

1st May 2020

Letter to Shareholders

ASX Directions



Dear Shareholder

On behalf of the Company, iSignthis Ltd (ASX: ISX | FRA: TA8) ("**the Company**") ISX acknowledges yesterday's decision of the Federal Court of Australia to not grant the Company interlocutory relief in its legal case against the ASX.

Please find attached a Market Update that was placed on the ASX announcement platform yesterday at circa 4.30 pm and again today.

Unfortunately, the ASX has not allowed the Company to communicate with its shareholders via the ASX platform, so we are writing to our shareholders directly. By Copy to ASX under LR17.3 and 17.3.1, we expect that the ASX will publish this communication in order to ensure that there is an informed market.

The Market Update demonstrates that the Company is willing to comply with all Directions of the ASX, which we received in written communication from the ASX of today's date.

In addition, the Company today again wrote to the ASX, repeated and extended its 17 December 2019 offer of escrow of the milestone performance shares (as defined in the 2014 prospectus) by the directors, officers, Select All Enterprise Ltd and Red 5 Solution Ltd (see attached). That offer is for 12 months from the date of ISX shares relisting on the ASX.

ISX continues to work in the interests of our shareholders, and our priority is to have the Company's securities relisted on the ASX.

Given that ISX has agreed to full compliance with the ASX's Directions, together with the Company's further offer of escrow, we would expect that this will allow for ISX securities to recommence trading.

In respect of the findings of the Federal Court, ISX has elected not to appeal the court's decision regarding one interlocutory application.

It is important to note that the Company does intend to continue its legal case against the ASX.

To be clear, the board of ISX rejects the ASX's Statement of Reasons, which it considers to be a fundamentally flawed document that forms a

number of erroneous conclusions based on factually incorrect information and assumptions.

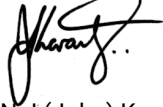
Finally, ISX would to reiterate that ASIC confirmed at a meeting on 2 October, 2019 (which is on official transcript) that it was not investigating the Company at that point in time. It also did not request the suspension of ISX securities.

The Company has been proactively engaging with ASIC which has been examining the issues raised by the ASX since 8 October, 2019, following the suspension of ISX.

ISX has at all times acted is in the best interest of our shareholders.

Thank you for your continuing support.

Regards (and authorised for ASX release by)



N J (John) Karantzis

Managing Director, iSignthis Ltd

iSignthis Ltd ABN 93 075 419 715 of 456 Victoria Parade, East Melbourne, 3002, Victoria, Australia

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Shareholders Update re ASX Directions

1st May 2020, Melbourne: iSignthis Ltd (ASX: ISX | FRA: TA8) (“the Company”) announces that it intends to fully comply with the directions of the Australian Securities Exchange (“ASX”) which were received this morning (see Annexure).

In summary, ISX will engage an independent expert, acceptable to ASX, to review its continuous disclosure policy and processes to comply with Listing Rule 3.1 and will release to the market the findings of, and any changes ISX proposes to make to, its compliance policies and processes in response to that review.

The review will assess each contract that ISX has entered into since 1 January 2018 to determine whether or not a reasonable person would have expected information about the contract to affect the price or value of ISX’s shares. ISX also agrees to make any and all corrective disclosures as a result of that review (if any are needed, which is not anticipated).

The ASX has requested that details of the Nona agreement to be released to market by the Company.

ISX also accepts the direction of the ASX include in each quarterly activity report it must give to the ASX a breakdown by sector of the revenue ISX has derived from customers during the applicable quarter, divided into the following sectors:

- Options/CFDs/FX
- Crypto/digital currency
- Online gambling
- Online video gaming
- Credit providers
- Travel services
- Other

In addition, the Company repeats its 17 December 2019 offer of escrow of the *milestone performance shares* (as defined in the 2014 prospectus) by the directors, officers, Select All Enterprise Ltd and Red 5 Solution Ltd.

The ASX ‘Statement of Reasons’ is primarily concerned with the *milestone performance shares* arising from the revenue generated by the Company’s deployment of technology platforms. In order to allow time to resolve any further concerns about this matter, the *milestone performance shares* held by directors, Select All Enterprise Ltd and Red 5 Solutions Ltd will be voluntarily placed in escrow for 12 months from the securities of ISX being re-quoted by the ASX, noting that there has been an effective escrow during the already lengthy period of suspension. The Company is already proactively engaging with ASIC which has been examining the issues since the 8th October 2019, following the suspension of ISX.

ISX has not been given any indication by the ASX that compliance with the written directions of the ASX, that the ASX will allow ISX to recommence trading of its securities.

Authorised by the Managing Director, John Karantzis of iSignthis Ltd.

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1 May 2020

Mr Timothy Hart
Chairman
iSignthis Ltd
456 Victoria Parade
East Melbourne VIC 3002

By email

Dear Mr Hart

iSignthis Ltd ('ISX'): Directions

ASX Limited ('ASX') refers to its letter to you dated 13 March 2020 enclosing its finalised Statement of Reasons ('Statement of Reasons').

Capitalised terms used in this letter have the same meaning as given in the Statement of Reasons.

Sections 12.2 and 12.4 of the Statement advised that ASX intended to make directions to ISX under Listing Rule 18.8 in relation to the matters noted in those paragraphs as soon as it was able to.

Following yesterday's decision by the Federal Court to refuse the injunctive relief sought by ISX in the Interlocutory Application, ASX is now in a position to issue those directions.

Accordingly, ASX now gives ISX the following directions:

1. 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.
2. In accordance with Listing Rule 18.8(l), ASX directs ISX to engage an independent expert, acceptable to ASX, to review its policies and processes to comply with Listing Rule 3.1 and to release to the market the findings of, and any changes ISX proposes to make to its compliance policies and processes in response to, the review. The review should also assess each contract that ISX has entered into since 1 January 2018 (other than the Key Contracts) to determine whether or not a reasonable person would have expected information about the contract to affect the price or value of ISX's shares and, if so, whether ISX has disclosed the matters set out in section 4.15 of GN 8 in relation to that contract. To the extent it hasn't, ISX will be expected to make corrective disclosure and, if it does not, ASX will give a further direction under Listing Rules 18.8(a) and (b) that ISX do so.
3. In accordance with Listing Rules 18.8(a) and (b), ASX directs ISX to include in each quarterly activity report it gives to ASX under Listing Rule 4.7C, commencing with its quarterly activity report for the quarter ended 31 March 2020, a breakdown by sector of the revenue ISX has derived from customers during the applicable quarter, divided into the following sectors:
 - Options/CFDs/FX
 - Crypto/digital currency
 - Online gambling
 - Online video gaming
 - Credit providers
 - Travel services
 - Other

Please provide to ASX at the earliest opportunity for ASX's approval:

- a draft of the market announcement referred to in direction 1 above; and
- the name of an independent expert to conduct the review referred to in direction 2 above.

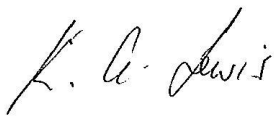
To assist ISX to find an independent expert acceptable to ASX to conduct the review referred to in direction 2, ASX advises that it will not accept HWL Ebsworth as independent for these purposes, given its representation of ISX in relation to the Statement of Reasons and associated matters. ASX will accept a corporate partner experienced in ASX listing rule matters from any of the following major law firms in Australia: Allens, King & Wood Mallesons, Gilbert + Tobin, Ashurst, Clayton Utz, Minter Ellison, Allen & Overy, Baker McKenzie, Corrs Chambers Westgarth, Johnson Winter & Slattery and Norton Rose Fulbright (noting that Herbert Smith Freehills represent ASX in this matter).

Please also note that direction 3 above will require ISX to reissue its quarterly activity report for the quarter ended 31 March 2020 published on MAP on 29 April 2020 to include the information set out in that direction. Please attend to this at the earliest opportunity.

ASX requires ISX to immediately disclose the contents of this letter to the market, failing which ASX reserves the right to release this letter to the market under Listing Rule 18.7A.

If you have any enquiries in relation to this letter, please contact me.

Yours sincerely



Kevin Lewis
Chief Compliance Officer, ASX Limited