

3Q21 Appendix 4C and Business Activity Report

Melbourne, 28th October 2021: iSignthis Ltd (the Company), and its subsidiaries (the Group) presents its quarterly cash flow and business activity report, as at 30 September 2021. This is the last combined report pre the demerger of ISX Financial EU Plc on 18 October 2021.

- Net cash from operating activities was €0.2m in the quarter.
- Cash and cash equivalents at the end of the quarter of €8.5m was down €1.3m from the prior quarter (€9.8m) due to investments in capitalised software and a further investment in NSX Limited in the quarter.
- Cash receipts of €5.7m, broadly stable to the prior quarter.
- Payments for suppliers and employees of €5.1m were broadly stable to the prior quarter, with higher product manufacturing costs, offset by lower staff and corporate costs.
- Legal and advisory costs (non-operating expenses) were paid during the quarter totalling €902,723, taking the year to date total costs to €1,995,340.
- Payments for related parties including executive and non-executive directors' fees and salaries for the quarter were €115k.

The revenue breakdown for the quarter is as follows:

- Online video gaming represents twenty percent of revenues, with no single customer being individually material, with exposure to this industry segment up from eighteen percent last quarter.
- Regulated online gaming represent twenty four percent of revenues, with no single customer being individually material, reducing from thirty four percent last quarter.
- CFD/FX represents twelve percent of revenues, with exposure to this industry segment reducing from fourteen percent last quarter. The Company has not at any stage processed payments for binary options providers in any jurisdiction.
- Crypto currency represents two percent of revenues, up from zero percent last quarter.
- Credit providers represent ten percent of revenues, consistent with the prior quarter.
- Travel services remains at zero percent of revenue, consistent with the prior quarter.
- Revenues from other sources, comprise the balance of the breakdown.

Group Update

On the 19th October 2021 the Company announced the demerger of ISX Financial EU Plc ('ISXFEU') is complete.

Post demerger the iSignthis Group has Net Assets of €6.5m (AUD\$10.2m, unaudited), in line with the Group's expectations.

The Company will continue to seek damages from the ASX, and will defend itself against the ASIC civil action.

Shareholders may receive updates regarding the Federal Court timetable for both cases by accessing the court orders and subscribing to notifications from the Court at <https://www.comcourts.gov.au/> using reference numbers VID773/2020 and VID1315/2019.

Legal and Advisory Costs

3Q2021 Cash Expense : €902,723 (\$1 AUD= EUR 0.6229)

1H2021 Cash Expense : €1,092,617 (\$1 AUD= 0.6381)

Authorised by the Board of Directors

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

ISIGNTHIS LTD

ABN

93 075 419 715

Quarter ended ("current quarter")
30th SEPTEMBER 2021 – 3Q21

Consolidated statement of cash flows		Current quarter 3Q21 EUR'000	Year to date (9 months) EUR'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	5,687	16,253
1.2	Payments for		
	(a) research and development	(145)	(546)
	(b) product manufacturing and operating costs	(2,213)	(5,578)
	(c) advertising and marketing	(50)	(85)
	(d) leased assets	(65)	(194)
	(e) staff costs	(1,181)	(3,839)
	(f) administration and corporate costs	(1,428)	(4,413)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	2	7
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	(359)	(704)
1.7	Government grants and tax incentives	-	116
1.8	Other (Mastercard adjustments)	-	287
1.9	Net cash from / (used in) operating activities	248	1,304
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(16)	(82)
	(d) investments	(633)	(633)
	(e) intellectual property	(684)	(1,957)
	(f) other non-current assets	-	-

Consolidated statement of cash flows	Current quarter 3Q21 EUR'000	Year to date (9 months) EUR'000
2.2 Proceeds from disposal of:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other	-	-
2.6 Net cash from / (used in) investing activities	(1,333)	(2,672)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (merchant security received and card scheme membership security)	(179)	(641)
3.10 Net cash from / (used in) financing activities	(179)	(641)

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	9,792	10,475
4.2 Net cash from / (used in) operating activities (item 1.9 above)	248	1,304
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(1,333)	(2,672)

Appendix 4C
Quarterly cash flow report for entities subject to Listing Rule 4.7B

Consolidated statement of cash flows		Current quarter 3Q21 EUR'000	Year to date (9 months) EUR'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(179)	(641)
4.5	Effect of movement in exchange rates on cash held	(41)	21
4.6	Cash and cash equivalents at end of period	8,487	8,487

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter EUR'000	Previous quarter EUR'000
5.1 Bank balances	8,487	9,792
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	8,487	9,792

6. Payments to related parties of the entity and their associates	Current quarter EUR'000
6.1 Aggregate amount of payments to related parties and their associates included in item 1	(115)
6.2 Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end EUR'000	Amount drawn at quarter end EUR'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	N/A	

8. Estimated cash available for future operating activities	EUR'000
8.1 Net cash from / (used in) operating activities (item 1.9)	248
8.2 Cash and cash equivalents at quarter end (item 4.6)	8,487
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	8,487
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	
8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: N/A	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

28th October 2021

Date:

Elizabeth Warrell, Company Secretary

Authorised by:
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg *Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.