

Canaccord 36th Annual Growth Conference

iSignthis Ltd (ASX:ISX)

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Presented by

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CANACCORD | Genuity

iSignthis[®]

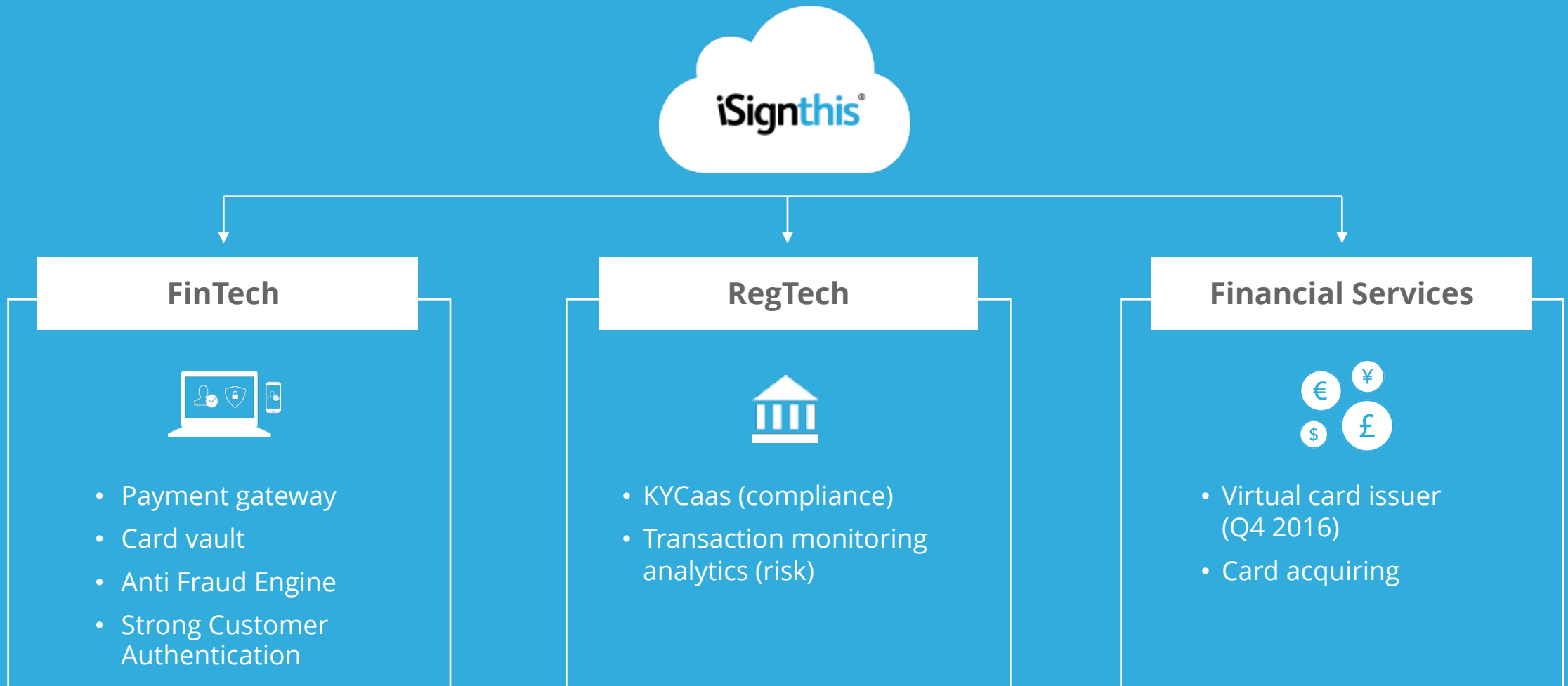
iSignthis Ltd (ASX : ISX) – What do we do?

Australia's only ASX listed RegTech, with payment processing capability.

iSignthis automates AML/CTF KYC & transaction monitoring via its payments and identity processing platform for traditional and non traditional businesses including:

- **Financial Institutions,**
- **banks, lending, crowdfunding, pension funds,**
- **securities / equities,**
- **FX, CFD, binaries, and futures traders,**
- **gaming, wagering, betting, casino's,**
- **money services businesses,**
- **payment service providers,**
- **insurance providers,**
- **real estate,**
- **digital currency platforms,**
- **eWallets,**
- **FinTech and**
- **other AML/Patriot Obligated businesses**

iSignthis Ltd (ASX : ISX) – Global, Scalable Cloud Based Service

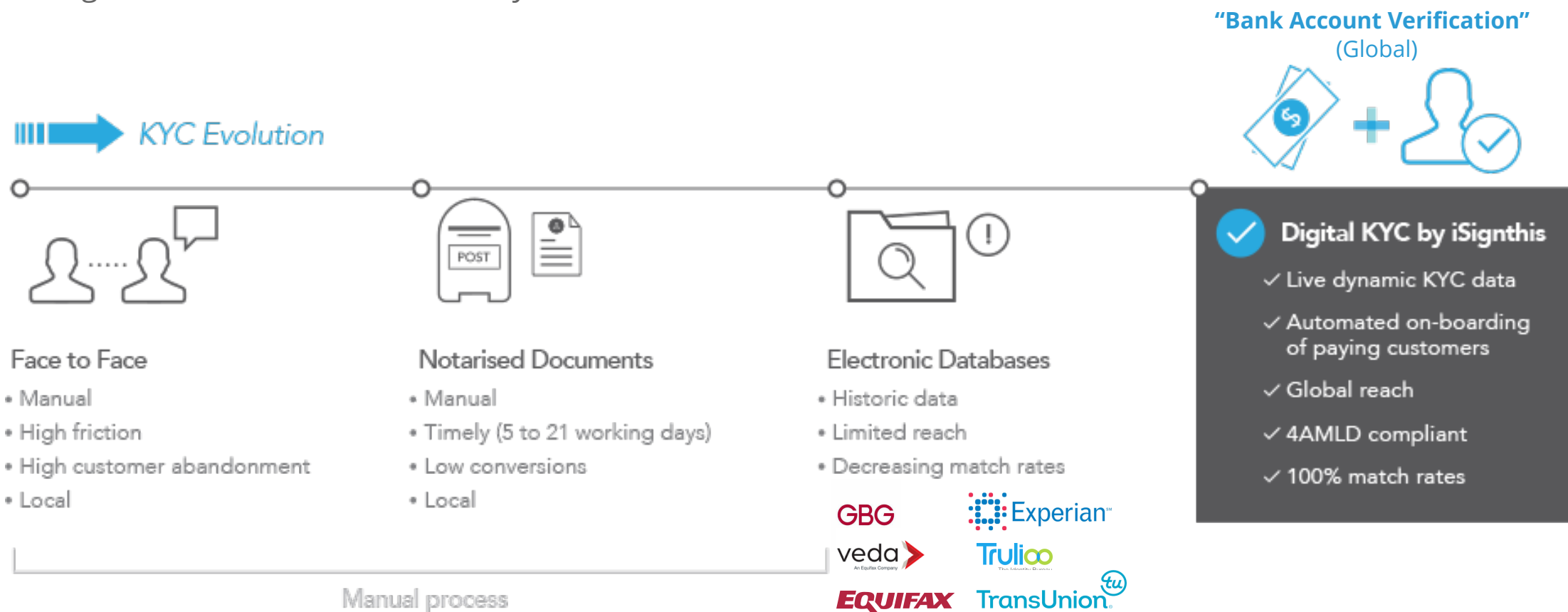


iSignthis Service Availability



Establishing Identity

There are only four legally compliant ways to perform a Know Your Customer (KYC) check.
Don't get left behind with last century's solution.



iSignthis Ltd (ASX : ISX) – What's our coverage?

World Population : Banked / Unbanked / CRA Data

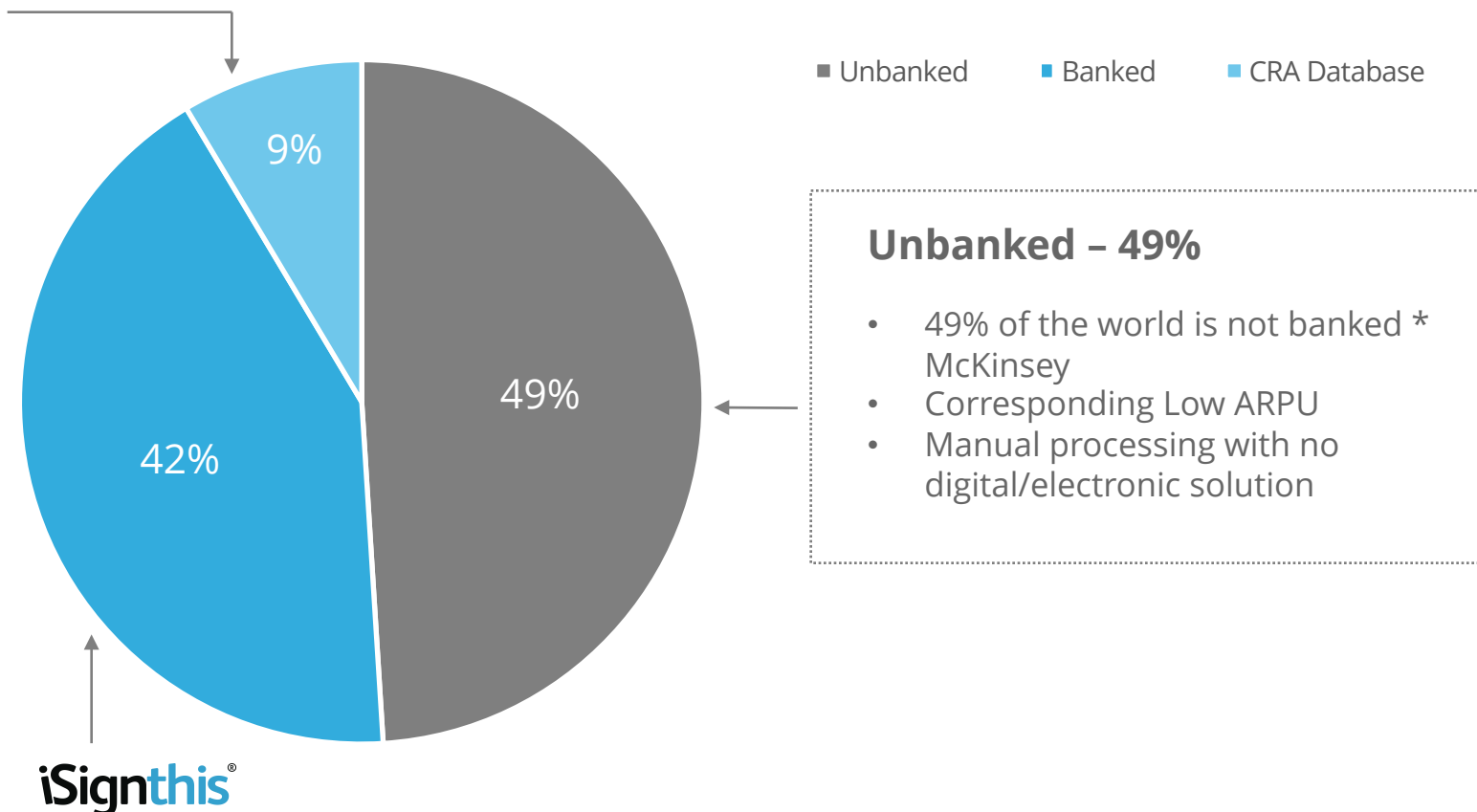
CRA Database ~9% coverage

Traditional CRA's and KYC databrokers **compete** for limited market size.



Banked – 51% coverage iSignthis®

- 51% of the world is banked *McKinsey
- 9.6Bn Credit/Debit Cards on Issue *Nilsen
- 51% Banked includes 9% CRA Database coverage
- Corresponding High ARPU



Unbanked – 49%

- 49% of the world is not banked * McKinsey
- Corresponding Low ARPU
- Manual processing with no digital/electronic solution

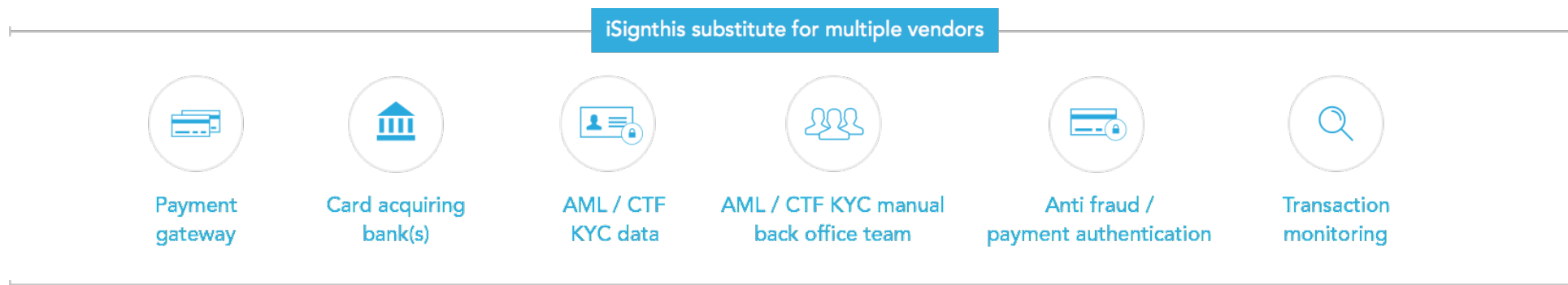
iSignthis®

Unique competitive advantage area.
Currently served by manual processes.
No CRA databases.

iSignthis Ltd (ASX : ISX) – What will drive our growth?

- 1. Regulated Growth:** Increasingly more stringent Regulation, such as the EC's 4AMLD and Payment Services Directive 2.
- 2. Online Transition:** AML Regulated entities seeking to offer cross border services, and move away from localised face to face services.
- 3. Reach:** CRA based services cover less than 9% of the world's population, whereas iSignthis dynamically reaches circa 51% of the world's (banked) population.
- 4. Mitigating Fraud Risk:** Current manual or database KYC methods are not effective at mitigating electronic payment risk.
- 5. Enhanced Customer Value Proposition:** Full Automation, dynamic, real time combination of payments and identity (payidentity™) which delivers KYC and settled funds in parallel.
- 6. Additional Sectors:** such as gaming, wagering, betting, digital currencies now regulated by full AML/CFT regulations in the EU.

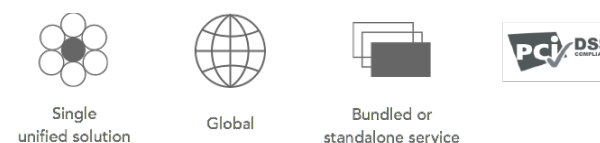
Product Strategy



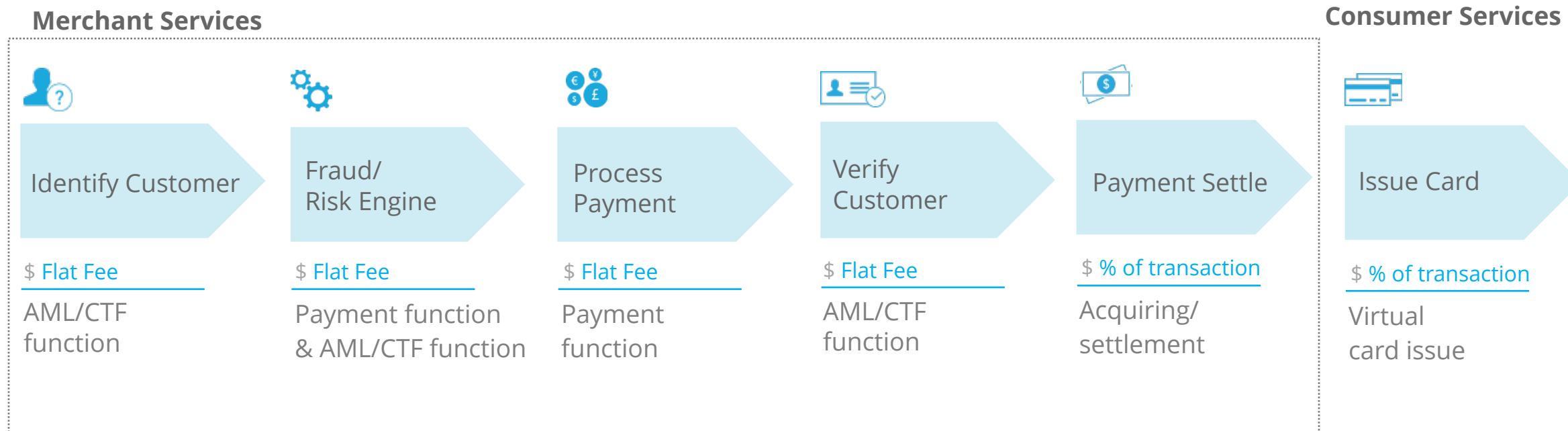
Existing solutions: a fragmented process

- Multiple vendors
- Different vendor mix in each country
- Information fragmentation
- Compliance challenges
- Manual processes, with 'follow the sun' localised team normally required.
- High costs
- Long processing delays with complex customer onboarding processes
- High customer abandonment

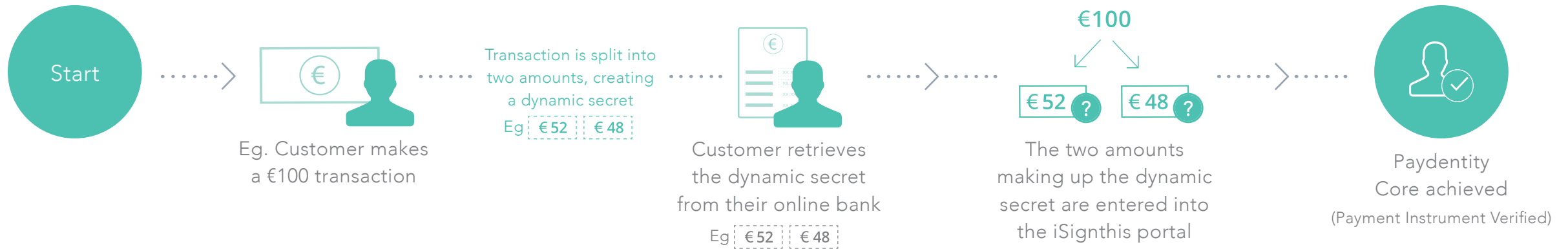
ISX solutions



iSignthis Ltd (ASX : ISX) – Business Model



iSignthis Ltd (ASX : ISX) – Paydentity



iSignthis Ltd (ASX : ISX) – Contracts

	Fully integrated	Integrations completed	Integrations commenced or soon to commence
Direct consumers	<ul style="list-style-type: none"> • Coinify transacting • eZeewallet (division of eMerchantPay) 	<ul style="list-style-type: none"> • TikForce 	<ul style="list-style-type: none"> • CrownBet • XM.com • FXNet • iForex • Ixaris
Card acquiring & bank connects	<ul style="list-style-type: none"> • Clearhaus (EU) • Yeepay (incorporating some 21 Chinese banks) 	<ul style="list-style-type: none"> • Payvision • Credorax 	<ul style="list-style-type: none"> • Payvision (US, Canada, Hong Kong, Singapore, Macau)
Channel partners/networks	<p>Commenced sales cycle;</p> <ul style="list-style-type: none"> • Adelante • eMerchantPay • IPG 	<ul style="list-style-type: none"> • Alpha Payments Cloud • The Flying Merchant 	<ul style="list-style-type: none"> • SmartCardPayment Systems • Assurity (Singapore Government NAF) • Tradologic

iSignthis Ltd (ASX : ISX) – Corporate Summary

BOARD OF DIRECTORS

JOHN KARANTZIS
Managing Director

TIM HART
Non Executive Chairman

SCOTT MINEHANE
Non Executive Director

BARNABY EGERTON-WARBURTON
Non Executive Director

CAPITAL STRUCTURE	
Shares on Issue	621,869,714
Quoted	290,165,781
Escrow	331,703,933
Options on Issue	43,000,000
Performance Shares	337,689,417
Market Cap. (fully diluted) (A\$0.22)	\$220m
Cash balance (June 2016)	\$8.9m
Top 20 Shareholders	77%
Major Shareholder(s)	
iSignthis Ltd	~50%
Deutsche Bank AG	5.31%

Increasing compliance benefits ISX – we have the solution

AML 4th Directive – ISX the only dynamic, online, efficient solution

New legislation effective June 2017 (current discussion may see the timetable brought forward to January 2017)

Key Benefits:

- Legislation requires financial institutions to conduct enhanced due diligence (KYC) on all customers at time of on boarding and at anniversary date.
- Financial institutions are required to undertake on going monitoring of transactions for evidence of money laundering or funding of terrorist activities.
- Specifically encompasses the gaming/wagering sector.
- Identification of customers permitted using Electronic methods (eKYC).

The iSignthis services meet the requirements of 4AMLD today. Our customers will be compliant.

PSD2 – Authentication provided by ISX

New legislation effective Spring 2017

Key Benefits:

- All online payments required to undergo strong customer authentication i.e. verification that the account owner is authorising the transaction.
- Promotes Liability Shift away from the merchant with appropriate evidentiary trail.

The iSignthis services meet the requirements of the PSD2 today allowing merchant customers immediate compliance and protection against credit card fraud and charge back costs. With added benefit of liability shift which previously had only been allowed under card scheme rules with use of 3D Secure.

How does ISX take advantage of regulation?

The AML regulated market is massive!

The AML regulated industries include Foreign Exchange trading and Gaming/Wagering. These industries have common factors;

- large customer numbers
- enormous daily turn over (USD Trillions per day)
- global appeal
- multiple transactions per customer
- accounts predominantly funded by credit card(s)

Regulator acceptance in key markets

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.

Foreign Exchange

According to Thomson Reuters, data from CLS Bank showed the average daily trading volume for the Foreign Exchange industry was **USD\$4.8 trillion** in January, 2016.

Although, at the the end of 2014 it is reported that volumes were close to USD\$6 trillion per day.

<http://www.egba.eu/media/Sports-Betting-Report-FINAL.pdf>

Gaming

The European Gaming & Betting Association published a Sports Betting Report stating in 2012 regulated betting accounted for \$58 billion of the \$430 billion in total global gross gambling yield.

In 2016 regulated betting is predicted to increase to \$70 billion, as it has seen 5.4% compound average growth rate between 2001 and 2013. This increase has been driven by new technologies and product platforms.

<http://www.reuters.com/article/us-global-fx-peaktrading-idUSKCN0VK1UD>

Other opportunities: ISX expanding services and revenues

iSignthis has four core revenue streams available to it in the short and medium term.

Verify

The core of our patented process to verify identity for AML obligated financial institutions. **ISX charges a fee for every identity verified.**

Process

The 'Paydentity' service provided by ISX allows for Strong Customer Authentication to meet PSD2 requirements i.e. the transaction verification to authorise an online transaction. This service expands further to cover additional revenue opportunities in the card payment processing chain allowing ISX to become our customers;

- **Payment Processor (Gateway):** allows a merchant to accept payments by credit card.
- **Acquirer:** allows a merchant to collect funds from their customers.

ISX charges a fee for every transaction processed, authenticated and acquired.

Settle

A longer range (medium term) strategic play for iSignthis is to become a licensed settlement institution. Settlement being the exchange of funds between a card issuer and an acquiring institution (effectively completing the payment transaction). ISX has applied directly for an EU eMoney license which will enable it to become a settlement institution for transactions. This further expands the services available to be offered to our customers creating a stronger relationship and additional sources of revenue. **Unlike our core services, the full acquiring and settlement initiative is a volume game with lower margins but an opportunity to settle a large number of transactions per day.**

Issue

The EU e-money license will also allow ISX to potentially become a card issuer. This is a longer term initiative to potentially operate as a financial institution that offers credit or debit cards to users (the general public).

Disclaimer

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