

ISXPay EU/EEA 'production live' with own Visa & Mastercard Principal Licenses

Highlights

- ISXPay Tier 1 'production live' in the EU, via own Visa and Mastercard principal licenses
- \$880m annualised GPTV volume to be incrementally ramped from January through March '19
- New & existing merchants being onboarded to platform from December onwards
- MSF% target of >100Bps on contracted book of >\$880m GPTV
- EBIT Guidance for CY/FY2019 restated unchanged at ~AUD\$10.7m

Melbourne, 27th November 2018 – Australian Securities Exchange and Frankfurt Stock Exchange cross listed iSignthis Ltd (ASX: ISX | FRA: TA8) (the "Company"), is pleased to announce that it has completed its Tier 1 integration to access both Visa and Mastercard ("card schemes") directly, per its previously announced timetable on 30th August, and will be imminently using its own Principal Member Bank Institution Number (BIN) for processing of card transactions within the EU/EEA.

Visa and Mastercard, are as of tomorrow, both switched to Tier 1 'production live' by the card schemes, allowing direct processing by ISXPay under its own BIN, along with previously announced JCB. The combination of these three schemes alone represents a viable offering as an independent, standalone acquirer, and with our APMs and SEPA capability, will far exceed many EU payment companies' capabilities. The upcoming addition of our other principal licensed payment channels, including Diners, Discover, China UnionPay and Amex, will further augment ISXPay's offering and revenues from mid CY/FY2019, and positions the Company with a globally enviable choice of payment channels and capabilities.

The Company has previously announced that it contracted more than AUD\$880m of merchant GPTV, to be processed during FY/CY2019 and beyond. ISXPay will shortly start to ramp merchant volumes up, without the restrictions it previously faced working with other payment service provider partners. The Company will however, maintain strategic partnerships with other payment service providers, in order to offer specialty services.

The Company expects that Gross Processed Turnover Volume (GPTV) will gradually be loaded to ISXPay over January and be at full GPTV monthly throughput by March 2019. The \$880m annual GPTV will be subject to merchant and seasonal fluctuations during the course of the year, with some months performing stronger than others. GPTV volume ramping is non-linear accelerating post March 2019.

The Company is restating its EBIT guidance of ~AUD\$10.7m for CY/FY2019.

The target MSF% of >100bps is sensitive to volume pricing discounts, but is also subject to increases for lower volumes or specialty merchants.

The "Merchant Services Fee (MSF)% x monthly processed GPTV" will be booked as gross profit each month, without any cashflow lag, as MSF is deducted at daily or weekly settlement to merchant. The Costs of Goods line will soon largely exclude the underlying percentage cost that has been payable to partner payment services providers during previous quarters for use of their networks.

Card Scheme Interchange fees will be collected and booked as revenue, and are payable to the card schemes by ISXPay per the terms of its Principal licenses, and do not contribute to gross profit.

The overwhelming majority of ISXPay's merchants fall under MCC6211 (CFD/FX Brokers & Market makers), many of whom also utilise the Payidentity™ platform to meet their compliance requirements.

Consistent with our strategy of supporting the FX sector, ISXPay offers merchants a large range of acceptance and settlement currencies, including AUD, GBP, CAD, CHF, CZK, DKK, EUR, HKD, JPY, NZD, PLN, RUB, SGD, SEK, USD and ZAR, with acceptance in a further 150 odd currencies, settling in EUR.

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About iSignthis Ltd (ASX: ISX | DE_FRA: TA8)

Australian Securities and Frankfurt Stock Exchange listed iSignthis Ltd (ASX: ISX | FRA: TA8) is the global RegTech leader in remote identity verification, payment authentication with deposit taking, transactional banking and payment processing capability. iSignthis provides an end-to-end on-boarding service for merchants, with a unified payment and identity service via our Payidentity™ and ISXPay® solutions.

By converging payments and identity, iSignthis delivers regulatory compliance to an enhanced customer due diligence standard, offering global reach to any of the world's 4.2Bn 'bank verified' card or account holders, that can be remotely on-boarded to regulated merchants in as little as 3 to 5 minutes.

iSignthis Payidentity service is the trusted back office solution for regulated entities, allowing merchants to stay ahead of the regulatory curve, and focus on growing their core business. iSignthis' subsidiary, iSignthis eMoney Ltd, trades as ISXPay®, and is an EEA authorised eMoney Monetary Financial Institution, offering card acquiring in the EEA, and Australia.

ISXPay is a principal member of Visa Inc, Mastercard Inc, Diners, Discover, (China) Union Pay International and JCB International, an American Express aggregator, and provides merchants with access to payments via alternative methods including SEPA, Poli Payments, Sofort, Trustly, WeChat, AliPay and others.

Probanx Information Systems Ltd (Probanx), a wholly owned subsidiary of iSignthis Ltd, is an international banking software company which has been serving the banking industry since the year 2000 by developing comprehensive banking software solutions to financial institutions around the globe. Probanx offers web-based banking solutions using the latest technology and international standard business rules. Our customers are located on five continents and supported from our technical centres in Europe and Australia.

iSignthis' Probanx delivers core banking software, including a fully comprehensive and versatile banking solution for retail, corporate and private banks, emoney and payment institutions, offering capabilities that up until now were affordable only by large commercial banks.

Read more about the company at our website www.isignthis.com and www.probanx.com
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