



"A simpler, faster and safer identity experience"

**iSignthis Ltd (ASX:ISX)**

Investor Update, April 2015

# Who is iSignthis Ltd?



iSignthis®

iSignthis is an online identity verification provider which has developed and patented a dynamic, online method of verifying a persons identity to meet AML/CTF requirements and authenticate online payments.

## **Identity Verification Services**

Fully automated and online identity verification to assist AML/CTF regulated entities meet KYC requirements for new customers, including:

- Global e-KYC for Regulated Entities
- Customer On-boarding for e-Wallets

## **Payment Authentication Services**

Online payment authentication for transaction and payment processors.

- Transaction monitoring to meet AML/CTF
- 'Strong Customer Authentication' as a global antifraud tool, and to assist with meeting the ECB and European Banking Authority's SecuRE-Pay requirements.

# Corporate Overview



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- Listed in March 2015 following reverse takeover of Otis Energy Limited
- Oversubscribed \$3.1M (\$0.03 per share) IPO completed in March 2015
- Tightly held register dominated by existing board, high net worth and institutional investors

ASX Code	ISX
<b>Shares on Issue</b>	<b>571,373,371</b>
Quoted	263,040,038
Escrow	308,333,333
<b>Options on Issue</b>	<b>19,605,045</b>
5c, 1/3/16	1,000,000
50c, 31/12/15	18,605,045
<b>Performance Shares</b>	<b>336,666,667</b>
<b>Cash</b>	<b>~\$3m</b>
<b>Market Cap. (\$0.11)</b>	<b>\$63m</b>
<b>Major Shareholder(s)</b>	
iSignthis Ltd	~54%

# Experienced Leadership



**John Karantzis, CEO/ Managing Director** (B.E., LL.M, MEnt., FIEAust)

Attorney, chartered engineer, company founder.

Past director of ASX listed digital media, broadcast and telecommunication companies.



**Tim Hart, Non-Executive Chairman** (BSc, MM(T), MMkting, M Ed(Melb), PGDIPSI (Oxon), FAIM, GAICD)

Current Managing Director of Ridley Corporation (ASX : RIC).

Previous management positions with CSR Sugar, SCA Hygiene Australasia, Carter Holt Harvey, ACI Plastics Packaging, Amcor Ltd and Pasminco Limited.



**Barnaby Egerton-Warburton, Non-Executive Director** (B.Econ., GAICD)

Finance professional with +20 years experience in equities, trading, financial markets, M&A in the United States, Europe and the Middle East.



**Scott Minehane, Non-Executive Director** (B.Econ., LLB, LLM)

Lawyer with focus on international regulatory compliance and strategy in telecommunications sector.

Current director of an ASX listed telecommunications company.



**Todd Richards, Chief Financial Officer** (B.Bus, CPA)

Previously CFO Australian ASX listed digital media companies.

# Post Listing Milestones



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## **Systems, infrastructure, certifications now in place**

- ✓ Completion of oversubscribed \$3.1M IPO and ASX listing.
- ✓ Achieved certification to Payment Card Industry (PCI) Standards allowing us to interconnect globally with banks and card schemes.
- ✓ Independent legal advice confirming validity of our process and services in Australia, France, Belgium, Italy, UK and others.
- ✓ Additional patents granted (or gazetted for grant) in Singapore and New Zealand. Additional new patents filed in US.
- ✓ Trained sales/business development teams now in place in Amsterdam, London, Perth (APAC) & Melbourne.

## **Next Steps – 1<sup>st</sup> Half 2015**

- First revenue from existing customers.
- New contracts to be announced.
- Deliver on new agreements & contract further customers

# iSignthis Identity Verification: 3 Step Process



1

## Check your card or account statement

You can access your statement **online, via mobile, computer, ATM or in-branch.**

Depending upon your bank, the debit/charges will appear on your statement anywhere between **0-3 Working Day.**



Mobile



Computer



ATM



In-Branch

2

## Locate the 2 debits/charges from your merchant

For example, a **\$50 order** might be split into **2 charges**, which will always add up to the total value of your order.

In some cases, there may be 3 debits or charges from your merchant.



### Credit or Account Statement

Merchant Charge 1	€39.09
Merchant Charge 2	€10.91
Total:	€50.00

3

## Register by entering the debits or charges

Enter the 2 (sometimes 3) debits or charges on the registration page by following the link from your merchant.

You will also be asked to enter and verify your mobile phone number - we will send a code to your phone by SMS. Enter the SMS code and then choose a **6-digit PIN** that's easy to remember for future use.

### Authenticate & Register





Merchant Charge 1	€39.09
Merchant Charge 2	€10.91
Your Mobile Phone #	<input type="text"/>
SMS Code	<input type="text"/>
Your 6-digit PIN code	<input type="text"/>

# Who needs iSignthis?



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**Global AML compliance market estimated to be valued at ~US\$20bn<sup>1</sup>**

<b>Primary Market</b> 	<ul style="list-style-type: none"><li>• EU based payment processors : compliance requirement for AML KYC &amp; /or ECB SecuRE Pay.</li><li>• eMerchants in the SEPA/EU28 as part of the ECB's Strong Customer Authentication.</li></ul>	<b>Professional services</b> 	<ul style="list-style-type: none"><li>• Real Estate Sales/Rental Agents</li><li>• Travel Agents (US Patriot Act)</li><li>• Life Insurers</li><li>• Accountants/Auditors/Lawyers</li></ul>
<b>Financial</b> 	<ul style="list-style-type: none"><li>• Stock Brokers</li><li>• Financial Advisors/Super Funds</li><li>• Financial Systems requiring two factor authentication technology</li><li>• Banks (incl debit, card issuers)</li><li>• Commodity/Bullion Brokers/ Currency</li><li>• Crypto Currency Exchanges (e.g. bitcoin)</li></ul>	<b>Others</b> 	<ul style="list-style-type: none"><li>• eWallets/mWallet Providers</li><li>• Money remittance services/p2p</li><li>• Loan/Pawn Providers</li><li>• eCasino/eGaming/eWagering</li><li>• Any business routinely trading &gt; US \$10k/transaction</li></ul>

# Disruptive Service Provider

**Automated, global service reduces costs and increases customer ease**



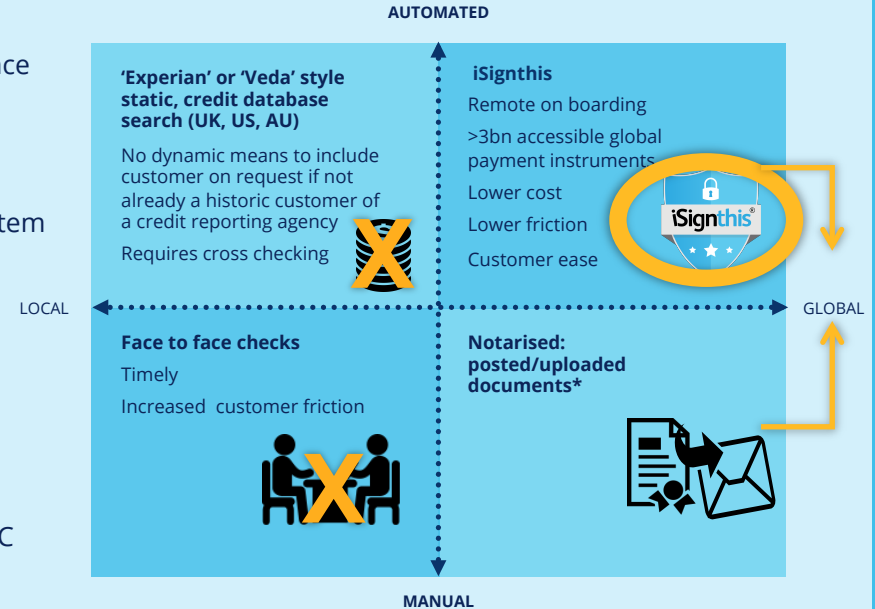
iSignthis®

## iSignthis is GLOBAL

- Cross Border
- Multi Jurisdictional Compliance
- Automated
- Near Real Time/ Customer Self Service
- Single Integration/Single System

## Cf. EXISTING PROCESS

- Notarise Documents  
(1 hour+\$100-\$200)
- Registered Post Documents  
(\$20-\$40)
- Back Office Processing of KYC  
(\$20-30)
- Elapsed Time: **7 - 15 days**





# Dynamic e-KYC Advantage

## Why dynamic e-KYC is superior to static electronic verification

**Static electronic verification** relies upon 'big data' databases being built in advance, and drawn upon when required to identified a person.

- Big upfront investment and maintenance to create identity pools.
- Data ages/ not recent
- Security entropy decreases with each re-use / re-access of database
- Susceptible to mass hacking / compromise
- Not possible in most countries / Limited reach even where possible

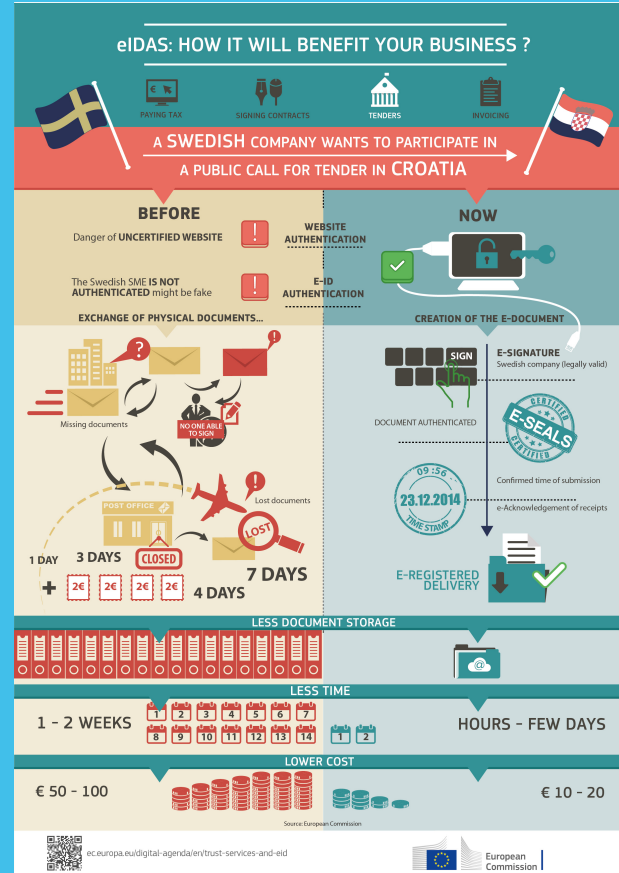
**Dynamic e-KYC by iSignthis** creates "small data" by using a person's 'live' financial identity.

- Minimal upfront investment and maintenance
- Create identity on demand / per person / when required.
- Data is up to the moment / generated in real time.
- More secure as we hold minimal data upfront
- Security entropy is high as we used distributed, active data sources
- Possible in most countries (200 +)
- We can KYC any financially included person who can access to the internet (~3.5Bn persons) in minutes



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# Developing Further Opportunities



iSignthis is currently exploring the use of e-KYC for new government initiatives, such as the recent European Union eIDAS regulation.

iSignthis improves the process outlined by the European Commission to minutes, rather than hours – days, and re-uses private sector identity.

# Investment Highlights



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- Disruptive' online identity verification service to assist AML/CTF regulated entities meet their KYC requirements.
- Low-tech, cloud-based platform with uninhibited scalability ~ Est.US \$20Bn total market size\*.
- Significantly reduces cost and time spent by AML/CTF obligated entities.
- Protected by 19 live patent rights registered worldwide. Patents have been granted in the USA, Australia, Portugal, South Africa and New Zealand.
- Worldwide application that leverages customer due diligence performed by banks and debit/credit card account issuers from +30 card schemes in over 190 countries.
- Supportive legislation being implemented in Europe ~ Authentication of all online payments within in the EU28 and Single Euro Payment Area (SEPA) from 1 August 2015.
- Existing contracts - first revenue in H1 2015

# Glossary



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**AML** = Anti Money Laundering, usually refers to a regulatory regime that banks, brokers, exchanges, credit providers etc need to comply with. AML requires KYC.

**CTF** = Counter Terrorism Funding

**Dynamic Data** = data related to a ePayment transaction, that is current and used as an input at the time of KYC check. Dynamic data is only applicable and accessible via the person to whom it relates, and can only be compiled with the KYC target persons active involvement.

**eKYC** = electronic KYC. The process of customer identification via the internet, rather than face to face.

**eWallet** – a means of storing or processing funds via your mobile, laptop, tablet etc.

**KYC** = Know Your Customer, a mandatory customer identification process that banks and regulated entities must perform prior to offering a consumer service.

**PCI** = Payment Card Industry, comprising Visa, Mastercard, American Express, Diners, Discover, China Union Pay. PCI sets the global standards required for security and interconnectivity of banks & processors to merchants via its data security standard (DSS). Level / Tier 1 is the highest standard possible.

**Static Data** = data that may have been relevant or secret at a historic point in time. Eg a credit history report, a person's mothers maiden name . It may predate the KYC process by years, months or days, and may be discernable to parties other than who it relates. It is often compiled without the KYC target person's knowledge.

# Disclaimer

Some of the information contained in this presentation contains “forward – looking statements” which may not directly or exclusively relate to the historical facts. These forward looking statements reflect iSignthis’ current intentions, plans, expectations, assumptions and beliefs about future events and are subject to risks, uncertainties and other factors, many of which are outside the control of iSignthis Ltd (ISX).

Important factors that could cause actual results to differ materially from the expectations expressed or implied in the forward-looking statements include known and unknown risks. Because actual results could differ materially from iSignthis’ current intentions, plans, expectations, assumptions and beliefs about the future, you are urged to view all forward-looking statements contained herein with caution.



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