

iSignthis increases stake in NSX Limited via placement

Thursday 28th May 2020, Melbourne : iSignthis Ltd (ASX : ISX) “the Company” discloses that:

- As foreshadowed in the announcement of 20th February 2020, the Company’s subsidiary Probanx Holdings Ltd has taken up the option to participate in the NSX Limited (ASX: NSX) capital raise.
- the placement amount applied for by the Company was for One Million Five Hundred Thousand Dollars (\$1.5m) at the placement price of \$0.091/share for 16,483,517 shares
- the Company currently maintains its 59.0% interest in the ClearPay JV with the NSX

Rationale for Participation

The iSignthis’ 2014 prospectus stated:

“In addition, the Company will consider opportunities for growth through acquisitions of competitors and complementary businesses. The Company will also explore further strategic business opportunities that may arise as a result of its identity services and technology. Some of these opportunities may include operation of payment processing facilities, which may require the company to apply for and hold financial or prudential licenses in jurisdictions where it intends to operate. The confluence of payment and identity services may present the company with further opportunities that may be of strategic interest, or bring about further and new business models to complement those described in this Prospectus.”

iSignthis has disclosed and affirmed numerous times that the convergence of identity, transactions and payments is key to its core strategy. The Company began integrations of ISXPay® and Paydentity™ to third party trading platforms for securities in 2016, and continues to do so to the present day.

Australia’s cash equity market is dominated by an effective monopoly, in both equities and other securities trading, in addition to clearing and settlement of trades.

iSignthis’ strategy since 2016 has been to deliver an identity, payments and transactional banking platform to brokers, security dealers and participants, that hold appropriate licensing. Our applications to the Reserve Bank of Australia (RBA), the Australian Prudential Regulatory Authority (APRA) and the Australian Securities and Investment Commission (ASIC) since 2018 have been undertaken directly in support of this strategy.

This strategic initiative put us squarely in competition with the effective monopolist incumbent, the ASX.

iSignthis’ relationship with NSX Limited, the 100% owner of the Tier 1 Market operator NSXA, provides it with a unique opportunity to further enhance our Digital Ledger Technology (DLT), and integrate it fully with a Delivery versus Payment (“DvP”) platform, including clearing, settlement and trading systems for an end to end solution.

Several opportunities may arise from that relationship in the future, including:

- the NSXA will, in time, present a more credible alternative to listing on the ASX for issuers, generating direct revenues via ISXPay® and indirect revenues via our shareholding in NSXL, and;
- the DLT could be used to enhance our own operations, and;
- the DLT may be licensed to other market operators standalone or in conjunction with iSignthis services.

iSignthis’ strategy revolves around servicing entry and mid-market customers operating in regulated sectors. Our investment in the NSX is consistent with this, in order to be able to influence the technology, and provide a reference site with a Tier 1 market operator in a well-regarded jurisdiction.

The rise of neobanks and alternative market operators globally provides the Company with an opportunity in Delivery versus Payment (DvP) ecosystems, that also incorporate Probanx CorePlus®, ISXPay® and/or Paydentity™ technology or transactional services (where we are licensed to provide such).

It is intended that the DLT based DvP solution being developed by the Company’s subsidiary Probanx Solutions Ltd (“Probanx”) under its \$4.5m contract with ClearPay Pty Ltd and the NSXA, will also be able to interoperate with the existing NASDAQ trading engine. ClearPay and Probanx will be able to bring the DLT technology to other exchanges around the world, with the advantage of a converged solution for identity, payments and monitoring.

Authorised by the Board of iSignthis Ltd