

Annual General Meeting

2.30pm, 14th May 2021

iSignthis®

Financial Year Ending 31st December 2020

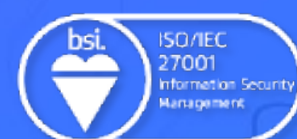
Managing Director & CFO Report

Presented by :

John Karantzis, Managing Director & Elizabeth Warrell, CFO



EEA Authorised
EMI #115.1.3.17



PRINCIPAL
MEMBER
INSTITUTION



Diners Club
INTERNATIONAL

DISCOVER®

AGGREGATION
PARTNER



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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.

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ISX is a technology company with EEA and UK financial institution authorisations:

Our inhouse developed flykk®, ISXPay®, Paydentity™(patented), Probanx® CorePLUS® and CoreConnect platforms allow us to deliver technology and financial services to our customers.

We employ more than 125 staff located across Melbourne, Sydney, Vilnius, Nicosia, London, Amsterdam and Tel-Aviv.

Approximately half of our staff are technical, with more than 43% of our employees being women.

ISX is a:

- RegTech that invents and develops software delivered as a service for exchanges, banks, credit unions, financial institutions and payment service providers.
- UK and EEA authorised Monetary Financial and Payment Institution, that provides payments, issuance of electronic money, IBAN addressable stored value accounts and KYCC identity verification services to eCommerce merchants, regulated sector businesses and consumers.

ISX also operates 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 by regulators.

iSignthis Ltd Timeline

11 years in the making

2010 - 2011



Nickolas John Karantzis invents the payment instrument verification method to solve an online fraud problem. Patents lodged in key global financial centers, including EU, US, CN, CA, HK, SG, AU. Family and friends fund company.

2012-2013



Commence development on software using funds from 'early stage investors' in 2012. US Patent Granted Dec 2013 for payment instrument verification method. 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

2016



Commence application for EU/EEA electronic money license. Commence providing KYC services based on patent. Enters into agreement to act as payment facilitator for Visa and Mastercard in Australian /New Zealand in partnership with NAB.

2015



Raise \$3m at \$0.03 via reverse list on ASX. Continue to develop payment verification software, and also as a payment gateway / achieve PCI certification. Raised \$10.45m at \$0.40/share in November

2017



Granted EEA electronic money license. Achieves Mastercard, JCB and then Visa Principal Licensing for EU.

2018



Partnered with Worldline for EU whilst network build continued directly into major card schemes. Executed agreement to access SEPA network via Lithuanian Central Bank. NAB partnership ends. Deployed own network December 12th to allow for independent operations. Principal License granted for Mastercard (AU), UnionPay & AMEX. During October, \$10m raised at \$0.14/share

2019



Commences independent EU operations late Feb. Achieves cashflow positive May after just 2 ½ months and produced the ISX Group's maiden profit. Company valued at high of over \$1.7Bn

2021



flykk® retail app launched. Work commences to build out UK operations. Mastercard relationship extended. ISX Group projected to be profitable.

2020



Company focuses development of the flykk retail app. Visa relationship terminated. Company invests in NSX Limited and development of the DvP platform through the ClearPay JV. Granted UK electronic money licence. ISX Group is Profitable.



Principal member Scheme participant in the EEA, UK and Australia, for card acquiring and issuing (Mastercard, Diners, Discover) and acquiring (others).



Scheme participant interconnected to more than 4400 EEA & UK institutions



Board member of the <https://www.e-csg.eu/about>



Scheme participant with SWIFT BIC ISEMCY22XXX.



CENTRAL BANK OF CYPRUS
EUROSYSTEM



LIETUVOS BANKAS
EUROSISTEMA

European Economic Area and UK Authorised eMoney and Payment Services, with € Central Banking and IBAN issuance capability

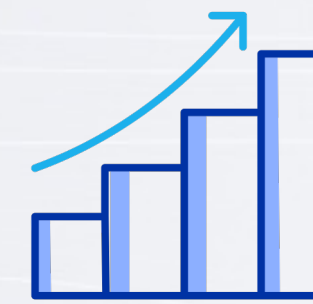


Paydentity™

flykk®

iSXPAY®

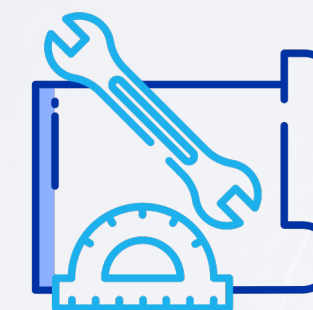
iSXMONEY



1. Scale and Grow EU/EEA and UK, Payment & eMoney Services

iSX_{financial}®

PROBANX®



2. Build out our Banking rails and Banking as a Service operations in Europe and UK

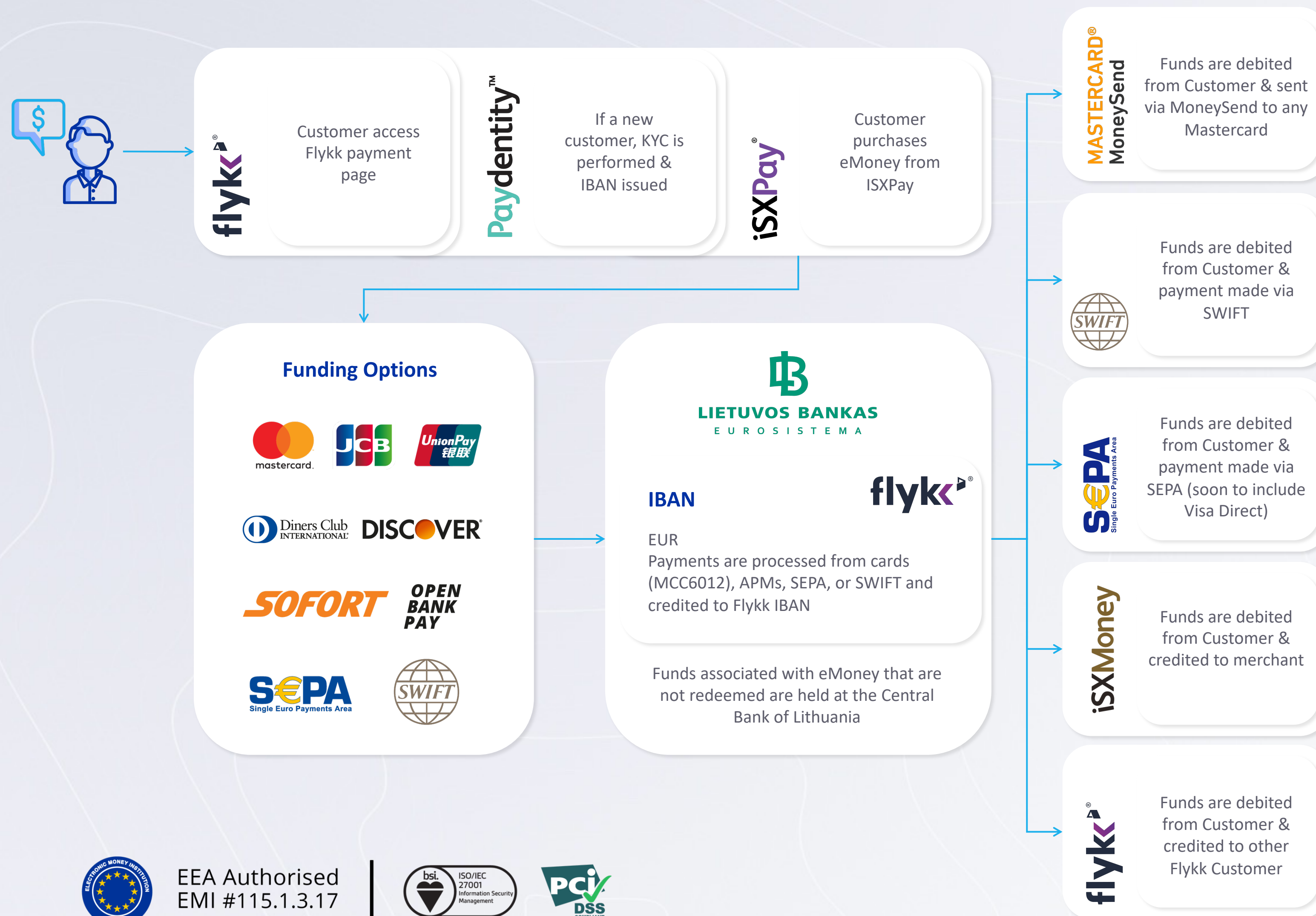
ClearPay



3. Continue to innovate and seek adjacent market opportunities



Platform
Integrations &
Partnerships



State of the art Consumer Platform

- combining bank and card rails
- Rapid onboarding
- Full EEA IBAN account

Merchant acceptance growing

- over 100 merchants signed
- focused mainly on UK, EEA and Japan

2021 Roadmap includes

- Android app
- Discover Credit card
- Mastercard Debit card
- Remittance corridors support to
 - Australia
 - Hong Kong
 - India
 - Canada
 - New Zealand
 - Argentina
 - Brazil
 - +More



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Key “Live” Platform Integrations



(NASDAQ : WIX)

Integrated 2021



(LON : PTEC)



Worldline (EPA : WLN)

Integrated 2018 and updated 2020



Integrated 2018



Since 2017, ISX has been seeking to integrate with specialist online platforms. We now have a number of third party platforms integrated and live with our platforms & the flykk ecosystem. Platforms provide speed and ease of integration for merchants to ISX services, and an aggregation point for our services.

Technology Group : Probanx Solutions

iSignthis is a provider of cloud based core banking & networking. The iSignthis technology group services financial institutions by offering a complete CORE banking software solution (CorePLUS®) together with CoreConnect networking. The services are available as SaaS and upfront licensing.



Corporate Banking



Retail Banking



Private Banking



Payment Institutions



Electronic Money Institutions

During 2020 Probanx Solutions has executed more than 2m transactions processing more than € 4.75Bn.

Some of our clients:



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 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!).



Account Issuing. Use of IBAN account to link all the above services to a customer. Funds held at the Lithuanian Central Bank.



Multi Region. Our customers operate in the UK & the EEA.



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.

Governance

- Chaired by Professor Graeme Samuel AC.
- Shareholder agreement governs relationship between ISX and NSX as shareholders.
- Dedicated CEO to be appointed during 2021.
- Governance framework and C&SF Rules to be developed to include;
 - Provision of services to NSXA Participants initially.
 - Extension of services to other Australian Market Operators.

Fees for services provided to Issuers & Participants including

- DESS.
- Clearing and Settlement.
- Customer Due Diligence services.
- Investor Profiles and declarations, including database of sophisticated & wholesale investors.
- Currency Exchange in cooperation with ADI/offshore banks for offshore Participants.

ASX's Monopoly is in Clearing, Settlement & Sub-registry

- ✓ **ASXClear and ASX Settlement is a conglomerate monopoly clearing and settlement facility in Australia (for Tier 1 Equity Markets).**
 - ASX Ltd's subsidiaries are ranked amongst the most expensive C&SF in the world.
 - Opportunity to compete on features, extension to new services and price.

- ✓ **ISX 59% / NSX 41% owned Subsidiary "ClearPay" established to foster competition.**

- ✓ **ASX Ltd's monopoly is ISX's opportunity.**

Securities Issue & Trading

- **Token Creation**
- **Trade & Transfer of Tokens**
- **Transaction Monitoring**
 - KYC Process
 - AML Checks
 - White/Grey/Black Lists
 - On Chain Registries



Clearing & Settlement

- **Post Trade Processing**
- **Delivery of Payment and security via the chain**
 - Automated DVP



Holder Services

- **Dividends**
- **Voting**
- **Contact Updates**
 - Regulatory Reporting
- **On Chain shareholder sub-registries**

Holder Services by NSX Partners

✓ **Apply for a CSF license or exemption during 2021 to service NSXA**

✓ **Introduce competition into Clearing, Settlement & Sub-registry Services**

- Extend license to allow servicing of Participants in other Australian markets.
- T+0 Settlement (retail), T+1 Settlement (Wholesale).
- Multicurrency support (EUROS, GPB, AUD).
- Offshore broker support.
- Services can target participants of NSX, ASX & CHI-X markets, as well as OTC.
- Provide open access to sub-registry services.

✓ **Encourage Government to adopt a policy similar to EU's Target2**

- Settlement Systems (e.g. CHES and DESS) independent of Clearing.
- Seek interoperability requirements between C&SF licensees, such that DESS can operate with Austraclear and ClearPay with CHES.

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Corporate Update

ASX Suspension:

The ASX has thus far refused to lift the suspension of the iSignthis securities, despite an abundance of disclosure regarding the Company's historic and current activities since the 2nd October 2019 suspension.

ISX will not

- provide its legal advice and waive legal privilege to satisfy ASX LR 18.7, and
- make disclosures that may prejudice legal proceedings.

ASX Legal Update:

On the 5th December 2019, ISX commenced civil/commercial legal proceedings against ASX Limited for damages for a prolonged suspension without merit.

- Damages claim of \$462m, to be further reviewed based on recent successes / signup of high profile customers.
- Discovery process underway.
- Timetable for hearing not as yet fixed.

ASIC Legal Update:

On the 6th December 2020, ASIC commenced civil legal proceedings against ISX Limited and its CEO.

- Discovery process underway
- Timetable for hearing not as yet fixed
- Company and CEO vigorously defending the civil claim.

Securities Quotation:

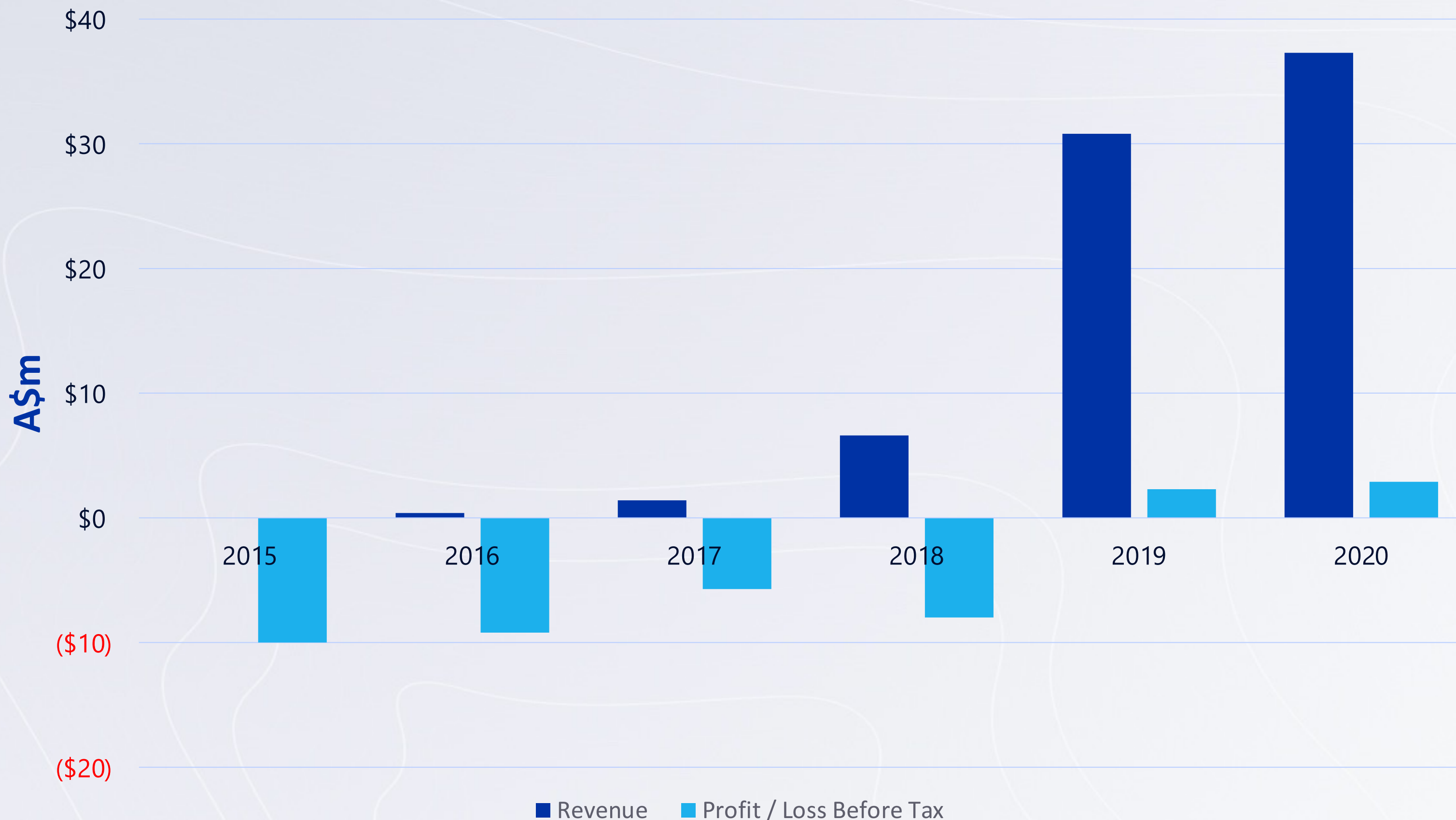
The Company continues to explore options.

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Financial Review

Financial Performance since 2015 listing

Revenue versus P&L



2015, 2016 and 2017 represent the year ended 30 June. 2018, 2019 and 2020 represent the year ended 31 December.

- Strong YoY revenue growth
- Delivered NPAT in 2019 and 2020 (despite extraordinary headwinds)
- Resilient scalable business built on foundations laid during 2015 to 2018
- No long or short-term debt
- More than \$15m cash at bank (own funds)
- Circa \$98m client funds held (2020)
- Continuing to fund product R&D for next wave of growth via cashflow (\$1m last qtr.)

FY 2021 Financial Performance

	2020	2019	Variance
	\$	\$	%
Revenue from customers	36,290,517	29,853,045	22%
Other income	1,019,278	988,252	3%
Total Expenses	(34,428,391)	(28,586,417)	20%
Profit/(loss) before income tax expense	2,881,404	2,254,880	28%
Income tax expense	(1,517,037)	(661,299)	129%
Profit/(loss) after income tax expense	1,364,367	1,593,582	-14%

	Cents	Cents
Basic profit/(loss) per share	0.17	0.15
Diluted profit/(loss) per share	0.17	0.15

Key Balance Sheet Metrics	2020	2019	Variance
	\$	\$	%
Cash & cash equivalents	16,611,465	17,703,578	-6%
Funds held on behalf of merchants	98,027,440	96,178,224	2%

- In 2020 the Group recorded its second annual profit of \$1.36m, slightly lower than the \$1.59m profit in 2019. The lower profit is largely due to higher income tax expense in 2020.
- Revenue from Customers increased by 22% to \$36.29m, with growth mainly coming from regulated services in Europe.
- Expenses increased 20% in 2020 due to increased legal and advisory costs, combined with increased costs to support the Group's revenue growth.
- Funds held on behalf of merchants grew 2% in 2020 largely due to foreign exchange gains.

2019 Results have been restated, refer to the 2020 Annual Report for details.

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Shareholder Questions

(at end of meeting)

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Thank you

iSignthis (ASX : ISX)

AU Investor Relations
investors@isignthis.com

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Appendix

OM did not follow their own commitments to ASIC as part of REP578 June 2018, (Page 11)

Ownership Matters Commitment

Ownership Matters:

- engages with companies to probe board decision making and establish commercial context behind director judgements
- subject to availability, will meet with issuers on governance issues at any time of the year, without 'blackout' periods or restrictions
- where factual uncertainties exist, will use best endeavours to contact issuers to resolve them
- when considering an 'against' recommendation, will use best endeavours to seek any publicly available information or commercial context that might inform its position without selectively revealing its final recommendation
- does not provide pre-publication draft reports to companies for fact-checking but will make a copy of its final report and recommendations available to companies, free of charge, at the same time that the report is published to its client group
- if contacted about a potential error in one of its reports, will immediately issue a correction if there is a material factual inaccuracy but will not issue a correction on matters of differences of opinion or immaterial grammatical mistakes.

Commitment Scorecard

- X
- X
- X
- N/A
- Released report in secret to selective funds only

X