

The background of the slide is a blurred photograph of a desk. On the left, there is a vase with a bouquet of white flowers. In the center foreground, a small potted succulent sits on the desk. To the right, a laptop is open, displaying some content on its screen. The entire image is overlaid with a semi-transparent blue filter.

# iSignthis<sup>®</sup>

**payment + identity = converged**

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iSignthis Ltd (ASX:ISX) March 2016, Analyst Brief

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# Establishing Identity



'Experian' or 'Veda' style static, credit database search (UK, US, AU)

- No dynamic means to include customer on request if not already a historic customer of a credit reporting agency.
- Requires cross check of other databases.
- Typical coverage of 60% of online applicants

iSignthis®

- >3Bn accessible global payment instruments.
- No need for user's disclosure of bank details to a third party.

Face to face checks

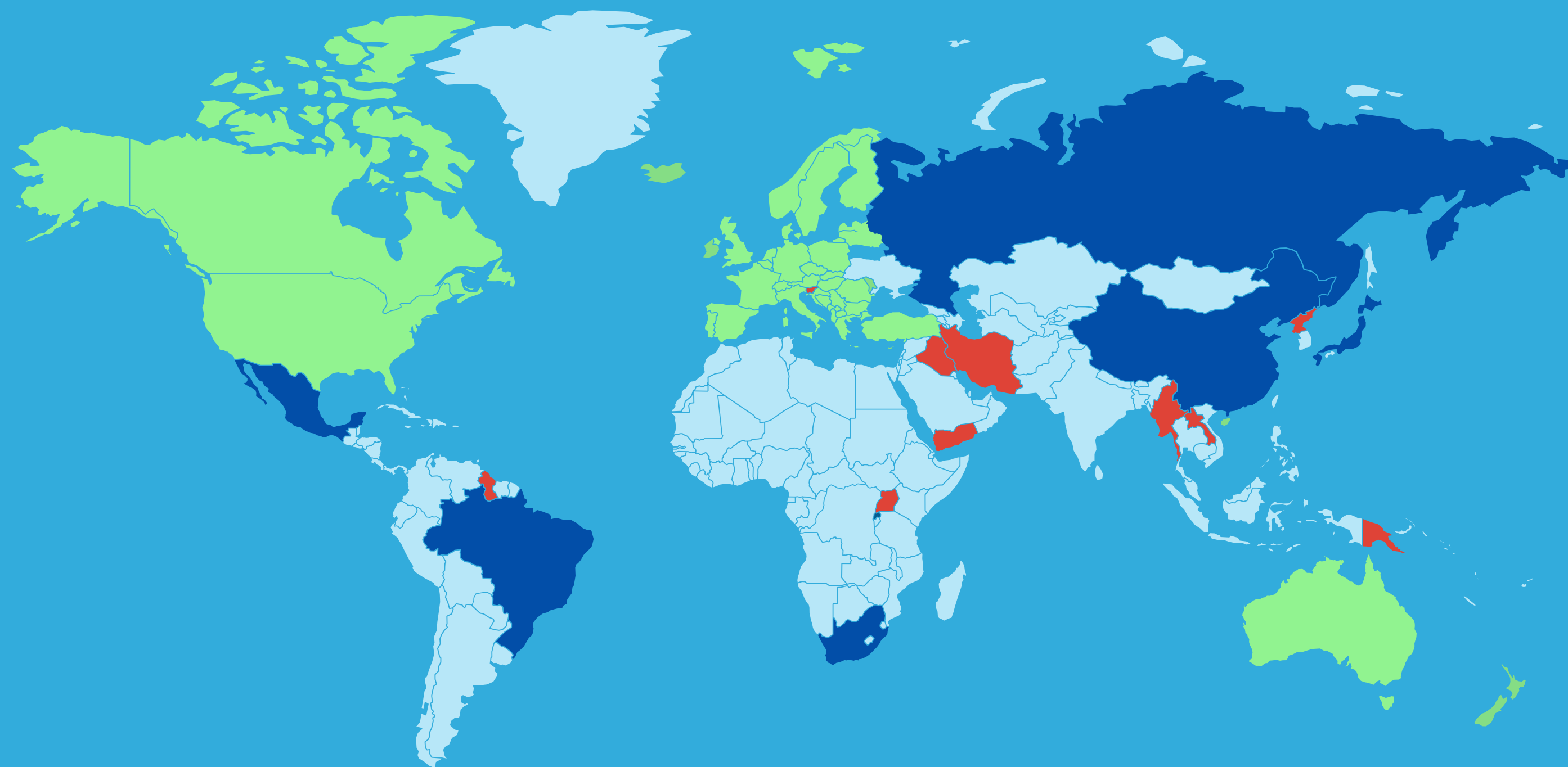


Notarised: posted/uploaded documents\*



# iSignthis Service Availability

We can identify all financially included persons with access to ePayment means or Circa 51% of world population or 3.5Bn persons\*



- ISX Service available to identify natural persons & validated for AML Obligated Entities
- ISX Service available to identify natural persons & being validated for AML Obligated Entities
- ISX Service available to identify natural persons
- ISX Service not available to identify natural persons due to sanctions

\*Validation process relies upon FATF international legal framework

\*McKinsey "Half the World is unbanked"

# Status Update - Partner Integration

## ■ Channel Partners/Networks

Completed integrations (commence sales cycle post PCI DSS certification);

- Adelante
- eMerchantPay
- IPG

Integrations commenced or soon to commence;

- Alpha Payments Cloud
- The Flying Merchant
- SmartCardPayment Systems
- Assurity (Singapore Government NAF)

## ■ Direct Consumers

Integrations 95% completed and awaiting final test post PCI DSS certification;

- Coinify
- eZeewallet (division of eMerchantPay)

Integrations commenced or soon to commence;

- CrownBet
- TikForce

## ■ Card Acquiring

The following acquirers have been fully integrated, awaiting final test post certification;

- Clearhaus
- Yeepay (95% - under test, incorporating some 18 Chinese banks)



# Status Update

## ■ Isle of Man - iSignthis service applicability to gaming sector

The iSignthis service is applicable to the Isle of Man which is a major centre for offshore wagering, gaming, gambling, financial services and banking.

Independent guidance and advice now received that our services will satisfy local legislation and regulations in key gaming and trading jurisdictions of Cyprus, Gibraltar, Malta, Isle of Man, UK, Australia, France & Italy.

## ■ PCI DSS V3.0 Certification

Annual PCI audit brought forward in order to certify our V2.0 SaaS released in December 2015.

Ensures compliance with Payment Card Industry requirements

Certification removes any potential barriers in regards to customer integration and processing of 'live' transactions.

## ■ Regulatory Update

iSignthis offers services that assist its customers to meet obligations under various laws.

Two principal reforms that European Parliament has enacted into law that will drive growth for iSignthis services;

4<sup>th</sup> AML/CTF Directive – to be implemented by end of 2016

The Payment Services Directive 2 (PSD2) – all online transactions in the EU will be subject to payment authentication from Spring 2017

## ■ Licensing

EU wide eMoney License application prepared and lodged.

# Status Update

## ■ New Business

- Sales team recently attended and exhibited at major trade shows in Hong Kong (iFX Expo) and London (ICE Totally Gaming Conference).
- Provided great exposure to our key markets in Foreign Exchange Trading and Gaming
- Currently cultivating leads in to prospective proposals and sales agreements

The iSignthis sales team are firmly focussed on the gaming and trading market with little or no impediment (regulatory and legal) standing in our way to complete new deals and to grow the business.

The key market jurisdictions of Cyprus, Malta, Gibraltar, Isle of Man, the U.K., Australia, Italy & France provide enormous opportunity through the number of gaming & trading businesses licensed in those regions and the volume of customers and transactions processed.

## ■ Barriers to Entry

iSignthis first mover advantage lead has extended by way of our business development, regulator awareness and technology stack, with no clear competitor being evident.

Barriers to entry include;

- Protected intellectual property by way of multiple patents in key jurisdictions
- Regulatory engagement in key markets and jurisdictions
- In-house design and coding of all of our software/systems – allowing full control of our SaaS suite
- Opportunities as first mover by way of a new approach to the KYC compliance problem about to be introduced by incoming regulation
- Channel partners integrated and ready to commence downstream sales to merchants

# Corporate Summary

- Listed in March 2015 following reverse takeover of Otis Energy Limited
- Tightly held register dominated by existing board, high net worth and institutional investors
- Oversubscribed \$10.5m placement to institutional investors (\$0.40 per share) completed in November 2015
- Operating investment (\$1.8m for December 2015 half year) in line with expectations

ASX Code	ISX
<b>Shares on Issue</b>	<b>621,869,714</b>
Quoted	290,165,781
Escrow*	331,703,933
<b>Options on Issue</b>	<b>28,000,000</b>
4c, 13/5/17*	10,000,000
38c, 31/7/17	6,000,000
50c, 30/9/18	6,000,000
62c, 30/9/18	6,000,000
<b>Performance Shares</b>	<b>336,666,667</b>
<b>Market Cap. (A\$0.21)</b>	<b>\$131m</b>
<b>Major Shareholder(s)</b>	
iSignthis Ltd	~50%

# Glossary

**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.

**Payidentity** = the convergence of payments and identity, incorporating payment instrument verification and customer identification, in order to remotely link an electronic payment with a persons identity, usually for the purpose of satisfying Anti Money Laundering (AML) or Anti Fraud, or both requirements.

**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.

**PIV** = Payment Instrument Verification using our patented process.

**SCA** = Strong Customer Authentication encompassing KYC, PIV and two factor authentication.

**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.



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