

## Disclosure regarding Variation Letter (2018)

**19<sup>th</sup> May 2020:** The ASX has directed that:

*"In accordance with Listing Rules 18.8(a) and (b), ASX directs ISX to make an announcement to the market, satisfactory to ASX, with information as to whether Authenticate BV subcontracted some or all of its responsibilities under the Variation Letter and the Nona Agreement to third party contractors and, if so, what services were provided by the third party contractors and what fees were charged by those contractors to Authenticate BV."*

*This announcement relates to the Variation Letter. A separate announcement is being lodged in relation to the Nona Agreement.*

"Variation Letter" in ASX's direction refers to a 2018 variation agreement to a Service Agreement between iSignthis Limited's Netherlands subsidiary, Authenticate BV ("Company") and a customer of the Company named Corp Destination Pty Ltd ("CD"). The Services Agreement was part of a suite of arrangements between the Company and CD to enable CD to become recurrent acquirer of identity verification and transaction processing services for its proposed financial services trading platform (which required multi-system integration to become functional).

The full context for these services is best explained in paragraphs 5 to 8 of ISX's *Official Response to ASX's Statement of Reasons*<sup>1</sup>, and is the same explanation given to the Federal Court of Australia in an Affidavit filed with the court.

The actual text of the "Variation – Trading Platform Configuration" provided for the Company to supply:

- a. License of Trading Platform software from Company nominated vendor
  - Extend License to include expanded CRM
  - Multicurrency facility
  - Localisation to AUD reporting requirements
- b. Set up of above into hosting environment provided by Company, including:
  - I. Security
  - II. Administration
  - III. Installation of Platform
  - IV. Configuration
  - V. Interface Management with nominated vendor
  - VI. Coordination with ISX Platform Integration team
  - VII. Test
  - VIII. Commissioning
- c. Project Management of above

The Fees charged, invoiced and received were €183,025 ex VAT.

Of the above, section a) was confirmation of configuration of the platform with no fee component attached. Section b) was performed in-house by the iSignthis team, which has set up a number of secure environments, including PCID DSS and ISO27001, since 2015.

We note that iSignthis group of companies has held third party Qualified Security Auditor (QSA) certification for Payment Card Industry (PCI) Data Security Standard (DSS) Level 1 (the highest) since early 2015, and was recertified recently during March 2020 for all major card schemes.

No component of the services outlined in the *Variation Letter* were subcontracted.

**Authorised by the Managing Director (John Karantzis) of iSignthis Ltd**

<sup>1</sup> See Statement of Reasons dated 1<sup>st</sup> May 2020, URL : [bit.ly/3ebzH4D](http://bit.ly/3ebzH4D)