

Disclosure regarding Nona Agreement (2017)

19th May 2020 : On the 1st May 2020, the ASX directed that:

"In accordance with Listing Rules 18.8(a) and (b), ASX directs ISX to make an announcement to the market, satisfactory to ASX, with information as to whether Authenticate BV subcontracted some or all of its responsibilities under the Variation Letter and the Nona Agreement to third party contractors and, if so, what services were provided by the third party contractors and what fees were charged by those contractors to Authenticate BV."

iSignthis Limited's Netherlands subsidiary, Authenticate BV ("Company"), received a purchase order from Nona Marketing Ltd ("Nona") on the 29/1/2018, for a value of €250,000, based on the terms of an agreement negotiated in late 2017 ("Terms"). The purchase order related to a trial which, if successful, was to extend to a more permanent basis by adoption of a formal agreement beyond the initial purchase order¹.

The purchase order was for the Company to provide services to enable Nona to explore the benefits associated with eKYC, including by testing the feasibility and utility of converting and on-boarding to the Company's payment platform, via ISX's Paydentity™ eKYC services, qualified customers of its clients attracted to various iTrader.com web properties.

The Company received payment of €252,500 (circa \$427,000), which included a fee arising from an oral variation for €2,500 in further services, as agreed at that time.

The Company did not proceed with a formal, longer agreement beyond the initial trial because it became apparent that the Nona trial was diverging from its core business, despite relying upon the Paydentity™ identity verification platform.

The Company was acting as an identity verification / know your customer, PEP and sanctions screening provider in accordance with the requirements of the Netherlands Data Protection Agency (College Bescherming Persoonegegevens) (CBP). The Company's operation as identity verification and screening provider was notified to, and acknowledged by, the CBP in 2015.

The Nona purchase order provided for services to comprise:

- Consultancy - identity verification / KYC techniques and approaches
- Advertising medium selection*
- Placement of advertisements as determined by the Company*
- Identity funnel to iSignthis KYC services
- Traffic and volume management
- Demographic targeting and optimization*
- Affiliate coordination*
- Other services as agreed.

Unstated but inherent in the arrangement was that the Company did provide all necessary integration, software interface and identity verification services as part of the Identity funnel.

The activities marked with an asterisk were subcontracted to Netherlands based digital marketing specialist under an Authenticate BV purchase order for a fee of AUD\$200,000 (or €118,000). Internal costs of the Company were circa \$27,500. This represented a profit margin of circa 53% on earnings of circa \$200,000.

Authorised by the Managing Director (John Karantzis) and Chair (Tim Hart) of iSignthis Ltd

¹ See ASX Statement of Reasons Footnote 63. The agreement was in fact 'signed' by receipt of a valid purchase order, which was subsequently paid in full.