

A.S.I.C. Briefing

iSignthis®

5th December 2019

“Background briefing on iSignthis and its business to the Australian Security and Investments Commission (ASIC)”

Presenter

N J (John) Karantzis, CEO & Managing Director

B.E. LL.M M.Ent FIEAust, CPEng Eurlng Adj



EEA Authorised
EMI #115.1.3.17



BÖRSE
FRANKFURT

ico.

PRINCIPAL
MEMBER:

VISA



Diners Club
INTERNATIONAL

DISCOVER

AGGREGATION
PARTNER:



iSignthis Ltd (ASX : ISX | FRA : TA8)

As an EEA authorised Monetary Financial and Payment Institution, we provide payments, issuance of electronic money, IBAN addressable stored value accounts and KYCC identity verification services across multiple European jurisdictions.

Our subsidiary, iSignthis eMoney (AU) Pty Ltd, has applied to ASIC for a non-cash payment license, custodial license and depositary license, in conjunction with our ADI license to APRA.

By April 2020 iSignthis will offer card acquiring services in Australia as a principal licensee of the major schemes, under the Reserve Bank of Australia's card access regime. It is intended (subject to ASIC and APRA licensing) that the "stored value" electronic money services will soon also be available to the Australian public.

We operate a sophisticated & patented anti-money laundering and anti-fraud system that also provides transactional security to business and retail customers. It is real time and detects the AML issues currently in focus.

iSignthis' inhouse developed ISXPay®, Paydentity™, Probanx® CorePlus and CoreConnect platforms allow us to deliver services to merchants and retail customers, and meet our compliance obligations. 25 other deposit taking institutions rely on our technologies globally.

iSignthis Ltd Timeline – 9 years in the making

- 2010 Nickolas John Karantzis Invents the payment instrument verification method to solve an online fraud problem.
- 2011 – Patents lodged in key global financial centers, including EU, US, CN, CA, HK, SG, AU.
- 2013 (Dec) – US Patent Granted for payment instrument verification method. Commence development on software and raise 'angel round' of investment that year, with further patents granted 2014 – 2019 in AU, CN, CA, NZ, SA, PG, SE, SG, & EPO (EEA + Turkey)
- 2014 – Regulatory roadshow in HK, EU, SG & AU to determine if proposed process meets remote KYC requirements. Enter into first agreements to deliver strong customer authentication software based on patents
- 2015 – Raise \$3m at \$0.03 (via reverse list on ASX). Continue to develop company as a payment gateway / achieve PCI certification
- 2016 – Commence application for EU/EEA electronic money license. Commence providing KYC services based on patent. Enters into agreement to act as payment facilitator to process and settle Visa and Mastercard in Australian and New Zealand in partnership with NAB . ISX Licenses Kogan to use its patent for antifraud.
- 2017 – Granted EEA electronic money license. Achieves Mastercard, JCB and then Visa Principal Licensing for EU. Commenced network build to major card schemes.
- 2018 – Partnered with Worldline for EU whilst network build continued directly into major card schemes. Executed agreement to access SEPA network via Central Bank. NAB advises it will no longer service AML Sector businesses. Supply chain issues $\frac{3}{4}$ way through year. Deployed own network December 12th to allow for independent operations. Principal License granted for Mastercard (AU), ChinaUnionPay and AMEX. Lodges Australian ADI application in August. Alternative AU network arrangements reached,
- 2019 – Commences independent EU operations late Feb. Achieves cashflow positive May after just 2 $\frac{1}{2}$ months. Visa (AP) license granted. Re-commences AU card payment processing independent of NAB

iSignthis Group – Governance & Compliance Obligations

Principal Member of :



iSignthis eMoney Ltd (Europe)
 Deposit Taking,
 Payments,
 Cards (per above),
 Emoney issue,
 Credit License

Operational

iSignthis eMoney (AU) Pty Ltd (Australia)
 Card Payments Licenses

 ADI License submitted,
 ASIC Licenses submitted

Pending

Pending Applications ↓



Pending ADI License Issue



RESERVE BANK OF AUSTRALIA



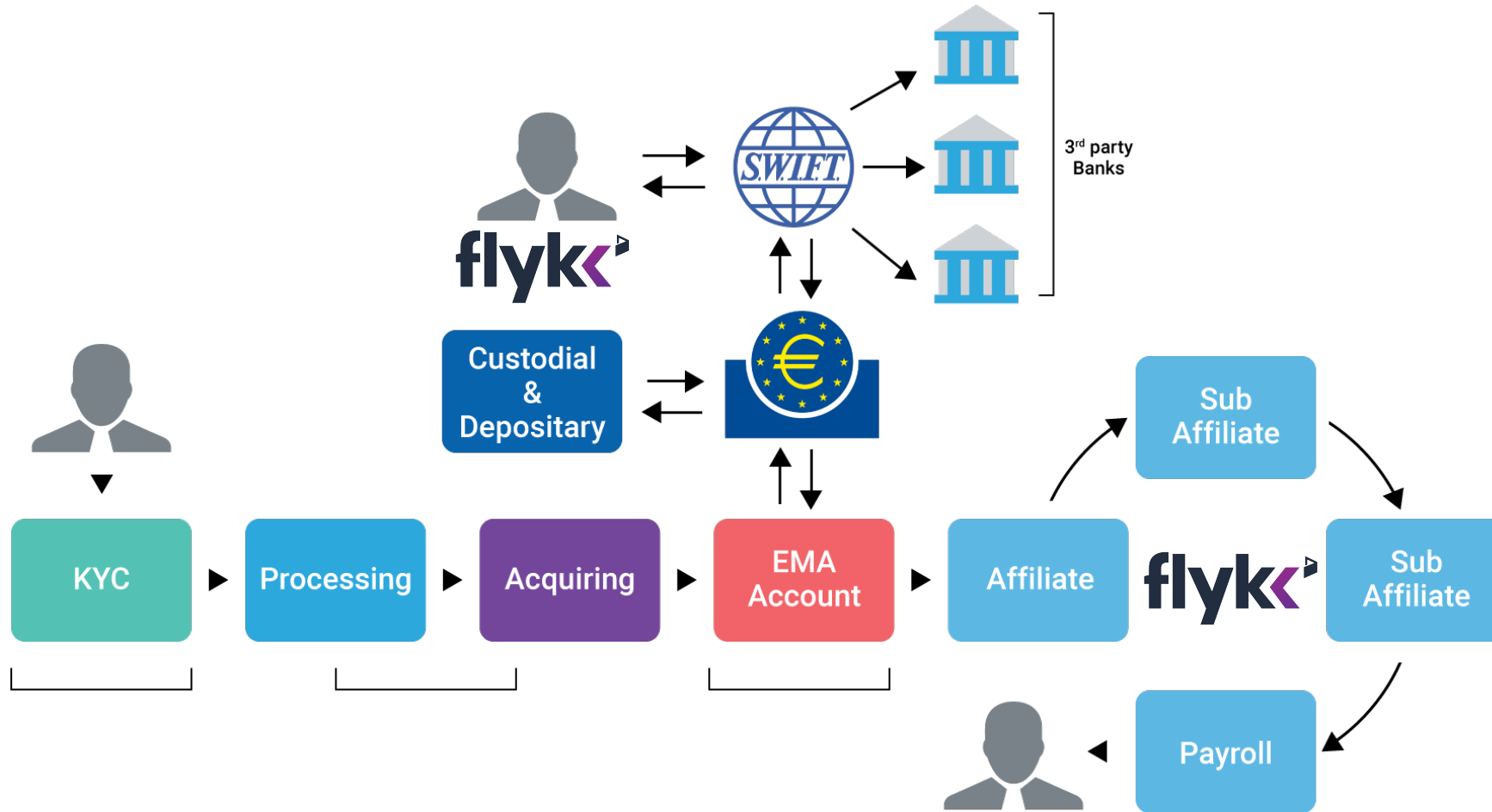
ASIC
 Australian Securities & Investments Commission

iSignthis®

Business Model

What do we do?

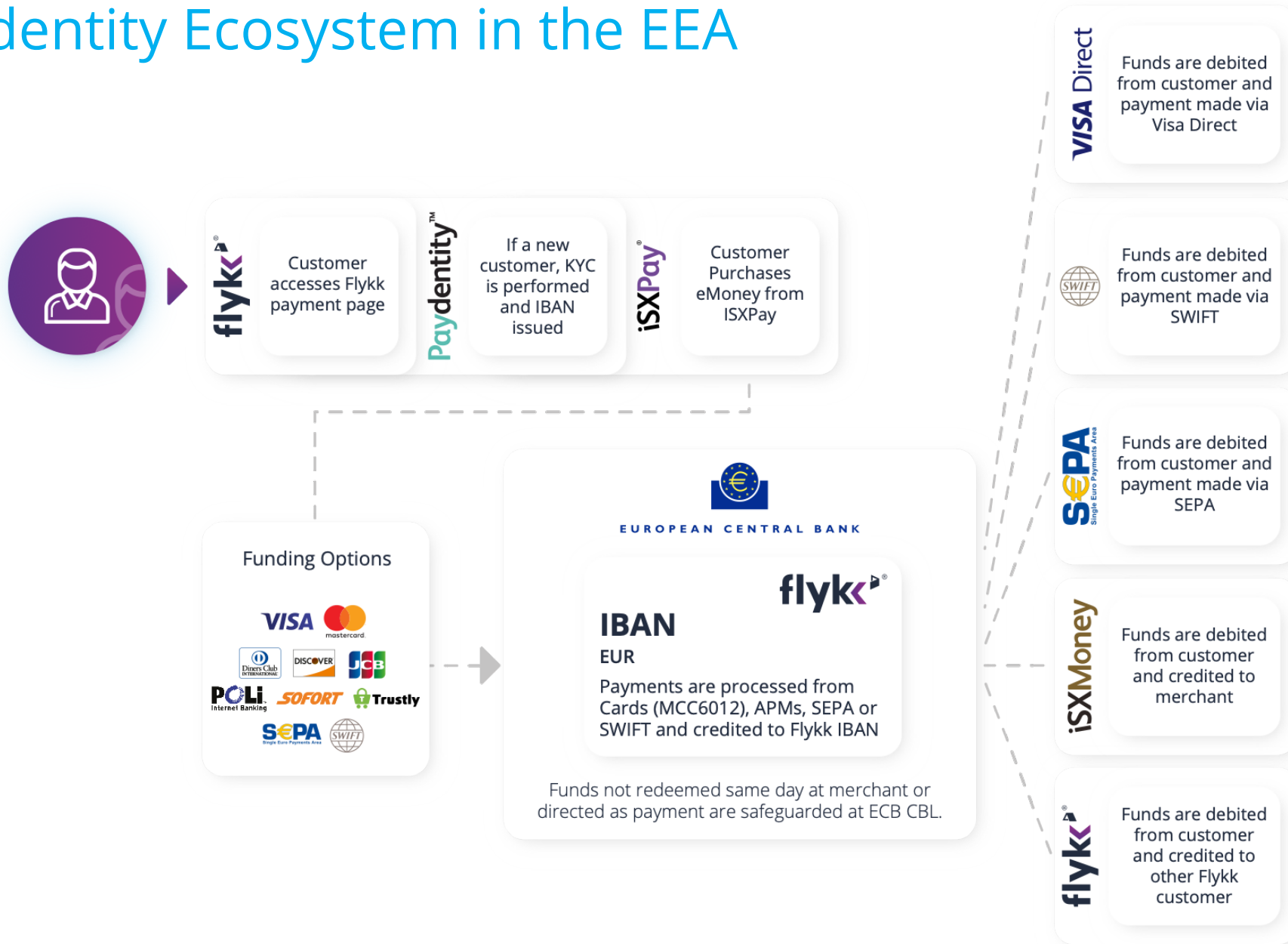
Payidentity™ ecosystem



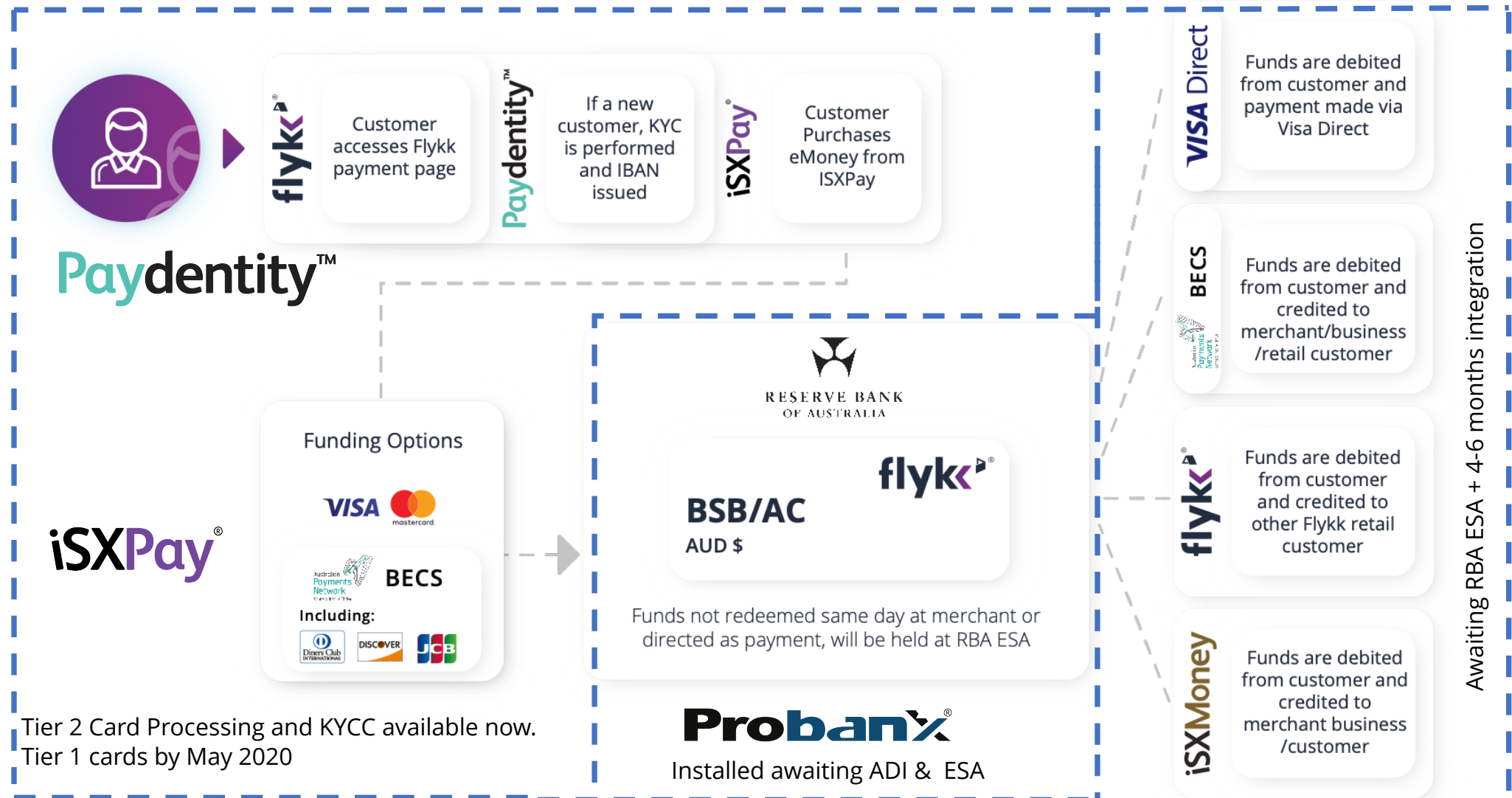
PRINCIPAL MEMBER



Paydentity Ecosystem in the EEA



Paydentity Ecosystem in Australia



Tier 2 Card Processing and KYCC available now.
Tier 1 cards by May 2020

What's unique about iSignthis?



Onboarding speed and reach. Paydentity can reach, identify, verify and take payment at the same time from 4.2 billion people, or 69% of the world's population. We massively improve conversions by use of automation.



Diversified payment choice. ISXPay is a principal member of major card schemes in the EU and/or Australia, 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. This is emerging as an important aspect 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.



Multi-currency choice. We offer between 16 to 23 currencies natively to our merchants, so that they can accept and we will settle in the world's most popular currencies (with some exotics!)



Deposit taking. Use of IBAN account to link all the above services to a customer. Deposits held at Central Bank.



Multi Region. Our customers operate in the UK, the EEA and Australia.



Single touch point. ISX is positioned to offer solutions via a single relationship and technical integration.

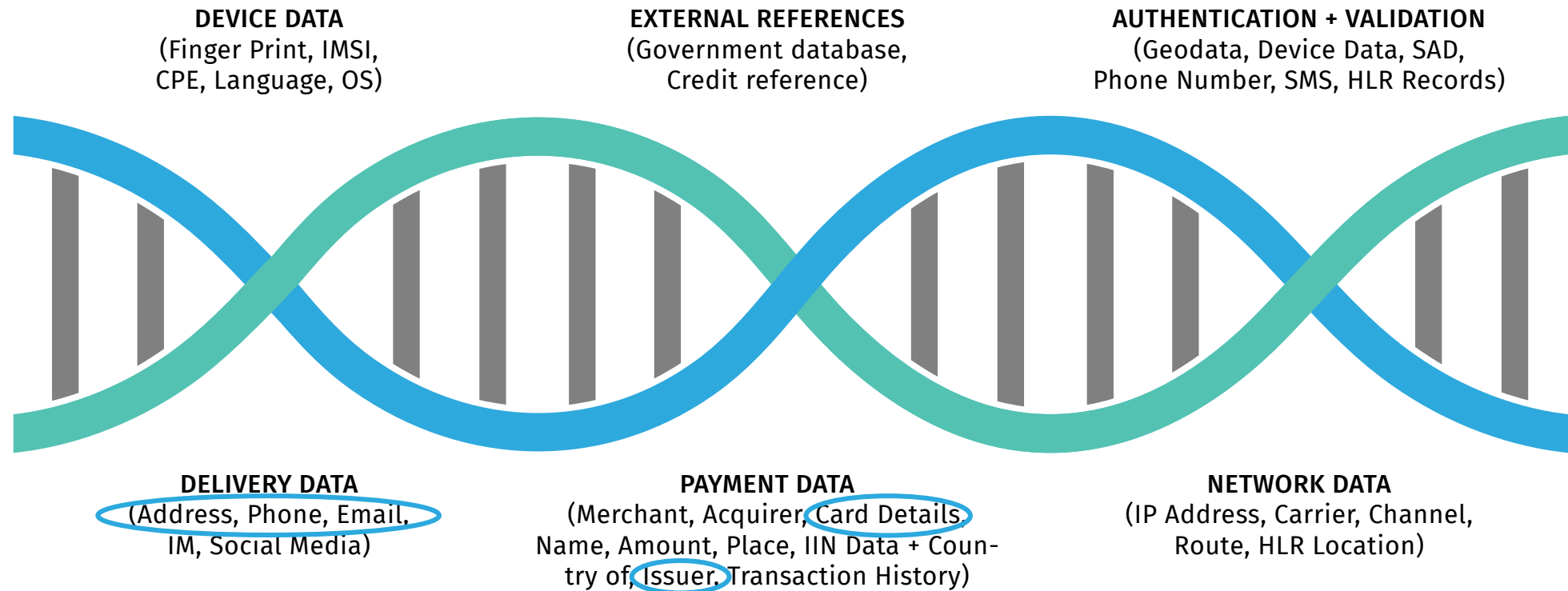


Unique IP. We have designed, developed and patented our key platforms inhouse. We can leverage our products to maximise our opportunities, without paying royalties or fees for core services.

iSignthis®

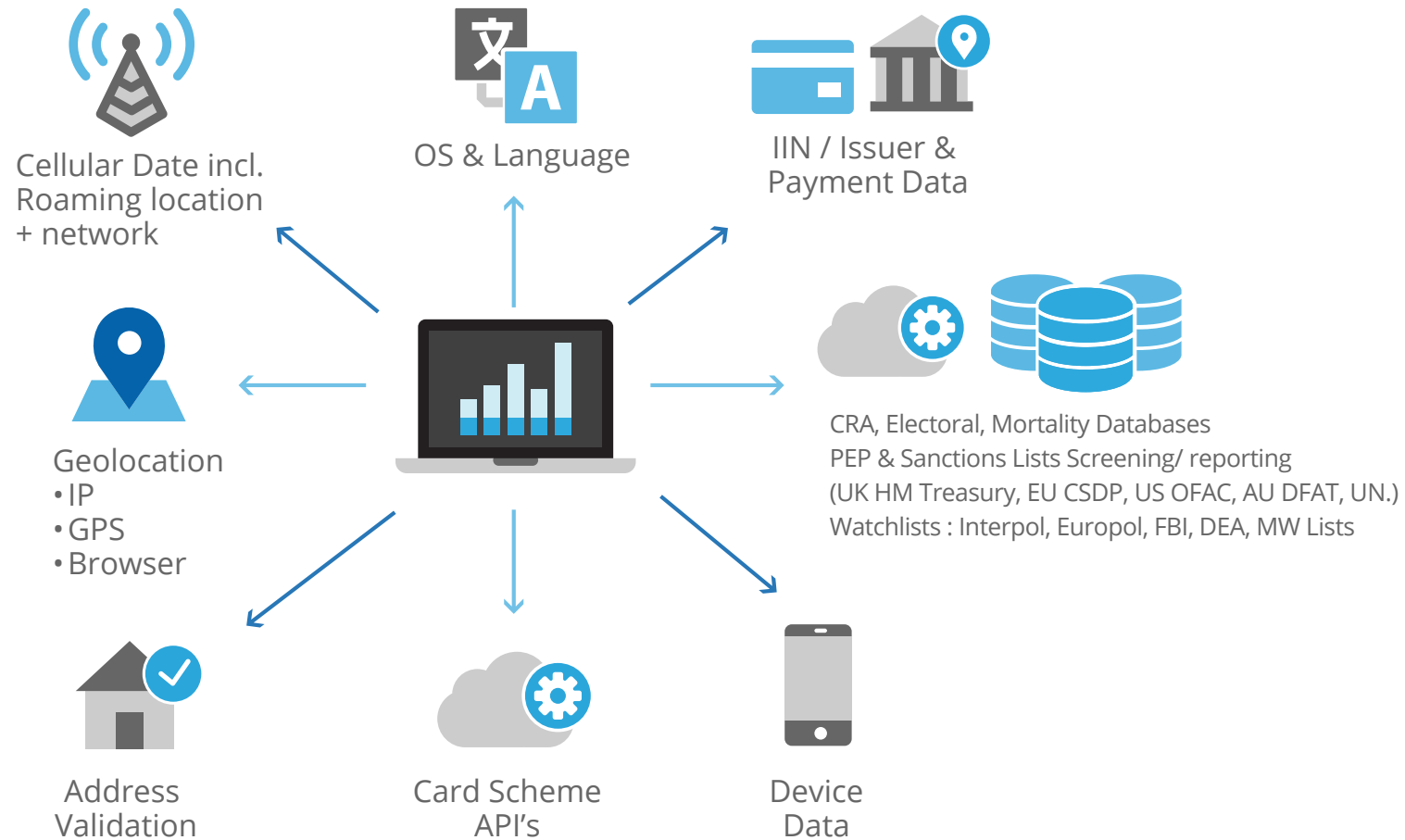
KYCC coupled with real time
transactional monitoring
delivering sophisticated AML,
Anti-crime and Anti-fraud
Capabilities

DNA of a 'Real time' Electronic Payment Message



SWIFT / SEPA DNA : Originating Bank, Name, Amount, Currency – allows us to perform real time transaction monitoring, including PEP, Sanction, LEA, Court, Watchlist and Adverse Media. ISX operates inbound and outbound checks on all transactions in full compliance with AML Regulations.

Real Time Analytics – Screening and Reporting



Patented Payment Instrument Verification incorporated into *Customer Due Diligence*



My Account | Send Money | Request Money | Merchant Services | Auction Tools | Products & Services
 Overview | Add Funds | Withdraw | History | Resolution Centre | Profile

Complete bank confirmation for your security

PayPal made two small deposits to your bank account. Please enter the amounts exactly as they appear on your bank statement. This process ensures that you are the owner of this account.

Bank account: Westpac, x-5625- Deposits Sent 2 December 2014

Deposit amounts: \$0.15 AUD (2 digits)

\$0.03 AUD (2 digits)

Once you complete this process, you can make instant PayPal payments funded with your bank.



Submit Cancel

Mobile | Mass Pay | About Us | Accounts | Fees | Privacy | Security | Contact | Legal | Developers | Combined Financial Services Guide and Product Disclosure Statement

MasterCard/Maestro XXXX-XXXX-XXXX-4699

We made a small charge to your card. The charge created a 4-digit code that can be found on your card statement.

To begin using your card with PayPal, please enter below the 4-digit code we sent to your card.

Sample card statement

DATE	DESCRIPTION	AMOUNT
01/08/2012	PP* 1234 CODE	1.00

Sample PayPal code: 1234

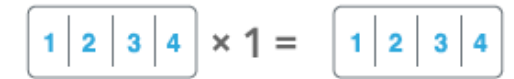
4-digit code

Confirm

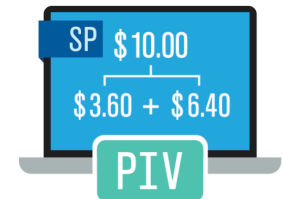
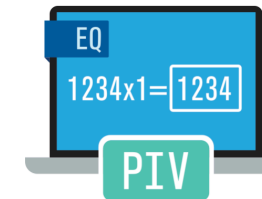


Example:

Bank Statement	
Details	Debit
Merchant name 1234x1=?	€10.00



PIV



Caution, Patents Applicable : iSignthis patents apply to creating a secret via Equation, Anagram, Word to Match to Picture or divide payments

US6032863 , US8131617, US7588181, US8805738, US7765153
 US8620810, CA2791752A1, CN102812480A, EP2553642A1, US20120323791,
 US20140222677, AU2012261779, AU2011235612 , AU2010100533, ZA2012/06455,
 SG201206344-2, WO2011120098A1

NB : Paypal Inc holds European and US patents on random "micro deposits" to an account and random secret inserted into descriptor.



Thank you

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