

## Change to Reporting Currency

**Melbourne, 27 July 2021:** iSignthis Ltd, is pleased to announce changes to financial reporting that provide greater visibility of the drivers and performance of the business.

iSignthis will change its reporting currency from Australian dollars (\$) to Euros (€), commencing with the 1H21 Appendix 4C and the 2021 interim result. The change is driven by the fact that more than 95% of iSignthis's revenue and assets are in Euros. Reporting in Euros will remove the volatility that occurs when European earnings and assets are translated into Australian dollars, which will enable easier comparison of financial performance between periods.

The historical financial information provided in Appendix 1 was previously reported in Australian dollars and has been restated to Euros based on the following translation methodology:

- The financial performance summary, consolidated statement of profit or loss and consolidated statement of cash flows have been translated into Euros using average exchange rates for the relevant period.<sup>(1)</sup>
- Assets and liabilities in the consolidated statement of financial position have been translated into Euros at the closing exchange rates on the relevant balance sheet date.<sup>(2)</sup>
- The equity section of the consolidated statement of financial position has been translated into Euros using historical rates at transaction date.

The financial information in the appendices has not been audited, however it has been extracted from previously audited Australian dollar financial statements and converted into Euros.

**Authorised by the Managing Director and Company Secretary**

1 The AUD/EUR average exchange rates used were: 0.6013 for the 12 months ended 31 December 2020; and 0.5941 for the 6 months ended 30 June 2020.  
2 The AUD/EUR exchange rates used were: 0.6306 as at 31 December 2020; and 0.6111 as at 30 June 2020.

## Appendix 1

### Consolidated statement of profit or loss Presented in Euros FY 31 December 2020 and HY 30 June 2020

	Consolidated	
	31 December 20 Euro	30 June 20 Euro
<b>Revenue</b>	21,821,488	11,595,216
Other income	612,892	271,886
<b>Expenses</b>		
Corporate expenses	(4,125,309)	(1,945,298)
Advertising & marketing expense	(199,626)	(112,461)
Employee benefits expense	(4,488,091)	(2,003,461)
Research & development expenses	(429,247)	(215,565)
Depreciation & amortisation expense	(739,181)	(288,592)
Impairment of investment in associate	-	(851,487)
Share of losses from investment in associate	(305,417)	(104,768)
IT expenses	(1,200,401)	(620,867)
Other expenses	(96,407)	(60,624)
Operating costs	(8,907,361)	(4,873,163)
Share based payments	(212,353)	(90,531)
Net realised/unrealised foreign exchange gain/(loss)	41,702	216,832
Finance costs	(42,289)	(23,438)
<b>Profit/(loss) before income tax expense</b>	<u>1,730,400</u>	<u>893,679</u>
Income tax expense	(912,194)	(436,205)
<b>Profit/(loss) after income tax expense for the year</b>	<u>818,206</u>	<u>457,474</u>
<b>Other comprehensive (loss)/income</b>		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Foreign currency translation	<u>35,495</u>	<u>(264,398)</u>
Other comprehensive (loss)/income for the half-year, net of tax	<u>35,495</u>	<u>(264,398)</u>
<b>Total comprehensive income/(loss) for the year</b>	<u>853,701</u>	<u>193,076</u>
<b>Profit/(loss) after income tax expense for the year attributable to:</b>		
Non-controlling interests	(332,398)	(275,863)
Owners of the parent	<u>1,150,604</u>	<u>733,337</u>
	<u>818,206</u>	<u>457,474</u>
<b>Total comprehensive income/(loss) for the year attributable to:</b>		
Non-controlling interests	(332,398)	(275,863)
Owners of the parent	<u>1,186,099</u>	<u>468,939</u>
	<u>853,701</u>	<u>193,076</u>

## Appendix 1

### Consolidated statement of financial position Presented in Euros FY 31 December 2020

	Consolidated 31 December 20 Euro
<b>Assets</b>	
<b>Current assets</b>	
Cash and cash equivalents	10,475,190
Trade and other receivables	1,005,581
Funds held on behalf of merchants	61,816,104
Other assets	1,059,909
<b>Total current assets</b>	<u>74,356,784</u>
<b>Non-current assets</b>	
Plant and equipment	714,184
Right-of-use assets	1,080,419
Intangibles	3,246,799
Deferred tax assets	60,848
Investment in associate	3,475,913
<b>Total non-current assets</b>	<u>8,578,163</u>
<b>Total assets</b>	<u>82,934,947</u>
<b>Liabilities</b>	
<b>Current liabilities</b>	
Trade and other payables	3,461,235
Lease liability	323,470
Employee benefits	296,424
Funds held on behalf of merchants	61,816,104
Contract liabilities	104,452
<b>Total current liabilities</b>	<u>66,001,685</u>
<b>Non-current liabilities</b>	
Lease liability	801,294
Deferred tax liabilities	51,321
Employee benefits	44,315
<b>Total non-current liabilities</b>	<u>896,930</u>
<b>Total liabilities</b>	<u>66,898,615</u>
<b>Net assets</b>	<u>16,036,332</u>
<b>Equity</b>	
Issued capital	32,408,837
Reserves	1,092,214
Accumulated losses	(17,905,555)
<b>Equity attributable to owners of the parent</b>	<u>15,595,496</u>
Non-controlling interest	440,836
<b>Total equity</b>	<u>16,036,332</u>

## Appendix 1

### Consolidated statement of cash flows Presented in Euros FY 31 December 2020 and HY 30 June 2020

	Consolidated	
	31 December 20 Euro	30 June 20 Euro
<b>Cash flows from operating activities</b>		
Receipts from customers	21,137,520	10,880,075
Payments to suppliers and employees	(18,181,771)	(9,430,395)
Interest received	28,155	17,817
Government grants & tax incentives received	584,737	254,070
Income taxes paid	(810,129)	-
Net cash generated from operating activities	<u>2,758,512</u>	<u>1,721,567</u>
<b>Cash from investing activities</b>		
Payment for shares in Associate	(3,574,473)	(3,380,441)
Payments for plant and equipment	(336,604)	(300,428)
Payments for intangibles	(1,779,037)	(757,557)
Cash contribution from investment partner	1,877,854	1,877,854
Net cash (used in) investing activities	<u>(3,812,260)</u>	<u>(2,560,572)</u>
<b>Cash flows from financing activities</b>		
Repayment of lease liabilities	(233,837)	(62,361)
Proceeds from exercise of options	221,637	221,637
Other ( Merchant security and card scheme security received)	384,832	(888,560)
Net cash from financing activities	<u>372,632</u>	<u>(729,284)</u>
Net (decreased)/increase in cash and cash equivalents	(681,116)	(1,568,289)
Cash and cash equivalents at the beginning of the financial year	11,080,935	11,080,935
Effects of exchange rate changes on cash and cash equivalents	75,371	(32,388)
<b>Cash and cash equivalents at the end of the financial year</b>	<u><u>10,475,190</u></u>	<u><u>9,480,258</u></u>