

Annual General Meeting – CEO Presentation

iSignthis®

28th November 2018

Presenters

John Karantzis, CEO, B.E. LL.M M.Ent (Melb)

“ISX is evolving towards a full service transactional banking institution, in both the EU and Australia.

We are the most advanced neobank listed on the ASX”



EEA Authorised
EMI #115.1.3.17



BÖRSE
FRANKFURT

ico.

PRINCIPAL
MEMBER:

VISA



AGGREGATION
PARTNER:



Disclaimer

Important Notice

This Presentation (Presentation) has been prepared and issued by iSignthis Ltd ABN 93 075 419 715 (ISX)

This Presentation must not be copied or distributed to other persons without the prior written consent of ISX, which may be given or withheld in its absolute discretion.

This document is not a prospectus and does not contain all of the information which would be required to be disclosed in a prospectus.

Summary Information

The information contained in this Presentation is of a general nature and in summary form. Neither ISX (nor any of its respective officers, employees, related bodies corporate, affiliates, agents or advisers) guarantees or makes any representation or warranty, express or implied, as to, or takes responsibility for, the accuracy, or reliability of the information contained in this document. ISX does not represent or warrant that this document is complete or that it contains all material information about ISX or which a prospective investor or purchaser may require in evaluating a possible investment in ISX or acquisition of ISX shares.

It is not intended to be relied upon as advice to investors or potential investors, and does not contain all information relevant or necessary for an investment decision or that would be required in a prospectus prepared in accordance with the Corporations Act.

Statements in this Presentation are made only as of the date of this Presentation unless otherwise stated and information in this Presentation remains subject to change without notice.

Not an Offer

This Presentation is not a prospectus, disclosure document, product disclosure statement or other offering document under Australian law and does not constitute an invitation to subscribe for or buy any shares in ISX, including in any jurisdiction in which it would be unlawful, or a solicitation to engage in or refrain from engaging in any transaction.

Not investment advice or a recommendation

This Presentation does not constitute investment or financial product advice, nor is it a recommendation to acquire shares in ISX. It is not intended to be used as the basis for making a financial decision, nor is it intended to constitute legal, tax, accounting or other advice. In particular, this Presentation is not intended to be relied upon as advice to any person and does not take into account the financial situation, objectives or needs of any person. This Presentation may not be relied on to make an investment or other financial decision, and you should make your own assessment and take independent professional advice in relation to the information, before making any investment decision in relation to ISX.

Financial amounts

All dollar values are in Australian Dollars (A\$) and financial data is presented as at the date of this presentation unless stated otherwise. ISX's results are reported under Australian International Financial Reporting Standards, or AIFRS.

Future performance

This Presentation contains certain 'forward looking statements' including statements regarding or based on ISX's current belief, intent, assumptions or expectations with respect to the financial condition and performance, results and operations, business plans and objectives or management, capital adequacy, risk management practices and specific or general provisions.

Forward looking statements can generally be identified by the use of forward looking words such as 'anticipate', 'believe', 'expect', 'project', 'forecast', 'estimate', 'likely', 'intend', 'should', 'will', 'could', 'may', 'target', 'plan' and other similar expressions within the meaning of securities laws of applicable jurisdictions. Indications of, and guidance or outlook on future earnings, distributions or financial position or performance are also forward looking statements. The forward looking statements contained in this Presentation involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of ISX, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct.

There can be no assurance that actual outcomes will not differ materially from these forward-looking statements.

Disclaimer

No party other than ISX has authorised or caused the issue, lodgement, submission, dispatch or provision of this Presentation, or takes any responsibility for, or makes or purports to make any statements, representations or undertakings in this Presentation. Any information or representations not contained in this Presentation may not be relied upon as having been authorised by ISX.

Nothing contained in this document nor any information made available to you is, or shall be relied upon as, a promise, representation, warranty or guarantee, whether as to the past, present or future. Past performance information given in this document is given for illustrative purposes only and should not be relied upon as (and is not) any indication of future performance.

To the maximum extent permitted by law, ISX, officers, employees, agents and advisers disclaim all liability for any expenses, losses, damages or costs incurred by you as a result of this presentation being inaccurate or due to information being omitted from this Presentation, whether by way of negligence or otherwise, make no representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of the information in this Presentation.

The information in this Presentation remains subject to change without notice.

iSignthis Ltd

We are a leading payments, eMoney and identity technology company, publicly listed on the Australian Securities and Frankfurt Stock Exchange (ASX : ISX | DE_FRA : TA8).

We are an EEA authorised, deposit taking, Monetary Financial Institution and have licenses to operate transactional banking services across Europe and, soon, Australia.

We provide EU/EEA and Australian businesses with transactional banking and a complete customer onboarding solution from **remote identity verification to payment processing, settlement and our EU deposit taking** services will soon be available in Australia as well.

Our patented Payidentity™ and ISXPay® platforms, built inhouse, make all this possible.

Through our Probanx.com subsidiary, we also supply core banking software to more than 15 banks in North America, Asia Pacific and the EU/EEA – and shortly ourselves as well in the EU and Australia

We are the only ASX listed, EEA Authorised, transactional neobank

iSignthis Limited (ASX: ISX / DE : TA8 / SWIFT BIC : ISEMCY22)

Australia's only ASX listed RegTech and Eurosystem authorised Monetary Financial Institution.

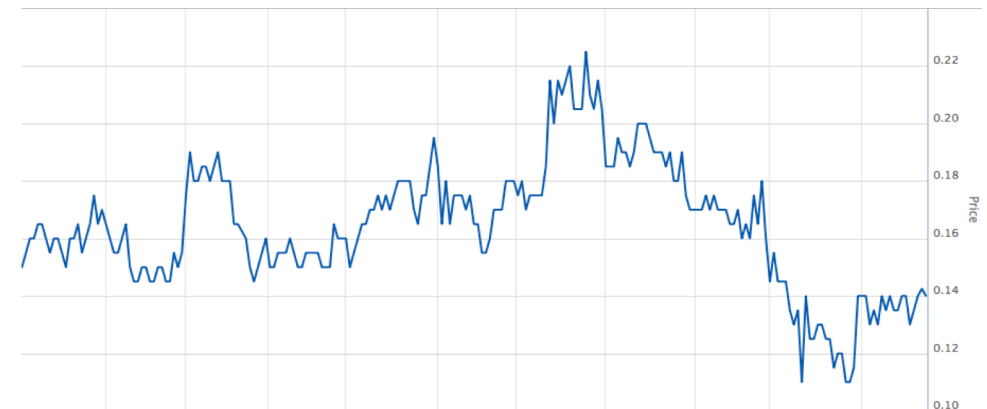
iSignthis has a patented identity verification technology, linked with payment processing and payment facilitation capability, converging payments and identity into our Payidentity™ service.

With an increasing European customer focus, we have now cross listed on the Frankfurt Stock Exchange (FSE).

Capital structure - ASX

Ordinary shares - quoted on ASX	1,075,714,618
Performance Rights – staff	5,735,770
Total Shares – incl Perf/shrs	1,081,450,388
<i>Unlisted advisor options (various expiry and strike prices)</i>	<i>14,652,631</i>
Share price (27 th November 2018)	A\$0.15/share
Market capitalisation (incl Perf Shares -A\$m)	A\$162m

Share Price Chart - 2018



Source : ASX

Financial Performance Summary

Highpoints

Audited accounts reflect the following revenue performance for the FY year ending 30 June 2018 (we move to CY/FY reporting from Jan 19)

- Revenue in FY18 compared to FY17 is 362% higher
- Revenue in Q4FY18 compared to Q3FY18 is 167% higher
- Revenue in Q4FY18 was in excess of \$3.95m

Cash Receipts increased to A\$2.633m, representing a 67.4% increase versus the March quarter of A\$1.571m

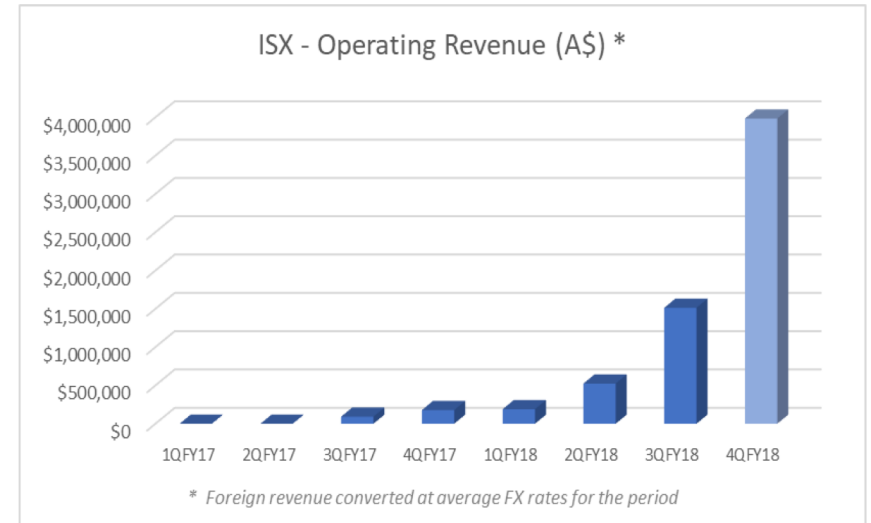
Our business case validated with a relevant customer value proposition.

Lowpoints

Supply chain issues including the perfect storm of:

- partner technical issues
- partner networks not able to service demand
- bank failure

Leading to short term revenue collapse following the above 'perfect storm'



Management focus is on building a global, sustainable business.

We have developed significant payment capabilities

A principal member of:

- Visa
- Mastercard
- JCB
- CUP/UIP
- AMEX
- Diners Club
- Discover



As we move towards finalising ChinaUnionPay, Amex, Diners and Discover technical integrations, iSignthis will have a world class card payment channel capability, that boasts not only being more extensive than Australia's Big 4 banks, but is comparable to card payment channel capability offered by the world's largest banks.

Bank to Bank Capabilities

- SWIFT
- SEPA CT
- SEPA DD
- SEPA B2B
- SEPA Instant
- EFT
- BPAY



iSignthis Ltd - Update

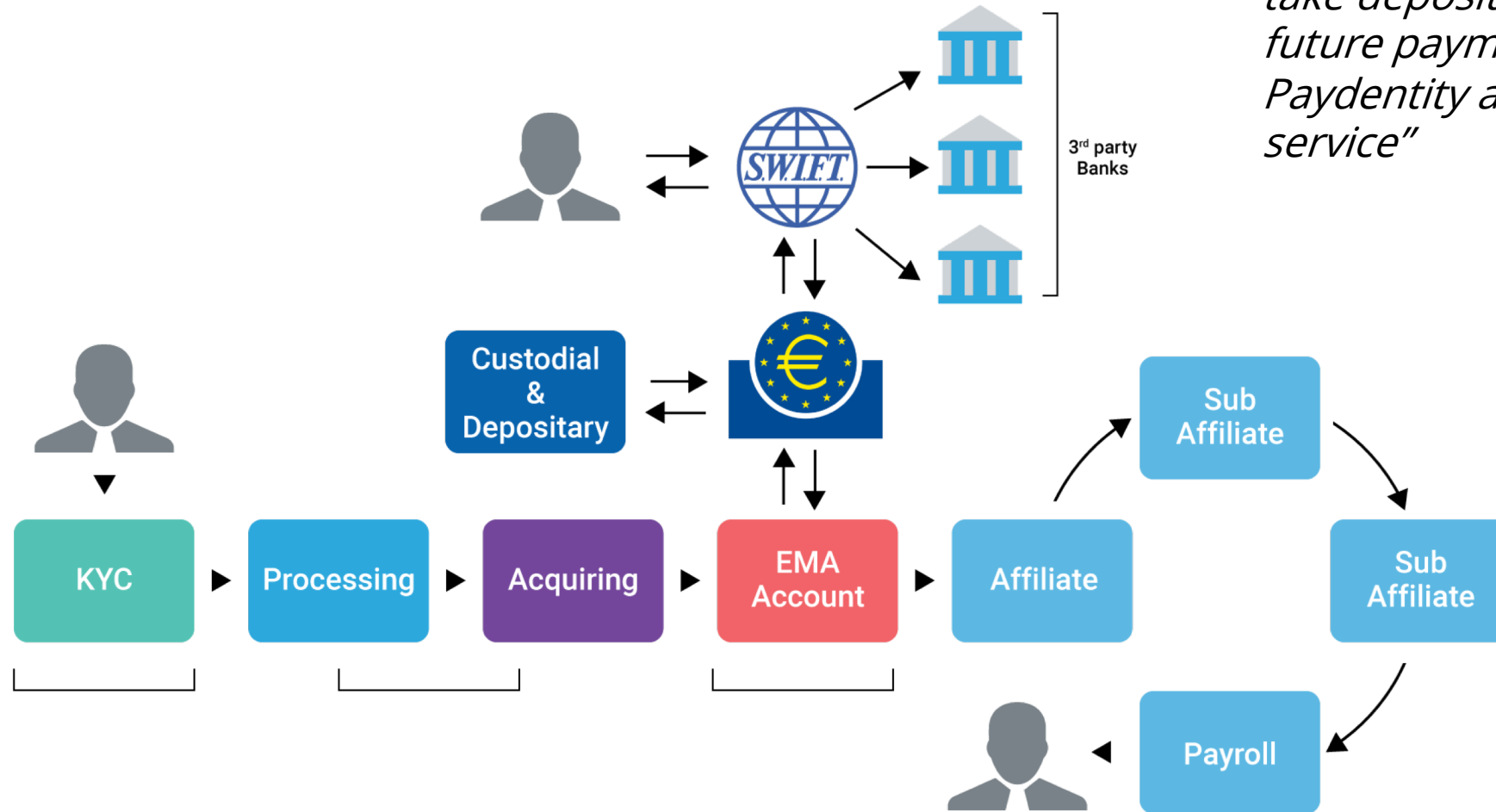
We are now almost fully operational as a Tier 1 connected, independent, deposit taking Monetary Financial Institution in the EU/EEA.

We have further strengthened our clearing network with our settlement banking partners including zero credit central banking from early next month, and with agreement having been reached with a further two commercial banking partners, to support our requirements and de-risk our operations from single point failures.

iSignthis is the ASX's only operating and licensed neobank, with full deposit taking and transactional banking capability. We also are not a mere 'app', piggybacking on another banks capabilities – we have our own regulatory approvals, our own payment channel licenses and we have built our own network. This represents serious time, know how, effort and smart investment to get us to this stage.

We are well progressed with our Australian ADI license via APRA, and anticipate licensing Q1 2019. iSignthis eMoney (AU) Tier 1 capital requirements have been agreed in principle, and we already meet APRA requirements.

What do we do?



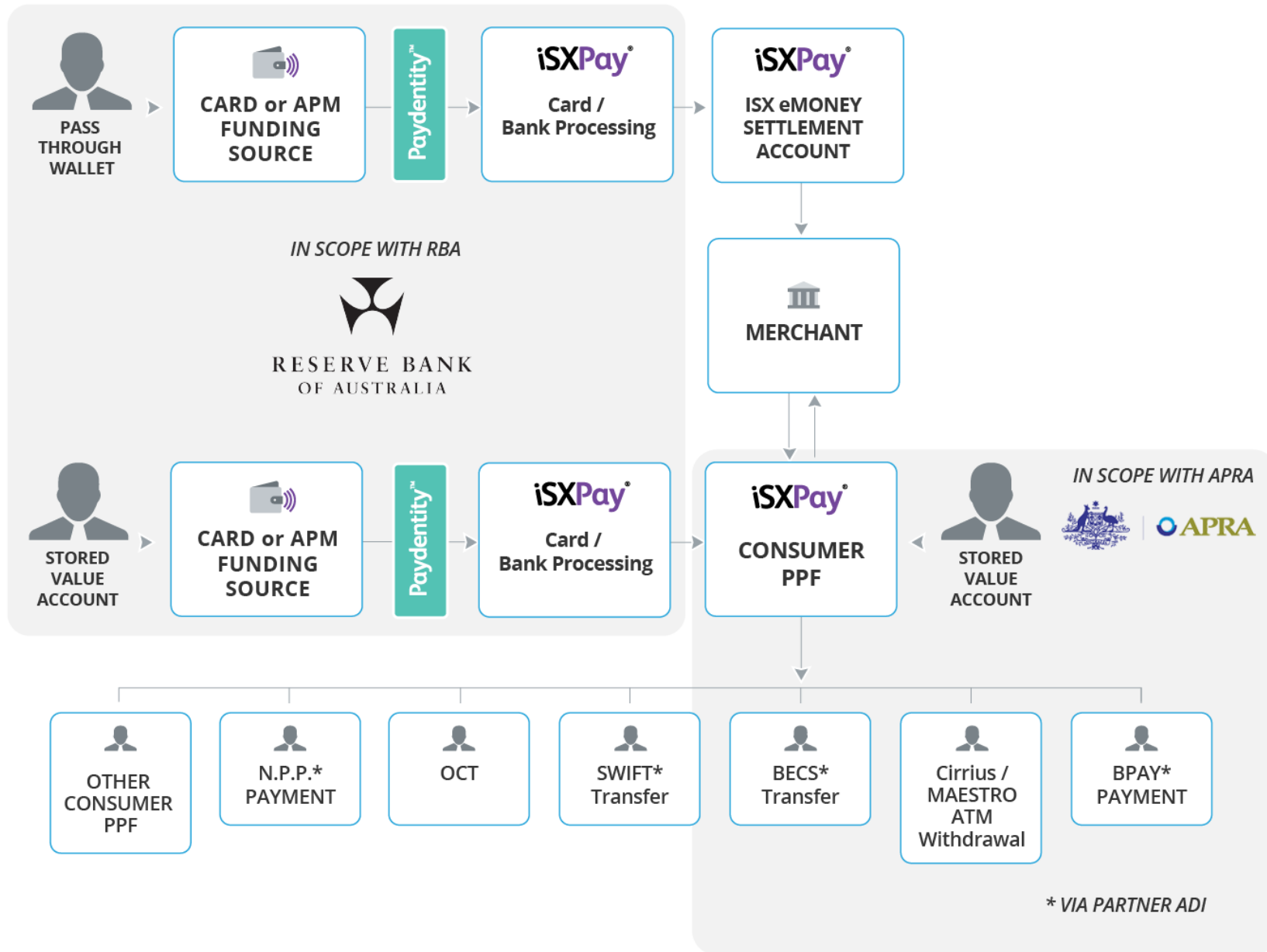
“We process payments and take deposits, in order to fund future payments, with Paydentity at the heart of our service”



BÖRSE FRANKFURT
CODE: ISX
CODE: TA8

PRINCIPAL MEMBER





What's unique about \$ISX?

***Onboarding speed and reach is critical.** Paydentity provide a means for banked/financially included customers to be 'passport'ed to other financial services. Paydentity can reach, identify, verify and take payment at the same time from 4.2bn persons, or 69% of the worlds population. A poor onboarding process can deter more than 80% of prospective customers, especially when regulatory requirements such as AML/CFT Know Your Customer apply.*

***Speed to checkout and payment choice are critical too.** ISXPay is at least as good as the best. ISXPay has reached terms with all the major card schemes, including Visa, Mastercard, China UnionPay, Diners, Discover, JCB, and American Express, as well as a number of alternative payment methods (APM's).*

***Speed to payout is also important for the customers of our financial services merchants.** The ability to move funds quickly and to a variety of destination accounts is a critical selling point for merchants to their customers.*

***Serious Multi-currency choice** – we offer between 16-23 currencies natively to our merchants, such that they can accept and we will settle in many of the worlds most popular currencies (with some exotics!)*

***Deposit taking capability,** IBAN accounts, zero credit risk facilities with central banking. Use of IBAN account to link all the above services via a customer centric interface.*

Probanx Information Systems Ltd

A recent acquisition of Probanx, a leading provider in cloud computing, serving financial institutions by offering a **complete banking software solution** through leasing and licensing.



Corporate
Banking



Retail
Banking



Payment
Institutions



Private
Banking



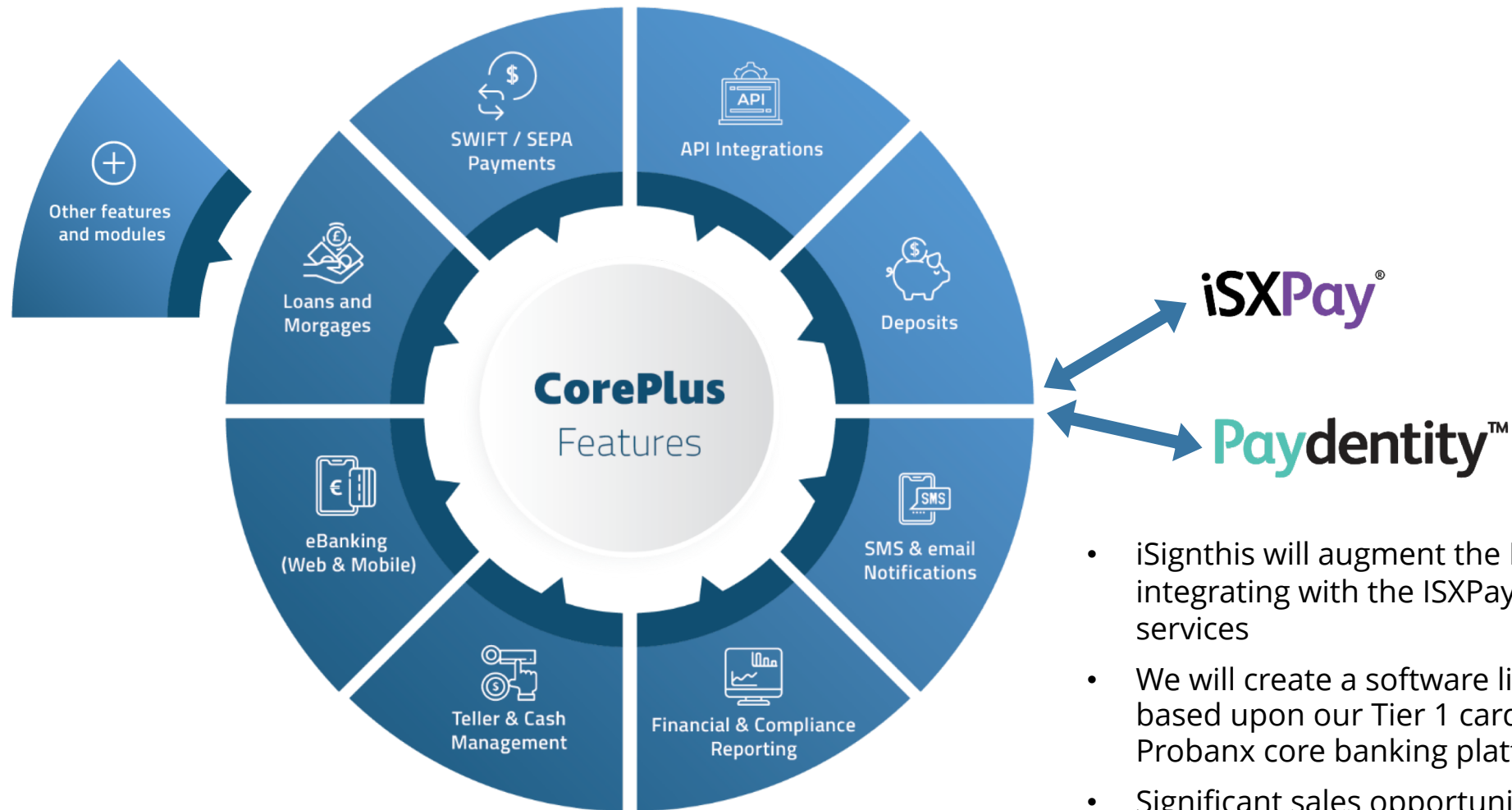
Electronic Money
Institutions

With more than **18 years of operations**, Probanx currently supplies core banking software to 15 banks across the **EMEA, APEC and ANZ**.



EBIT Target
Contribution FY/CY
2019 > \$300k

Probanx's CorePlus synergies with iSignthis



- iSignthis will augment the Probanx offering by integrating with the ISXPAY and Paydentity services
- We will create a software licensing division based upon our Tier 1 card capabilities and Probanx core banking platform
- Significant sales opportunities identified, targeting the rise of 'neobanks' globally

ISXPay Contracted Customers / Business Model

- **Card Processing/ Acquiring** : announced \$880m of contracts, to be processed during CY2019, at an estimated *average* GP margin >100bps (MSF%). GPTV is expected to recur annually and grow with new merchants and increased GPTV for each merchant.
- **eMoney accounts (EMA)** : applications received for in excess of \$300m of transactional accounts, with an *average* GP margin of 100bps (EMA%)

CY/FY 2019 (Jan to Dec) Contracted GPTV +EMA's leads to Gross Profit

- Card processing/ Acquiring = \$13.2m
- EMA = \$3m
- Other Services = \$1.5m

Gross Profit Total = \$17.7m

Less ; Annual Operating/Fixed cost base ~ (\$7m)

CY/FY2019 EBIT : AUD \$10.7m (existing contracts/ based on customer due diligence)

ISXPay Capabilities

	2018	CY/FY 2019	CY/FY 2020 Target
Regulatory Authorisation	EU/EEA	EU/EEA + Australia	EU/EEA + Australia
License Type	EMI (EU/EEA)	EMI (EU/EEA) + ADI (Australia)	EMI (EU/EEA) + ADI (Australia)
Payment Schemes	EU : Visa, Mastercard +JCB AU : Mastercard + Amex+ ChinaUnionpay + Diners/Discover	EU : Extend to Amex+ China Unionpay + Diners/Discover AU : Extend to Visa + JCB	EU + AU : Visa, Mastercard, JCB, ChinaUnionPay, Amex, Diners, Discover (licensed and connected)
Connected Banks	0 →	4300 →	11,000
Central Bank Accounts	No	Yes – Active EU (€) + Australia (\$) Reserve Bank ESA	Yes – EU (€) + Australia (\$) Reserve Bank ESA

ISXPay Forecasts

EBIT Guidance for Calendar / Financial Year 2019 : AU\$10.7m

	2018 (Jan)		CY/FY 2019		CY/FY 2020 Target
Integrated Active Merchants	7	→	25 (Jan)	→	50+ (Jan)
Contracted GPTV	\$75m/pa	→	\$880m/pa	→	\$1.50Bn / pa (Jan)
Contracted Average MSF	92bps	→	>100bps		>100bps
Contracted EMA's	\$0	→	\$400m/pa	→	>\$1.5Bn+
Contracted average EMA Services Fee on inflows	\$0	→	Circa 100bps		Circa 100bps
Below the Line Costs	~\$7m		\$7.25m		\$7.75m
Projected GP			~17.7		Guidance to follow FY/CY2019
Projected EBIT			~10.7m (Jan-Dec)		Guidance to follow FY/CY2019

Thank you

John Karantzis, CEO

iSignthis (ASX : ISX | DE_FRA : TA8)

e: investors@isignthis.com

iSignthis[®]