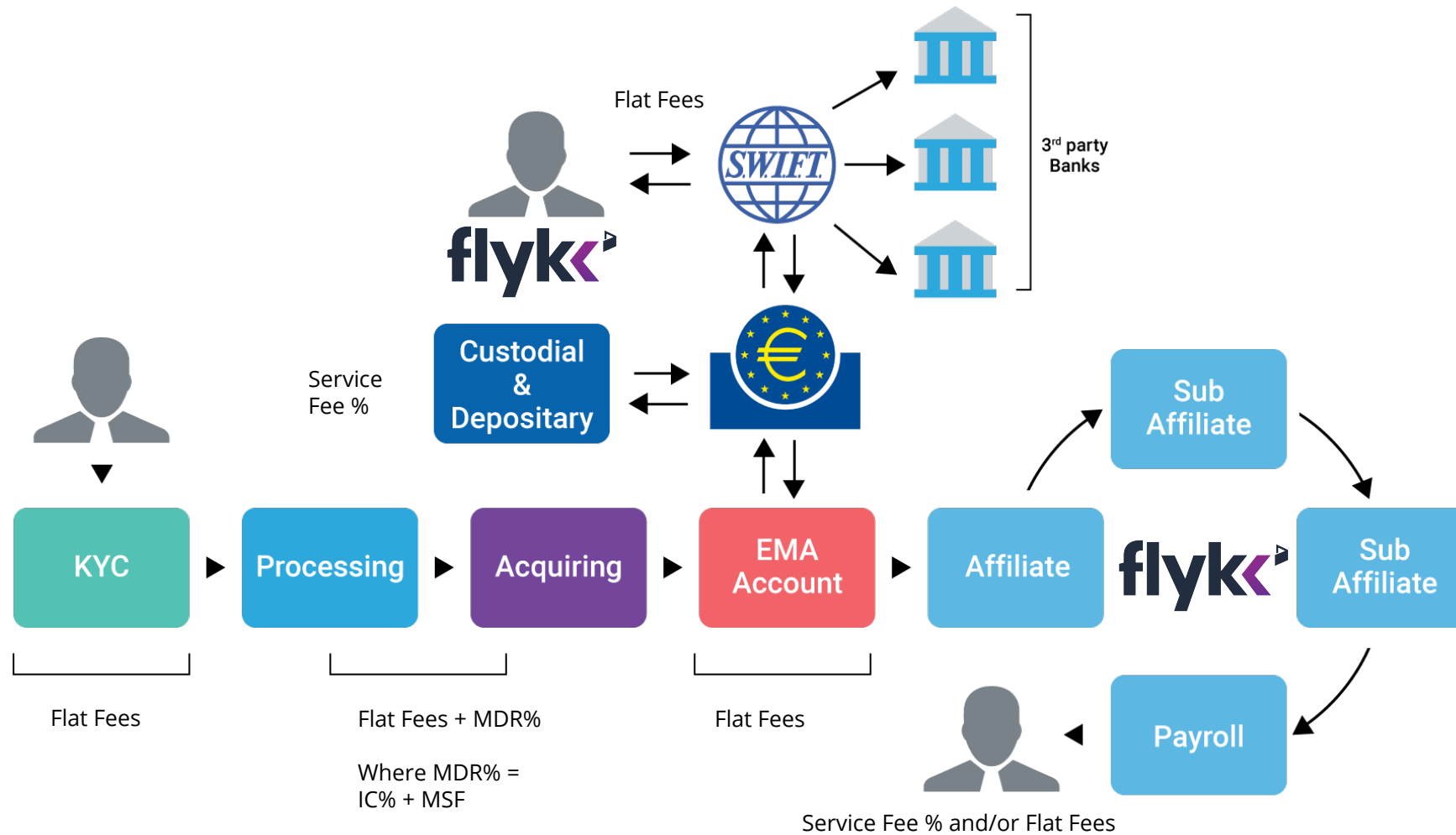
Bank to Bank Capabilities

- SWIFT
- SEPA CT
- SEPA DD
- SEPA B2B
- SEPA Instant
- EFT
- BPAY



What do we do?

Payidentity™ ecosystem



PRINCIPAL MEMBER



What's unique about iSignthis?

Onboarding speed and reach is critical. Payidentity provide a means for banked/financially included customers to be 'passport' to other financial services. Payidentity can reach, identify, verify and take payment at the same time from 4.2bn persons, or 69% of the worlds population. A poor onboarding process can deter more than 80% of prospective customers when regulatory requirements such as AML/CFT Know Your Customer apply.

Speed to checkout and payment choice are critical too. ISXPay peers the leading global payment service providers globally, and is far more advance than any other Australian Bank. ISXPay has reached terms with all the major card schemes in the EU and/or Australia, including Visa, Mastercard, China UnionPay, Diners, Discover, JCB, and American Express, as well as a number of alternative payment methods (APM's).

Speed to payout is emerging as the next most important aspect for the customers of our financial services merchants. The ability to move funds quickly and to a variety of destination accounts is a critical selling point for merchants to their customers.

Serious Multi-currency choice – we offer between 16-23 currencies natively to our merchants, such that they can accept and we will settle in many of the worlds most popular currencies (with some exotics!)

Deposit taking capability, IBAN accounts, zero credit risk facilities with Eurosystem Authorised central banking. Use of IBAN account to link all the above services via a customer.

Multi Region Capabilities – our customers primarily operate in the UK, the EEA and Australia. ISX is positioned to offer solutions via a single relationship and technical integration.

Our own technology : We've researched, patented, designed and developed our own key platforms inhouse. We can leverage our products to maximise our opportunities, without paying royalties & fees for core services.

Growth Strategy – Monetary Financial Services

- **New Products**

- Further expansion of the Paydentity™ ecosystem (already in the pipeline and budgeted)
- Extend all our EU services fully into Australia post ADI license, including OCT for payouts direct to existing 3rd party issued credit or debit card.
- Explore linking Paydentity and IBAN / BSB+AC to credit cards* and debit cards so our (prospective) high net worth retail customers have financial mobility inside and outside the ISX ecosystem.

- **Market Growth**

- Target greater share of existing merchant GPTV – cross sell inter regional and products.
- Continue contracting new merchants and deposit product business customers
- Indirectly expanding our retail customer base via merchant referral by use of Paydentity™
- Conversion of our massive potential retail base of 1.6m++ already KYC'd high net worth customers into transactional banking and card services, whilst continuing with our zero credit risk business model of no loans, mortgages or credit* (other than cards) to retail customers.

- **New Markets**

- Explore APAC, LATAM and US/CA markets > commence development of one new market this FY.

Technology Group : Probanx Systems Ltd & UAB Baltic Banking Services (BBS)

iSignthis is now a leading provider in cloud based core banking & networking. The iSignthis technology group services financial institutions by offering a complete CORE banking banking software solution (CorePLUS®) together with CoreConnect networking. The services are available as SaaS, leasing and licensing.



Corporate
Banking



Retail
Banking



Payment
Institutions



Private
Banking



Electronic Money
Institutions

The iSignthis technology group brings together the strengths of Probanx and BBS, and now supplies CORE banking solutions and networking software to more than 25 banks, credit unions, EMI's & payment institutions across the **EMEA, APAC and Oceania**.



Q1 FY 2019 Financial Performance

iSignthis Group

- Revenues : \$1.85m **UP**↑ 78% from \$1.042m (from Q4 2018)
- Cash Receipts : \$1.4m **UP**↑ 55% from \$0.9m (from Q4 2018)
- Recurring costs consistent with budget expectations.
- One off (non recurring) costs this quarter included Scheme and APRA related infrastructure/audits/setup.

ISXPay

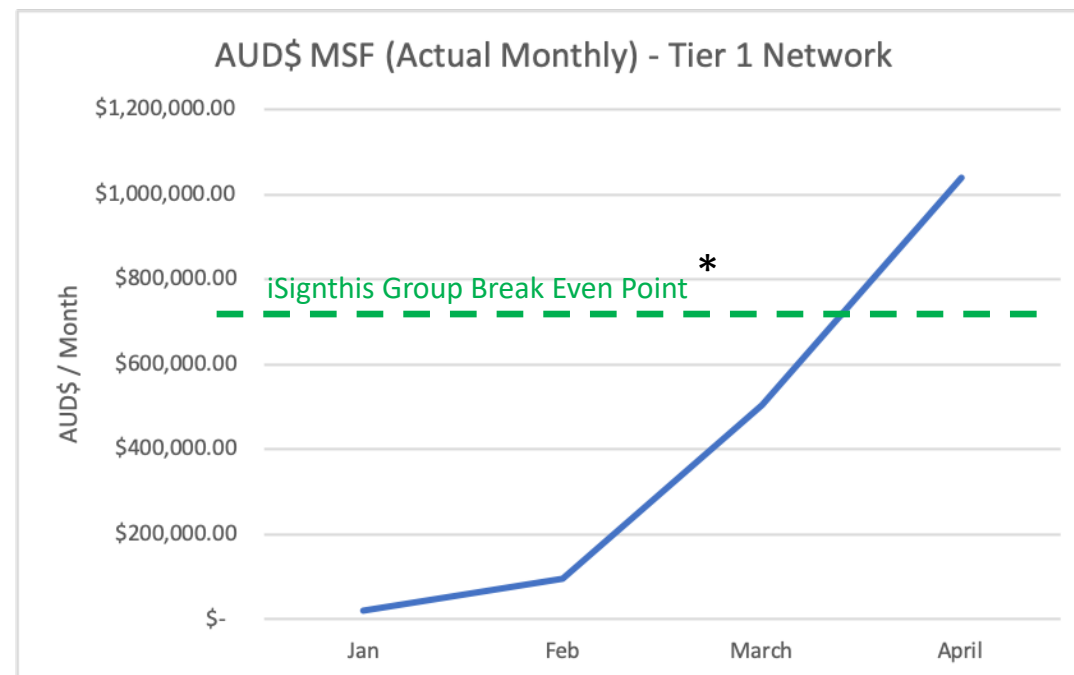
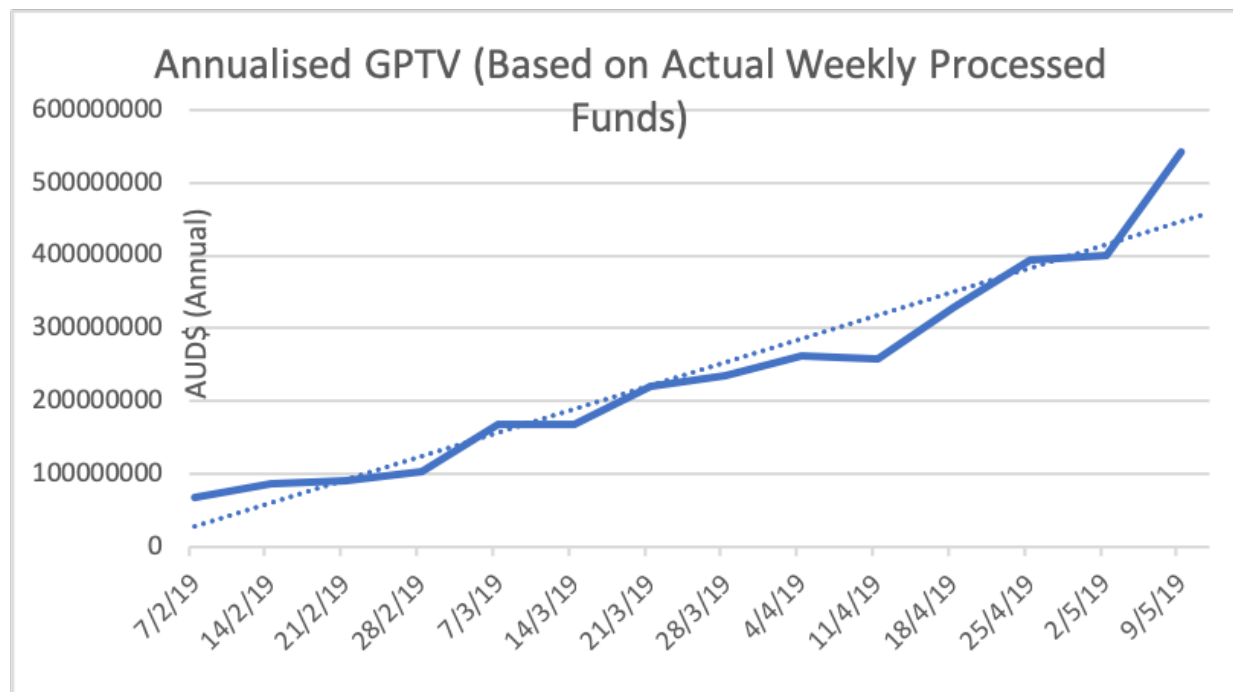
- End Q1 > Annualised GPTV \$380m > as at 9/5/19 Ann GPTV \$542m (based on actual weekly run rate)
- MSF% (average) greater than 125bps
- ISXPay Card Processing : Gross Profit contribution of \$620k, with a major reduction in COGS

Technology Group (Probanx + BBS)

- Technology Group : Positive EBIT contribution of \$286k to group by Probanx + BBS

Note : MSF% = Merchant Services Fee is applied across each merchants Gross Processed Transaction Volume (GPTV) and is gross profit for card services

Card Acquiring Performance Q1 through Early May FY2019

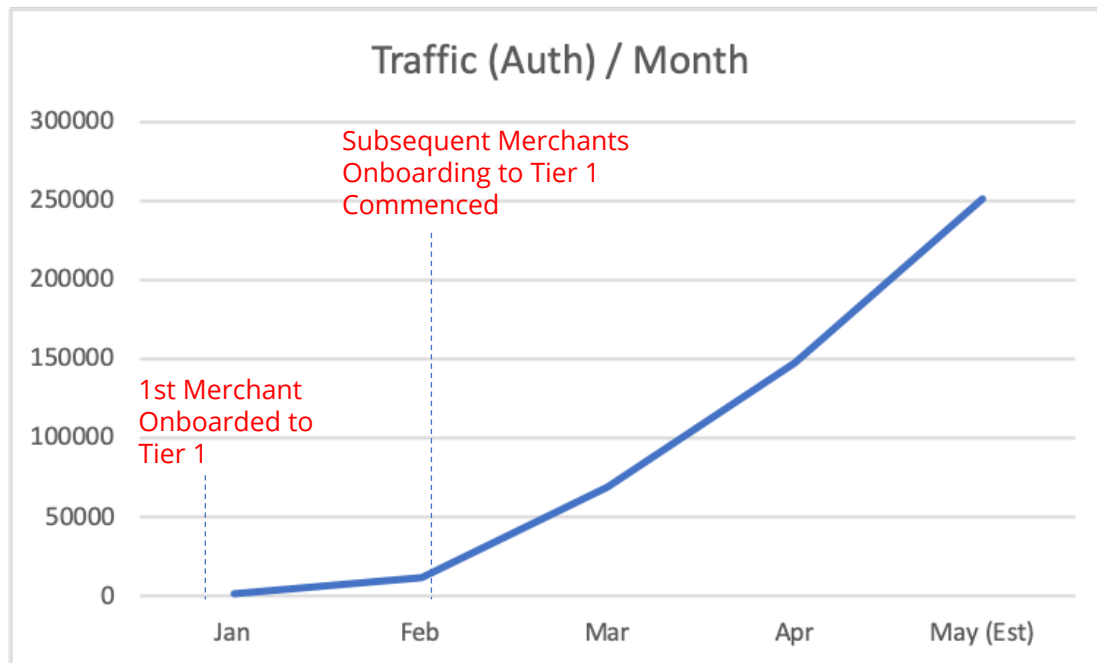


AUD\$ Gross Processed Transaction Volume (GPTV) on our Tier 1 (Principal member) network has increased 130% in just over a month from Start Q2 to 9/5/19

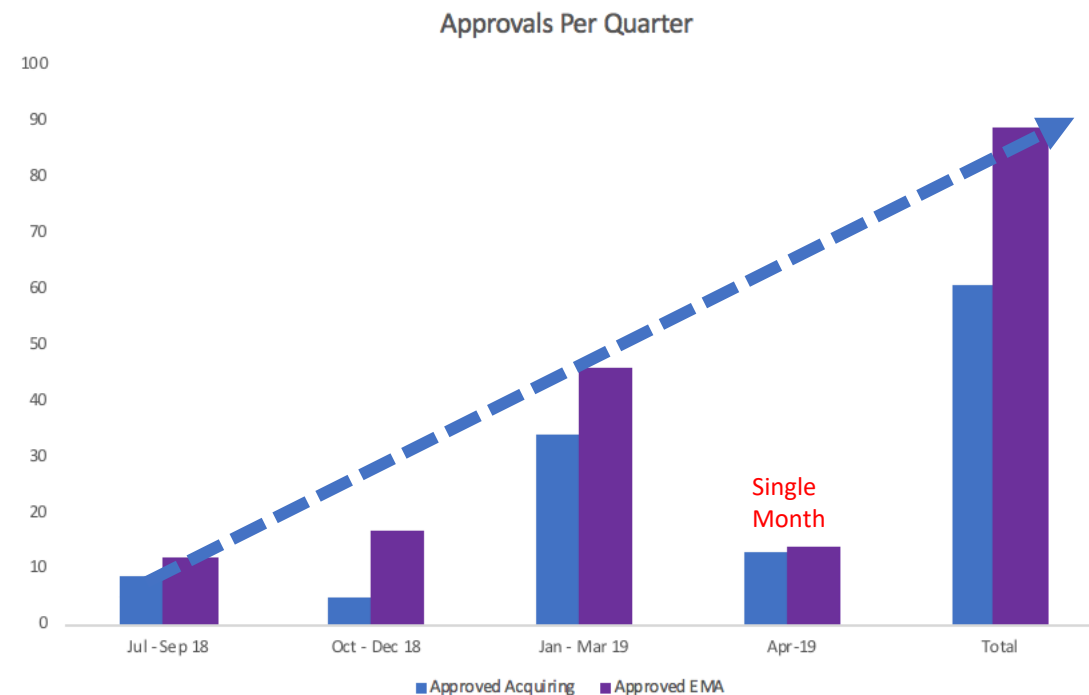
MSF is the gross profit contribution attributable to ISXPay providing card acquiring services. Above does not include gross profit contribution from Probanx, BBS, Payidentity, EMA's and ancillary fees.

* Group (operating) break even point excludes one off expenses and assumes no further strategic acquisitions, new product lines or expansion into additional regions.

Financial Performance Q1 to Early May > FY2019



Monthly Transaction Growth of 113% from 31st March to 30th April 2019



New Customer Approvals (Actual) Q1 2019 up 171% from previous quarter Q4 FY18

iSignthis Group Guidance (EBIT target restated “as is”)

- **Card Processing/ Acquiring** : 1st Quarter **actual** average GP margin greater than 125bps (MSF%). GPTV is expected to *at least* recur annually per merchant, and grow with new merchants.
- **eMoney accounts (EMA)** : average GP margin of 100bps (EMA%).
- **Other Revenue Streams** : include Paydentity, Probanx, BBS, fixed fees, set up charges, transfer fees, FX fees.
- **Cost Base** – now increased to circa \$8.75m pa to include Probanx, BBS and new product initiatives (but offset by new revenue streams of Probanx and BBS).
- **Licensing** : (Negligible) Contribution of ADI license from late Q2 factored into forecasts.
- **CY/FY2019 EBIT Target : ~AUD \$10.7m**

*revenue projections based on customer due diligence of existing contracts/ costs based upon scope of operations remaining substantially “as is”. Does not take into account any one off costs associated with strategic, product or regional expansion (if any), or increased operating costs / additional revenues arising therefrom .

Thank you

iSignthis (ASX : ISX | DE_FRA : TA8)

AU Investor Relations

Chris Northwood, e : chris.northwood@isignthis.com, +61 (0) 458 809 177

EU Investor Relations :

Dr. Eva Reuter, e : e.reuter@dr-reuter.eu +49 (0) 69 1532 5857

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