

Operational Update : COVID-19

20th March 2020, Melbourne: iSignthis Ltd (“the Company”) provide the following update on the impact of COVID-19 on its operations.

Direct Impact : Our operations generally remain unaffected directly. The Company’s existing pandemic procedures and business continuity plans were put into effect last week, ensuring that some of our staff are working remotely in our areas of operation including Australia, Cyprus, Lithuania, Netherlands, and the United Kingdom.

The Company is Payment Card Industry (PCI) Data Security Standard (DSS) certified to operate remotely 100% of the time, with all staff having access to laptops and virtual private networks at all times, including when they are in any of our offices. As such, working remotely presents no technical issues, but does present challenges with regards to broadband bandwidth in working remotely (due mainly to the limitations in telecommunication networks at such a time), reliance upon remote communications and the challenges of social isolation.

Indirect Impact : March 2020 revenues have slowed appreciably, with processing volumes in key EU merchants having declined in GPTV. We are reviewing the situation in March and likely beyond, with January and February having been (unaudited) EBIT positive. The Australian dollar’s decline against the EURO will benefit the Company this quarter.

We also note that responses from payment schemes to what are usually routine technical, commercial or settlement matters, are now taking several days to resolve, rather than minutes, hours or overnight.

The Company is also expecting audit results in early April from Visa Inc with regards to access to product, which may be subject to delays due to COVID-19.

Customers are also slower to engage with the Company, usually due to staff unavailability, and are thus slower to respond to offers, or to onboard.

The Company is planning for up to eight weeks of remote operations and the potential for reduced revenues. The Company has sufficient cash reserves to continue with its operations and planned strategic activities well beyond the eight weeks of anticipated impact by COVID-19.

The Company notes that this is an unprecedented situation with individual governments independently taking measures that are often inconsistent with each other and difficult to anticipate. It is therefore not possible to make accurate predictions on operations going forward with a large level of uncertainty that we cannot control or anticipate. We have sought to take the best measures we can under the circumstances and based on the official advice of each jurisdiction in which we operate.

Authorised by the board of directors of iSignthis Ltd