

## ISXPay : First Australian Card Acquiring Contracts Executed for Retail Merchants

**Melbourne, 22<sup>nd</sup> August 2017:** Australian Securities Exchange and Frankfurt Stock Exchange cross list iSignthis Ltd (ASX : ISX / FRA : TA8), the world leading RegTech for identity verification and payment services, is pleased to announce that it has commenced contracting merchants to ISXPay Australia.

### **Card Acquiring: Processing & Settlement Services**

The two Contracts are in excess of \$20m per annum of transactions to be processed by ISXPay, with a gross margin of 0.913% for provision of card acquiring / payment facilitation settlement services. The retail merchants are operating in high fraud retail environments. Services will commence in circa 4-6 weeks to these merchants.

Transactional cost is at a weighted average of 20c/Tx, with Payment Instrument Verification services valued at \$1.50 per card verified.

The Contracts are expected to deliver a gross profit of \$230,000 per annum across the three key revenue silos of 'verification', 'processing' and 'settlement' identified in Investor Update dated 31<sup>st</sup> July 2017.

The Company has an agreement with the National Australia Bank (ASX : NAB), whereby daily cashflow for card settlement is provided by the NAB at a wholesale rate to the Company. This allows the Company to pursue merchants of all sizes, as the NAB agreement ensures that the Company has adequate daily cashflow to effect settlement.

### **Patented Antifraud Technology**

The Company has patents which allow it to prove ownership of a credit card via its Payment Instrument Verification (PIV) services. Whilst focus to date has been on PIV as a means for enhanced due diligence to satisfy Know Your Customer (KYC) as part of Anti Money Laundering regulations, PIV can also be used as a real time means to reduce card not present fraud.

The Company's patents provide a means to capture 'compelling evidence', which is a means to reverse chargebacks under the Visa Inc. and Mastercard Worldwide operating rules.

According to the Australian Payments Network<sup>1</sup>, Australian Card-not-present (CNP) fraud during 2016 increased to \$417.6 million, up from \$363 million in 2015. Seventy Six percent (76%) of all payments fraud in Australia is card not present fraud.

Transactions will be screened by the iSignthis risk engine on behalf of the merchant, and PIV activated by iSignthis, or, by the merchant using API calls on a transactional basis. The iSignthis technology and platform is versatile, and can be configured to deliver enhanced payment gateway, antifraud, and/or identity verification services on a transaction by transaction basis.

The Company expects that its Australian ISXPay services will grow significantly over coming months, and will update shareholders progressively as the card acquiring merchant portfolio grows. The Company is now actively targeting merchants with high risk or high fraud operations. Merchants will not be individually named to maintain confidentiality of their processing volumes.

iSignthis is also a principal member of Mastercard Worldwide and JCB, and holds a deposit taking Monetary Financial Institution licence in the EU. The Company will, in coming months, be launching ISXPay services in the EU to compliment Australian services.

**iSignthis CEO John Karantzis** said "We are excited to be launching ISXPay services as a fully commercial and viable alternative to the Big 4 banks in Australia, with ISXPay Europe to follow late September. We anticipate that our transaction processing volumes will start to grow rapidly, and deliver revenues against the infrastructure investment made by the Company in developing ISXPay".

<sup>1</sup> [http://www.apca.com.au/docs/default-source/fraud-statistics/australian\\_payments\\_fraud\\_details\\_and\\_data\\_2017.pdf](http://www.apca.com.au/docs/default-source/fraud-statistics/australian_payments_fraud_details_and_data_2017.pdf)

### **About iSignthis Ltd (ASX : ISX)**

Australian Securities Exchange listed iSignthis Ltd (ASX : ISX) as the global leader in remote identity verification, payment authentication and payment processing to meet AML/CFT requirements. iSignthis provides an end-to-end on-boarding service for merchants, with a unified payment and identity service via our Paydentity™ and ISXPay® solutions.

By converging payments and identity, iSignthis delivers regulatory compliance to an enhanced customer due diligence standard, offering global reach to any of the world's 3.5Bn 'bank verified' card or account holders, that can be remotely on-boarded to regulated merchants in as little as 3 to 5 minutes.

iSignthis Paydentity service is the trusted back office solution for regulated entities, allowing merchants to stay ahead of the regulatory curve, and focus on growing their core business.

iSignthis, trading as ISXPay®, is an EEA authorised eMoney Institution, offering card acquiring in the EEA, Australia and New Zealand.



Read more about the company at our website [www.isignthis.com](http://www.isignthis.com).

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