

ISXPay®: Australian payment processing & funds settlement update

Highlights

- Actual October - January operations indicate 'annualised' Gross Process Transaction Value (GPTV) will be in excess of \$100m across first 3 merchants
- Previous November forecast : GPTV expected in excess of \$75m across 7 merchants
- Actual Net Margin is tracking at 138bps, versus November forecast 92bps.

Melbourne, 5th February 2018: Australian Securities Exchange and Frankfurt Stock Exchange cross listed iSignthis Ltd (ASX : ISX / FRA : TA8), the world leading RegTech for identity verification and payment services, is pleased to announce interim operating update for its Australian payment processing and settlement operations.

Card Acquiring: Payment Processing & Funds Settlement Services

Our last update date 28/11/2017 anticipated that the total card acquiring 'book' value would be in excess of \$75m per annum of Gross Processed Transaction Value (GPTV) to be settled by ISXPay directly to the merchant's bank account. The Company also forecast an average net margin of 0.92% on the Merchant Services Fee (MSF), for provision of card acquiring / payment facilitation & settlement services, which would be applicable across the total contracted GPTV.

Over the last four months, actual figures indicate that GPTV will exceed \$100m annualised, based on just 3 of the 7 merchants contracted. The Company cannot at this stage forecast the GPTV contribution of the other contracted merchants or those being finalised to contract.

The net MSF margin for this particular sector in which the merchants operate in, is in excess of 1.28% applied on the GPTV. The Company expects the net MSF will average down to around 1.15%, as the Company diversifies its operations across various unrelated merchant market sectors whilst also increasing in GPTV volume. Transactional (flat) fees charged are at a weighted average of 24c/Transaction and are in accordance with previous forecasts.

The Company has elected to focus on selected merchants as they provided scale, and a higher gross margin than the anticipated average. This has allowed the company to bed down its technology and operations, before moving to conclude further integrations, process higher volumes, and finalise further new sales opportunities.

Further merchants are expected to go live within the next few weeks, and will include the full Paydentity™ suite. For AML regulated merchants, the use of Paydentity will likely translate to higher KYC conversions together with massive increase in extraterritorial reach, which in turn will likely lead to corresponding increase in GPTV being processed by ISXPay®.

The Company will no longer announce merchants by name, but will report based on sector / actual results, in order to preserve merchant confidentiality and Company's commercial positioning.

National Australia Bank Agreement (ASX : NAB)

The Company announced on the 8th August 2016 an agreement with the National Australia Bank, 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.

About iSignthis Ltd (ASX : ISX | DE : TA8)

Australian Securities and Frankfurt Stock Exchange listed iSignthis Ltd (ASX : ISX) is the global RegTech leader in remote identity verification, payment authentication and payment processing. 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' and its subsidiary, iSignthis eMoney Ltd, trade as ISXPay®, and are an EEA authorised eMoney Monetary Financial Institution, offering card acquiring in the EEA, Australia and New Zealand. ISXPay is a principal member of Visa Inc, Mastercard Worldwide and JCB International.



Read more about the company at our website www.isignthis.com.

For more information, please contact:

iSignthis Ltd (ASX : ISX) Media: contact@isignthis.com

Investor Relations, Chris Northwood, Activ8Capital,
+61458 809 177, cnorthwood@activ8capital.com