

Appendix 4C – Quarter Ended 31st December 2019

Highlights

- Q4 Revenue: \$15.35m UP↑79% from \$8.58m (Q3 2019).
- Cash Receipts: \$15.70m UP ↑ 88% from \$8.33m (Q3 2019).
- Company Own Cash: \$17.70m UP↑ 43% from \$12.38m (Q3 2019).
- Client Funds Held: \$96.18m UP↑ 24% from \$77.74m (Q3 2019).
- Full year 2019 Cash Receipts \$31.44m.
- 3rd Positive Consecutive Appendix 4C.
- Profitable first year of operations whilst operating own Tier 1 network.
- 2019 success and profits based upon foundations laid in 2018.
- Company continues to grow organically without need for capital funding.
- 4th Quarter costs higher than expected.
- Investment of ~\$750k this quarter in R&D/IP for new products.
- Commercial dispute with ASX Ltd has slowed growth and impacted EBIT.
- Damages claim against ASX Ltd (ASX : ASX) accruing.

Melbourne, 31st January 2020: iSignthis Ltd (ASX: ISX | FRA: TA8) (“The Company”) is pleased to provide the following Appendix 4C for the quarter and year ended 31st December 2019.

Figures quoted in this release are subject to audit.

Annual report for Financial Year 1st January to 31st December 2019 is due 28th February 2020.

Authorised by N. Karantzis, Managing Director and E.Warrell Company Secretary



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Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

ISIGNTHIS LTD

ABN

93 075 419 715

Quarter ended ("current quarter")

31 DECEMBER 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	15,696	31,444
1.2 Payments for		
(a) research and development	(579)	(1,087)
(b) product manufacturing and operating costs	(8,986)	(16,588)
(c) advertising and marketing	(191)	(410)
(d) leased assets	-	-
(e) staff costs	(1,935)	(6,597)
(f) administration and corporate costs	(915)	(3,645)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received (from external banks)	192	333
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	266	859
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	3,548	4,309

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(468)	(606)
(b) businesses (see item 10)	-	(119)
(c) investments	-	-
(d) intellectual property	(169)	(280)
(e) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	(18)	314
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(655)	(691)
3. Cash flows from financing activities			
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	75	4,635
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (merchant security received and card scheme collateral paid)	2,321	976
3.10	Net cash from / (used in) financing activities	2,396	5,611
4. Net increase / (decrease) in cash and cash equivalents for the period			
4.1	Cash and cash equivalents at beginning of quarter/year to date	12,379	8,434
4.2	Net cash from / (used in) operating activities (item 1.9 above)	3,548	4,309
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(655)	(691)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,396	5,611
4.5	Effect of movement in exchange rates on cash held	36	100
	Cash acquired on acquisition*	-	(59)
4.6	Cash and cash equivalents at end of quarter	17,704	17,704

+ See chapter 19 for defined terms
1 September 2016

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* The cash acquired on acquisition represents cash held/(owed) by USB Baltic Banking Services as at the date of acquisition.

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	17,704	12,379
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	17,704	12,379

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	(136)
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Payments to directors and director related entities during the December 2019 quarter relate to employment costs paid in the period.

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

Nil

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

Nil

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	500
9.2 Product manufacturing and operating costs	9,000
9.3 Advertising and marketing	200
9.4 Leased assets	-
9.5 Staff costs	2,000
9.6 Administration and corporate costs	1,100
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows¹	12,800

¹ The company is an operating business that generates cash inflows each quarter. Estimated cash outflows are based on assumptions including activity on estimated inflows. The above summary of estimated cash outflows does not reflect the anticipated net cash flows for the following quarter, as it excludes cash inflows (such as receipts from customers).

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	-	-
10.2 Place of incorporation or registration	-	-
10.3 Consideration for acquisition or disposal	-	-
10.4 Total net assets	-	-
10.5 Nature of business	-	-

Compliance statement

- This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- This statement gives a true and fair view of the matters disclosed.



Sign here:
(Company secretary)

Date: 31 January 2020

Print name: Elizabeth Warrell

Notes

- The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
- If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.

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3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

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