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DR. REUTER INVESTOR RELATIONS

INVESTOR RELATIONS AN DEN EUROPÄISCHEN KAPITALMÄRKTEN
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Development of RegTech Sector: An Extraordinary Journey of Financial Industry after Crisis

Over the past decade, the increased appetite of regulators has made the financial industry look forward to technological solutions that help meet regulatory compliance, enhance transparency, and maintain consistency. The credit crisis of 2008 followed by the crushing burden of heavy financial regulation services hit the industry with a hefty thwack. However, it rose from the ashes like the proverbial phoenix in the nick of time and brought Regulatory Technology (RegTech) into the mainstream to tackle the ever-increasing challenges of compliance. These days, the demand for regulatory technology has been exploding and, with this, RegTech is expected to become a nearly 120 billion industry by 2020.

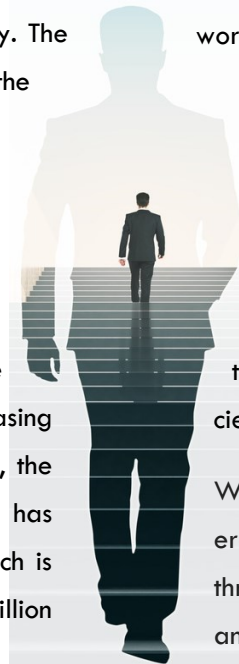
But, before moving to intricate details, let's take a look at what RegTech actually is.

Technically, RegTech is a subset of Financial

Technology (FinTech) especially formed to effectively meet the delivery of regulatory requirements by leveraging advancements made in the information technology sector. In general words, it helps us in fulfilling regulatory demands, increasing transparency and standardizing the regulatory processes at a lower cost by harnessing the power of latest IT technologies such as advanced analytics, robotic process automation, cognitive computing, cloud, artificial intelligence, Big Data, and cryptocurrencies.

While the benefits of RegTech are considered to be umpteen, it is widely used throughout the industry to expedite compliance, mitigate financial risks and obliterate fraud and laundering practices.

According to the *Cost of Compliance 2018 Report*, financial institutions have to spend 5 to 10% of their annual turnover along with the valuable time





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of senior management and capital just because of the regulatory divergence. However, if investments are made for regulatory software, it can yield an ROI of 600% or even more with a payback period of fewer than three years. This implies that RegTech has the potential to change the fabric of the financial industry and thus, more and more companies are relying on this new field of FinTech.

Statistics of Funding in RegTech Sector

According to *FinTech Global*, RegTech companies have raised their capital by almost 2.5 times in 2018 when compared with 2017. The statistics revealed that more than \$13.3bn worth fund has been raised by these companies since 2014 through 900 transactions till now. Around two-thirds of this funding was raised in just the past 18 months which witnessed two major changes

in the regulation industry - MiFID II in January 2018 and GDPR

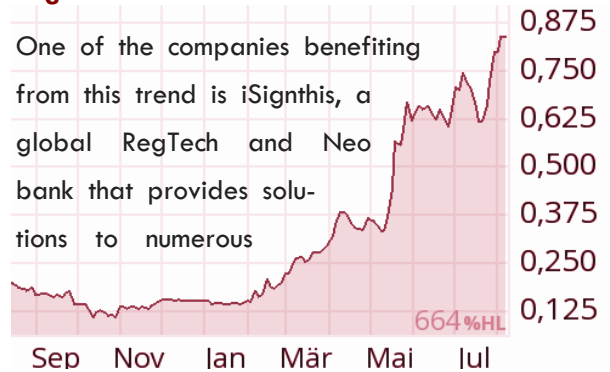


in May 2018. Since the funding increased from \$923.4m in 2014 to \$4,484.5m in 2018, the global RegTech investment has grown by five-fold in the duration between 2014 and 2018.

In fact, nearly \$4bn has been invested in RegTech companies in the first six months of 2019 across 155 transaction deals. Such a big figure in a short span surely indicates the strongest start till date in deal activity as well as funding and thus, setting the highest expectations for the remaining part of 2019.

iSignthis

One of the companies benefiting from this trend is iSignthis, a global RegTech and Neo bank that provides solutions to numerous



1 Year-Share Price iSignthis

Stock Exchange ASX, Sydney, Source: Comdirect customers in Europe & Australia, particularly in the financial sector. Founded in 2013, iSignthis is listed on the ASX in Sydney and Frankfurt and has a market capitalization of AU\$ 1 billion at the ASX and over €625 million in Frankfurt (08. August 2019). This makes iSignthis the only Australian RegTech and NeoBank company listed on the



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Australian Securities & Frankfurt Stock Exchange (ASX : ISX | FRA : TAB).

Solutions from iSignthis

The company offers specialist banking services including online customer onboarding and identity verification solutions, payment processing, card acquiring, settlement and deposit-taking E-Money services. The underlying technology, that satisfies Anti-Money Laundering (AML) and Countering the Financing of Terrorism (CFT) regulatory requirements, has been patented in numerous countries. iSignthis focuses on highly regulated industries such as foreign exchange and securities trading, money transfers, gambling, credit card issuers and electronic wallet.

Strong growth phase

Already in 2018 sales increased by more than 250% to AU\$6.62 million. The CAGR has been over 460% since 2015. This trend has continued in 2019. Sales increased by 56% from Q4/2018 to Q1/2019 to AU\$ 1.85 million. In May 2019, the company announced that it had reached break-even. The share price has risen

from 15 cents at the beginning of January 2019 to 70 cents in the meantime, which corresponds to an increase of over 360% in 2019. Within their latest press release from 08. August 2019 iSignthis announces that it has entered into an Australian Principal Member licensing agreement with the Asia Pacific Singapore based regional subsidiary of Visa Inc.

Strengths of the company

The iSignthis platforms rely on due diligence processes that have already been carried out by major credit card member banks institutions for their own customers. iSignthis customers can use this already performed due diligence for their own processes; a new review is not necessary. Thus, iSignthis can reach, identify, verify and process 4.2 billion people in total, all through their credit card contracts and the checks they perform.

RegTech shows promising potential for future - which is yet to be discovered

Regulatory compliance obligations have expanded steeply after the financial crisis to which Reg-Tech is providing a simpler, faster, and cost-effective solution. It is incredibly innovative in itself and expected to become a go-to solution to find answers to compliance probe and queries.





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iSignthis

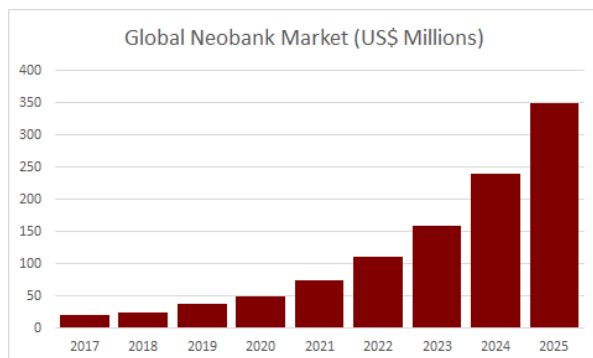


Aktienkursentwicklung & Volumen iSignthis, ASX
 Quelle: Comdirect

Tätigkeitsgebiet

iSignthis eine in Australien ansässige Neobank sowie als RegTech-Unternehmen tätig. Als Neobank steht das Unternehmen u.a. als Zahlungsabwicklungsstelle, Settlement oder auch EMoney für regulierte Unternehmen wie Kreditkarteninstituten zur Verfügung. Als RegTech-Unternehmen unterstützt regulierte Kunden dabei, Regulierungen und Vorgaben im Bereich der Geldwäschebekämpfung, Kundenidentifikation, Know your Business oder auch Know your Customer zu erfüllen.

Marktentwicklung Neobanken



Quelle: Variant Market Research, FRC

Börsenzahlen

Börsen & Code:	ASX: ISX & FRA: TAB
GICS Group:	Software & Services
Homepage:	www.isignthis.com
Marktkapitalisierung:	A\$1,02 Mrd.
52W Hoch	A\$1,76
52W Tief	A\$0,11
Performance 4 / 52 Wochen:	-21,6% / +476,86%
Ø-Handelsvolumen:	15,0 Mio. AUD (Ø 30 Tage)

Quelle: Comdirect

Unternehmenskennzahlen & -reports

Umsatz:	7,5 Mio. AU\$ (H1/2019) 5,0 Mio. AU\$ (H1/2018)
Verlust:	-0,7 Mio. AU\$ (H1/2019) -2,9 Mio. AU\$ (H1/2018)
Cash Position:	9,9 Mio. AU\$ (30.06.2019)

- ◆ [Download Halbjahresreport 30. Juni 2019](#)
- ◆ [Download Annual Report 2018](#)

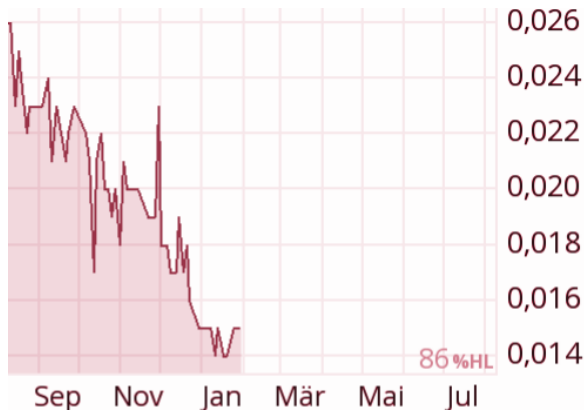
Jüngste Unternehmensmeldungen

- ◆ 16.09.2019: EPO Patent for PSD2 SCA & KYC
- ◆ 09.09.2019: Annualised GPTV Exceeds A\$1.1bn in August 2019
- ◆ 06.09.2019: S&P DJI Announces September 2019 Quarterly Rebalance
- ◆ 08.08.2019: Visa Inc Australian Principal Membership
- ◆ 17.06.2019: Paydentity KYC continues to drive applications
- ◆ 14.05.2019: Break Even Run Rate Achieved



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Covata



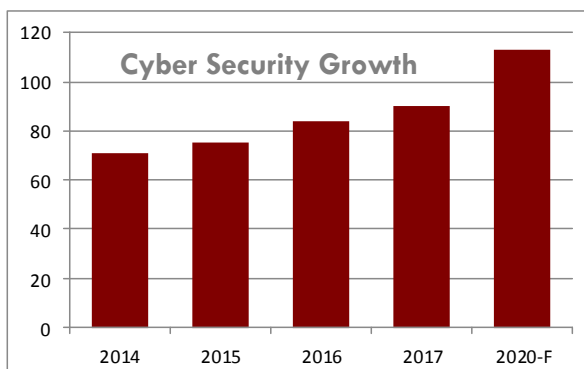
Aktienkursentwicklung Covata

Quelle: Comdirect

Tätigkeitsgebiet

Covata Ltd ist ein globales Technologieunternehmen, welches datenzentrierte Sicherheitslösungen bereitstellt, mit denen Unternehmen und Regierungen identifiziert werden können. Schutz und Kontrolle des Zugriffs auf vertrauliche Informationen. Die Covata Data Security Plattform beschränkt den Zugriff auf vertrauliche Inhalte auf IT-Administratoren und erschwert den Diebstahl oder Missbrauch von Informationen, anstatt die Geräte zu schützen, auf denen Informationen gespeichert sind. Covata besitzt Niederlassungen in Australien, Europa und den USA.

Marktentwicklung Cyber Security



Quelle: Gartner Research Reports, in Mrd. US\$

Kennzahlen & Reporte

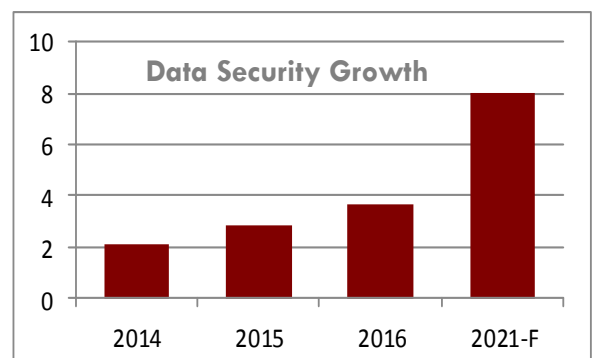
Börsen & Code:	ASX: CVT
GICS Group:	Software & Services
Homepage:	www.covata.com
Umsatz Q2 / 2019:	AU\$ 0,882 Mio.
Net cash operating activities:	AU\$ -0,94 Mio.
Net cash investing activities:	AU\$ 150T
Cash & Cash Equivalents 30.06.2019	AU\$ 979T

- ◆ [Download Präsentation Hauptversammlung](#)
- ◆ [Download Quartalsreport April-Juni19](#)

Jüngste Unternehmensmeldungen

- ◆ 16.09.2019: Transaction and Prospectus Update
- ◆ 15.08.2019: Completion of Consolidateion
- ◆ 17.07.2019: Sale of Shares in Cocoon Data ...
- ◆ 26.06.2019: Transaction Update
- ◆ 17.05.2019: SafeShare and dataglobal Update
- ◆ 15.05.2019: Customer Update—DHL
- ◆ 11.04.2019: Shareholder Update—dataglobal
- ◆ 21.03.2019: Update regarding sale of SafeShare
- ◆ 31.01.2019: Appendix 4C and Business Update
- ◆ 30.01.2019: Covata Announces Major Acquisition

Marktentwicklung Data Security



Quelle: Markets and Markets, in Mrd. US\$



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mVISE



Aktienkursentwicklung mVISE

Quelle: Comdirect

Kennzahlen & Reporte

Börsen & Code:	WKN: 620458
GICS Group:	IT-Services
Homepage:	www.mvise.de
Marktkapitalisierung:	26,5 Mio. €
52 Wochen Hoch:	4,95 €
52 Wochen Tief:	2,44 €
Umsatz H1 / 2019:	9,8 Mio. €
EBITDA H1 / 2019:	125.000 €
Operativer CF v. Working Capital	126.000 €
Liquide Mittel:	930.000 €

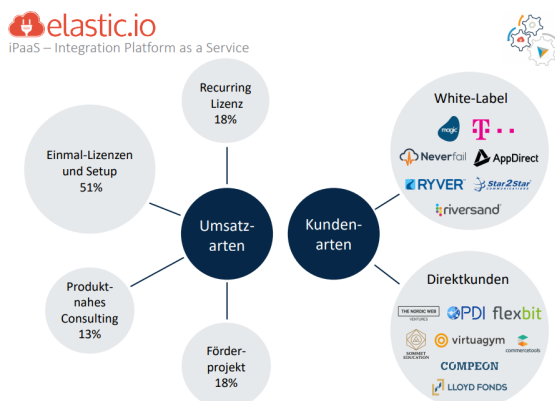
Tätigkeitsgebiet

Die mVISE AG entwickelt Lösungen für eine sichere und flexible IT. Das Lesitungsportfolio umfasst eine fundierte Technologie-Beratung als auch kundenspezifische Software. Die Kernkompetenzen liegen in den Bereichen Cloud Computing, Integration von Applikationen und digitalen Lösungen in bestehende IT-Infrastrukturen, IT Security Enterprise Data & Mobility-Lösungen. mVISE begleitet Unternehmen bei Digitalisierungsprojekten. Cloud-Produkte von mVISE beschleunigen Integrationsaufgaben. Das mVISE-Team besteht aus mehr als 160 Mitarbeitern.

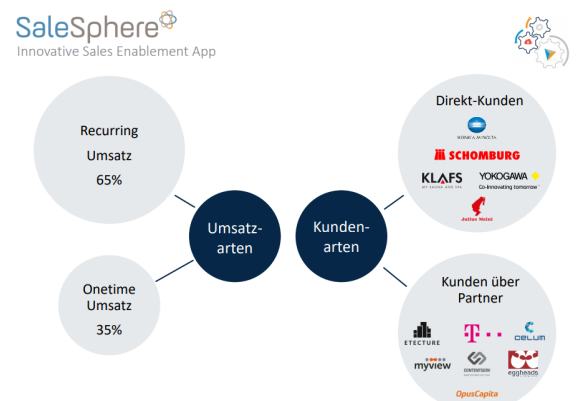
Unternehmensmeldungen & Reporte

- 11.07.2019: mVISE AG als Top-Anbieter von Vodafone Global Data Center ausgezeichnet
- 21.03.2019: mVISE Tochterunternehmen SaleSphere verkündet Partnerschaft mit der Digitalagentur ETECTURE
- 19.03.2019: Vorläufige Zahlen 2018 bestätigen weiterhin den Wachstumskurs
- 07.03.2019: Tochterunternehmen SaleSphere ergänzt die Omnichannel-Box von infolox
- 06.03.2019: mVISE Vorstand Manfred Götz verstärkt Landeswirtschaftssenat NRW

Umsatz- & Kundenarten elastic.io



Umsatz- & Kundenarten SaleSphere





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