

FY2019 Guidance Update

Melbourne, 9 December 2019: iSignthis Ltd (ASX: ISX | DE: TA8) (“the Company”) is pleased to announce its revised guidance for the financial year ending 31st December 2019 (“FY2019”):

- FY2019 EBIT (excluding non-cash items) is forecast at AU\$6.5m (vs EBIT \$10.7m forecast 28Nov’18)
- Monthly EBIT (unaudited) is currently at AU\$2.0m for October, consistent with the previously announced ‘actual annualised’ GPTV and 125bps ecosystem Merchant Services Fee (MSF).
- Actual Tier 1 services commenced mid-February 2019, resulting in a shorter actual operating period for FY2019 of 10.5months, whereas 28 Nov18 EBIT guidance assumed full year operations.
- GPTV growth has been in excess of 425% since Tier 1 launch (Mid-February to end-October).
- ISX’s cash at bank in excess of AU\$14.5m.
- ISX is on track to deliver a maiden profit, joining the ranks of profitable Australian Securities Exchange (“ASX”) listed entities.
- The Board is considering Company’s dividend policy in context of potential M&A and further Growth opportunities
- Client funds held in ISX issued IBAN/BBAN accounts exceeds AU\$80m.
- ISX is unique as a growth stock that it generates positive cash flow, with a highly scalable platform that is not contingent on external funding sources to grow.
- Working capital positive business as cash receipts for services are T+1 (next business day) against payables which are T+7 (next seven business days) or longer.
- ISX is free of any form of debt capital, with the positive working capital cycle funding growth.
- EBIT growth is constrained due to factors primarily associated with the suspension by the ASX.
- GPTV is forecast to be flat for November and December due to the impact of the ASX suspension and the SWIFT operational changes announced on 6th December 2019.
- EBIT excludes expenses associated with the ASX suspension.
- All figures are unaudited and subject to EURO to Australian dollar exchange fluctuations.

ISX remains focused on operations that will continue to convert contracted customers to ‘actual’ GPTV as soon as possible, with some customers opting to defer onboarding until early-2020. The Company has experienced slower growth and lesser volumes in its forward sales pipeline as a consequence of the ASX suspension. However, ISX anticipates this will be a short-term issue that will be resolved with the lifting of the suspension.

The Company is confident that FY2020 will be a successful year.

“The work done by the ISX team to complete the Tier 1 card network rollout in the EU, whilst integrating to a number of third-party trading platforms during 2018 has paid off. Merchants that use popular trading platforms including DevCode, Praxis, MetaTrader4/5 through Panda and Antelope can integrate via our API to Paydentity™ and ISXPay® quickly. We are now considering integration of popular accounting and gaming platforms to further increase the interconnectivity and appeal of our platforms.” said Chief Executive Officer John Karantzis. “Given the headwinds caused by the ASX’s suspension of the company from quotation, this set of numbers is a credit to the iSignthis team. We are on track to deliver a maiden profit, we have in excess of \$14 million of cash, and we can give consideration to issuing our first dividend.”

ISX will continue to provide services to customers to address their AML and KYC compliance obligations, whilst providing transactional banking via its Paydentity™ platform.

This announcement has been authorised by the Company’s Managing Director and CFO/Company Secretary.

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