

ISXPay: Further Australian card acquiring/processing contracts executed

Highlights

- **ISXPay gains further traction in Australia with customer addition**
- **Card Transactions in excess of \$52m per annum to be processed, cleared and settled to Merchants bank accounts by ISXPay**
- **Average Net Margin in excess of 77 basis points**
- **Anticipated annualised Gross Profit in excess of \$340,000 for card acquiring related aspect of the agreements, with scope to grow as volumes increase**

Melbourne, 11th October 2017: Australian Securities Exchange and Frankfurt Stock Exchange cross listed iSignthis Ltd (ASX : ISX / FRA : TA8), the world leading RegTech for identity verification and payment services, is pleased to announce that it has contracted further merchants to ISXPay Australia.

Card Acquiring: Processing & Settlement Services

The total card acquiring 'book' value is now in excess of \$52m per annum of transactions to be processed and settled by ISXPay directly to the merchant's bank account. An average net margin of 0.77% for provision of card acquiring / payment facilitation & settlement services is applicable across the total contracted value of \$52m.

Transactional fees charged at a weighted average of 23c/Tx.

The merchants are a diversified group of online retailers, an ASX listed credit licensee and AFSL holders providing financial services. These online merchants all operate in either one or all of high fraud, high risk or AML regulated environments. The Company has requested a security deposit of A\$150,000 from the latest merchant, with go live date expected upon receipt next week. The Company will announce each material merchant as they go live. ISXPay services will typically commence circa 6-8 weeks from execution of merchant contract, and contracts are for a minimum of 2 years and evergreen unless terminated.

The Contracts are expected to deliver a gross profit in excess of \$340,000 per annum across the two key revenue silos of 'processing' and 'settlement' identified in Investor Update dated 31st July 2017. The revenue silo of 'identity and payment instrument verification' cannot be estimated at this point in time against these customers, as aggregated customer metrics are not as yet available.

The Company announced on the 8th August 2016 an agreement with the National Australia Bank (ASX : NAB), whereby daily cashflow for card settlement is provided by the NAB at a wholesale rate to the Company. This allows the Company to pursue merchants of all sizes, as the NAB agreement ensures that the Company has adequate daily cashflow to effect settlement.

Patented Antifraud and Identity Verification Technology

The Company has patents which allow it to prove ownership of a credit card via its Payment Instrument Verification (PIV) services. Whilst focus to date has been on PIV as a means for enhanced due diligence to satisfy Know Your Customer (KYC) as part of Anti Money Laundering regulations, PIV can also be used as a real time means to reduce card not present fraud. The Company's patents provide a means to capture 'compelling evidence', which is a means to reverse chargebacks under the Visa Inc. and Mastercard Worldwide operating rules.

Transactions will be screened by the iSignthis risk engine on behalf of the merchant, and PIV activated by iSignthis, or, by the merchant using API calls on a transactional basis. The iSignthis technology and platform is versatile, and can be configured to deliver enhanced payment gateway, antifraud, and/or identity verification services on a transaction by transaction basis.

About iSignthis Ltd (ASX : ISX / FRA : TA8)

Australian Securities and Frankfurt Stock Exchange listed iSignthis Ltd (ASX : ISX) is the global RegTech leader in remote identity verification, payment authentication and payment processing. iSignthis provides an end-to-end on-boarding service for merchants, with a unified payment and identity service via our Paydentity™ 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 3.5Bn 'bank verified' card or account holders, that can be remotely on-boarded to regulated merchants in as little as 3 to 5 minutes.

iSignthis Paydentity 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' and its subsidiary, iSignthis eMoney Ltd, trade as ISXPay®, and are an EEA authorised eMoney Monetary Financial Institution, offering card acquiring in the EEA, Australia and New Zealand. ISXPay is a principal member of Mastercard Worldwide and JCB International.



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

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