

1. Company details

Name of entity:	iSignthis Ltd
ABN:	93 075 419 715
Reporting period:	For the half-year ended 31 December 2016
Previous period:	For the half-year ended 31 December 2015

2. Results for announcement to the market

			\$
Revenues from ordinary activities	up	426.5% to	308,189
Loss from ordinary activities after tax attributable to the owners of iSignthis Ltd	down	50.4% to	(3,355,811)
Loss for the half-year attributable to the owners of iSignthis Ltd	down	50.4% to	(3,355,811)

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Comments

The loss for the consolidated entity after providing for income tax amounted to \$3,355,811 (31 December 2015: \$6,765,793).

The reduction in the loss for the period has resulted from a decrease in Share Based Payments expense for the current half year in comparison to the prior period.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>0.99</u>	<u>1.38</u>

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period

There were no dividends paid, recommended or declared during the current financial period.

Previous period

There were no dividends paid, recommended or declared during the previous financial period.

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

11. Attachments

Details of attachments (if any):

The Interim Report of iSignthis Ltd for the half-year ended 31 December 2016 is attached.

12. Signed

Signed



Nickolas John Karantzis
Managing Director

Date: 28 February 2017

iSignthis Ltd

ABN 93 075 419 715

Interim Report - 31 December 2016

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Directors	Timothy Hart (Non-Executive Chairman) Nickolas John Karantzis (Managing Director) Barnaby Egerton-Warburton (Non-Executive Director) Scott Minehane (Non-Executive Director)
Company secretary & CFO	Todd Richards
Registered office	456 Victoria Parade East Melbourne, VIC, 3002
Share register	Link Market Services Level 12, 680 George Street Sydney, NSW, 2000
Auditor	Grant Thornton Audit Pty Ltd The Rialto, Level 30 525 Collins Street Melbourne, 3000 VIC
Stock exchange listing	iSignthis Limited shares are listed on the Australian Securities Exchange (ASX code: ISX)
Website	www.isignthis.com

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of iSignthis Ltd (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2016.

Directors

The following persons were Directors of iSignthis Ltd during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Mr Tim Hart (Non-Executive Chairman)
Mr Nickolas John Karantzis (Managing Director)
Mr Scott Minehane (Non-Executive Director)
Mr Barnaby Egerton-Warburton (Non-Executive Director)

Principal activities

iSignthis Ltd is an Australian based business with patented technology used to significantly enhance online payment security and to electronically verify identities by way of a dynamic, digital and automated system. The system assists obligated entities under Anti Money Laundering ("AML") and Counter Terrorism Funding ("CTF") legislation to meet their compliance requirements and to ensure rapid and convenient on boarding of their customers. iSignthis also assists online merchants with mitigating Card Not Present ("CNP") fraud and providing CNP liability shift, within the framework of the card scheme rules and applicable regulatory regimes. The consolidated entity has been granted USA, European, South African, Portuguese, Singaporean and Australian patents and has patents pending in several other key jurisdictions including China, Hong Kong, South Korea, Canada, Brazil and India.

Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$3,355,811 (31 December 2015: \$6,765,793).

Revenue including other income during the period amounted to \$308,189 (2015: \$58,537), which included contracted service fees and licensing fees of \$221,696 and interest of \$86,493.

Operating expenses for the period were \$3,664,000 (2015: \$6,824,330). Employment benefit costs amounted to \$1,248,483 (2015: \$865,359), due to an increase in the number of employees when compared to the same period last year. Corporate expenses amounted to \$435,586 (2015: \$392,382) resulting from continuing operations. These fees are made up of consultancy, accounting, and other professional services. Share based payments during the period amounted to \$936,314 (2015: \$4,834,907) which represented a total of 15,000,000 unlisted options issued to advisors of the company in consideration for services provided and a total of 1,357,750 performance rights issued to employees in accordance with the company's employee incentive scheme.

Financial position

The net assets of the consolidated entity decreased by \$2,427,553 to \$7,316,280 as at 31 December 2016 (30 June 2016: \$9,743,833). The consolidated entity's working capital, being current assets less current liabilities was \$6,120,804 at 31 December 2016 (30 June 2016: \$8,509,398). During the period the consolidated entity had a negative cash flow from operating activities of \$2,500,759 (2015: \$1,774,078).

As a result of the above the Directors believe the consolidated entity is in a strong and stable position to expand and grow its current operations.

Significant changes in the state of affairs

On 1 August 2016 the consolidated entity issued 15,000,000 unlisted options in three different tranches of 5,000,000 unlisted options each. Also on this day the consolidated entity issued a total of 1,022,750 performance rights in two different tranches of 231,250 and 791,500 to employees in accordance with the company's Employee Incentive Plan.

On 11 November 2016 the consolidated entity issued 335,000 performance rights to employees in accordance with the company's Employee Incentive Plan.

There were no other significant changes in the state of affairs of the consolidated entity during the financial half-year.

Matters subsequent to the end of the financial half-year

On 27 January 2017 consolidated entity issued 371,500 performance rights to employee's in accordance with the company's Employee Incentive Plan.

On 10 February 2017 the consolidated entity issued 10,000,000 fully paid ordinary shares upon the exercise of unlisted options at an exercise price of \$0.04 (4 cents) per option raising a total of \$400,000 (these shares are to be held in escrow until 17 March 2017).

No other matter or circumstance has arisen since 31 December 2016 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the page 5.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the Directors



Nickolas John Karantzis
Managing Director

28 February 2017

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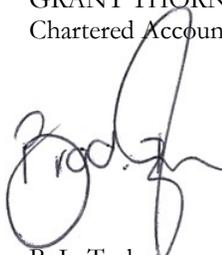
Auditor's Independence Declaration To the Directors of iSignthis Ltd

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of iSignthis Ltd for the half-year ended 31 December 2016, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



B. L. Taylor
Partner - Audit & Assurance

Melbourne, 28 February 2017

Grant Thornton Audit Pty Ltd ACN 130 913 594
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iSignthis Ltd
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2016



		Consolidated	
	Note	31 December 2016	31 December 2015
		\$	\$
Revenue	4	308,189	58,537
Expenses			
Corporate expenses		(435,586)	(392,382)
Advertising & marketing expenses		(28,662)	(57,688)
Employee benefits expense		(1,248,483)	(865,359)
Research & development expenses		(214,936)	(203,083)
Depreciation expense		(59,520)	(10,382)
Other expenses		(599,003)	(368,635)
Operating costs		(125,255)	(78,979)
Share based payments	5	(936,314)	(4,834,907)
Net realised foreign exchange loss		(16,241)	(12,915)
Loss before income tax expense		(3,355,811)	(6,765,793)
Income tax expense		-	-
Loss after income tax expense for the half-year attributable to the owners of iSignthis Ltd		(3,355,811)	(6,765,793)
Other comprehensive loss			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		(8,056)	(7,892)
Other comprehensive loss for the half-year, net of tax		(8,056)	(7,892)
Total comprehensive loss for the half-year attributable to the owners of iSignthis Ltd		(3,363,867)	(6,773,685)
		Cents	Cents
Basic earnings per share	8	(0.54)	(1.15)
Diluted earnings per share	8	(0.54)	(1.15)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

iSignthis Ltd
Statement of financial position
As at 31 December 2016



	Consolidated	
	31 December	
Note	2016	30 June 2016
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	6,410,831	8,957,072
Trade and other receivables	162,198	67,291
Other assets	115,310	142,758
Total current assets	<u>6,688,339</u>	<u>9,167,121</u>
Non-current assets		
Property, plant and equipment	74,062	72,269
Intangibles	1,139,095	1,179,063
Total non-current assets	<u>1,213,157</u>	<u>1,251,332</u>
Total assets	<u>7,901,496</u>	<u>10,418,453</u>
Liabilities		
Current liabilities		
Trade and other payables	460,673	547,948
Employee benefits	106,862	109,775
Total current liabilities	<u>567,535</u>	<u>657,723</u>
Non-current liabilities		
Employee benefits	17,681	16,897
Total non-current liabilities	<u>17,681</u>	<u>16,897</u>
Total liabilities	<u>585,216</u>	<u>674,620</u>
Net assets	<u>7,316,280</u>	<u>9,743,833</u>
Equity		
Issued capital	6 22,734,789	22,734,789
Reserves	7,230,546	6,302,288
Accumulated losses	(22,649,055)	(19,293,244)
Total equity	<u>7,316,280</u>	<u>9,743,833</u>

The above statement of financial position should be read in conjunction with the accompanying notes

iSignthis Ltd
Statement of changes in equity
For the half-year ended 31 December 2016



Consolidated	Issued capital \$	Share based payments reserve \$	Accumulated losses \$	Foreign currency reserve \$	Total equity \$
Balance at 1 July 2015	8,916,522	4,601,216	(10,039,425)	(5,818)	3,472,495
Loss after income tax expense for the half-year	-	-	(6,765,793)	-	(6,765,793)
Other comprehensive loss for the half-year, net of tax	-	-	-	(7,892)	(7,892)
Total comprehensive loss for the half-year	-	-	(6,765,793)	(7,892)	(6,773,685)
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs	11,287,500	-	-	-	11,287,500
Share-based payments (note 9)	-	4,834,907	-	-	4,834,907
Transfer from share based payments reserve upon the exercise of options	3,086,077	(3,067,477)	(18,600)	-	-
Capital raising costs	(555,682)	-	-	-	(555,682)
Balance at 31 December 2015	22,734,417	6,368,646	(16,823,818)	(13,710)	12,265,535
Consolidated	Issued capital \$	Share based payments reserve \$	Accumulated losses \$	Foreign currency reserve \$	Total equity \$
Balance at 1 July 2016	22,734,789	6,368,646	(19,293,244)	(66,358)	9,743,833
Loss after income tax expense for the half-year	-	-	(3,355,811)	-	(3,355,811)
Other comprehensive loss for the half-year, net of tax	-	-	-	(8,056)	(8,056)
Total comprehensive loss for the half-year	-	-	(3,355,811)	(8,056)	(3,363,867)
<i>Transactions with owners in their capacity as owners:</i>					
Share-based payments (note 9)	-	936,314	-	-	936,314
Balance at 31 December 2016	22,734,789	7,304,960	(22,649,055)	(74,414)	7,316,280

The above statement of changes in equity should be read in conjunction with the accompanying notes

iSignthis Ltd
Statement of cash flows
For the half-year ended 31 December 2016



	Consolidated	
	31 December	31 December
	2016	2015
	\$	\$
Cash flows from operating activities		
Receipts from customers	266,098	-
Payments to suppliers and employees	(2,852,939)	(1,798,282)
Interest received	86,082	24,204
	<u>(2,500,759)</u>	<u>(1,774,078)</u>
Net cash used in operating activities		
Cash flows from investing activities		
Payments for property, plant and equipment	(21,827)	(22,662)
	<u>(21,827)</u>	<u>(22,662)</u>
Net cash used in investing activities		
Cash flows from financing activities		
Proceeds from issue of shares	-	11,287,500
Capital raising costs	-	(555,682)
	<u>-</u>	<u>10,731,818</u>
Net cash from financing activities		
Net (decrease)/increase in cash and cash equivalents	(2,522,586)	8,935,078
Cash and cash equivalents at the beginning of the financial half-year	8,957,072	2,267,022
Effects of exchange rate changes on cash and cash equivalents	(23,655)	(20,809)
	<u>(23,655)</u>	<u>(20,809)</u>
Cash and cash equivalents at the end of the financial half-year	<u><u>6,410,831</u></u>	<u><u>11,181,291</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

The financial statements cover iSignthis Ltd as a consolidated entity consisting of iSignthis Ltd and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is iSignthis Ltd's functional and presentation currency.

iSignthis Ltd is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

456 Victoria Parade
East Melbourne
Victoria, 3002

A description of the nature of the consolidated entity's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 28 February 2017. The Directors do not have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2016 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2016 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Note 3. Operating segments

Identification of reportable operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Note 4. Revenue

	Consolidated	
	31 December 2016	31 December 2015
	\$	\$
<i>Fees</i>		
Contracted service fees	119,613	-
Licensing fees	102,083	-
	<u>221,696</u>	<u>-</u>
<i>Other revenue</i>		
Interest	86,493	58,537
Revenue	<u>308,189</u>	<u>58,537</u>

Note 5. Expenses

	Consolidated	
	31 December 2016	31 December 2015
	\$	\$
Loss before income tax includes the following specific expenses:		
Share-based payments expense	<u>936,314</u>	<u>4,834,907</u>

During the half-year period the consolidated entity issued 15,000,000 unlisted options in three different tranches of 5,000,000 unlisted options in consideration for corporate advisory services performed. The consolidated entity also issued a total of 1,357,750 performance rights to employees in accordance with the company's share incentive plan (see note 9).

Note 6. Equity - issued capital

	Consolidated			
	31 December 2016	30 June 2016	31 December 2016	30 June 2016
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>621,869,714</u>	<u>621,869,714</u>	<u>22,734,789</u>	<u>22,734,789</u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

There is no current on-market share buy-back.

Note 7. Events after the reporting period

On 27 January 2017 consolidated entity issued 371,500 performance rights to employee's in accordance with the company's Employee Incentive Plan.

On 10 February 2017 the consolidated entity issued 10,000,000 fully paid ordinary shares upon the exercise of unlisted options at an exercise price of \$0.04 (4 cents) per option raising a total of \$400,000 (these shares are to be held in escrow until 17 March 2017).

No other matter or circumstance has arisen since 31 December 2016 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 8. Earnings per share

	Consolidated	Consolidated
	31 December	31 December
	2016	2015
	\$	\$
Loss after income tax attributable to the owners of iSignthis Ltd	<u>(3,355,811)</u>	<u>(6,765,793)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>621,869,714</u>	<u>588,983,101</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>621,869,714</u>	<u>588,983,101</u>
	Cents	Cents
Basic earnings per share	(0.54)	(1.15)
Diluted earnings per share	(0.54)	(1.15)

Note 9. Share-based payments

During the half-year period the consolidated entity issued 15,000,000 unlisted options in three different tranches of 5,000,000 unlisted options each as noted below.

Set out below are summaries of options granted under the plan:

31 December
2016

Grant date	Expiry date	Exercise price	Balance at the start of the half-year	Granted	Exercised	Expired/forfeited/other	Balance at the end of the half-year
15/05/2015	13/05/2017	\$0.040	10,000,000	-	-	-	10,000,000
02/11/2015	31/07/2017	\$0.380	6,000,000	-	-	-	6,000,000
02/11/2015	30/09/2018	\$0.500	6,000,000	-	-	-	6,000,000
02/11/2015	30/09/2018	\$0.620	6,000,000	-	-	-	6,000,000
01/08/2016	01/07/2017	\$0.380	-	5,000,000	-	-	5,000,000
01/08/2016	01/07/2018	\$0.500	-	5,000,000	-	-	5,000,000
01/08/2016	01/07/2019	\$0.620	-	5,000,000	-	-	5,000,000
			28,000,000	15,000,000	-	-	43,000,000

Note 9. Share-based payments (continued)

31 December
2015

Grant date	Expiry date	Exercise price	Balance at the start of the half-year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the half-year
07/05/2015	13/05/2017	\$0.040	30,000,000	-	(20,000,000)	-	10,000,000
02/11/2015	31/07/2017	\$0.380	-	6,000,000	-	-	6,000,000
02/11/2015	30/09/2018	\$0.500	-	6,000,000	-	-	6,000,000
02/11/2015	30/09/2018	\$0.620	-	6,000,000	-	-	6,000,000
			<u>30,000,000</u>	<u>18,000,000</u>	<u>(20,000,000)</u>	<u>-</u>	<u>28,000,000</u>

Set out below are the options exercisable at the end of the financial half-year:

Grant date	Expiry date	31 December 2016 Number	31 December 2015 Number
15/05/2015	13/05/2017	10,000,000	10,000,000
02/11/2015	31/07/2017	6,000,000	6,000,000
02/11/2015	30/09/2018	6,000,000	6,000,000
02/11/2015	30/09/2018	6,000,000	6,000,000
01/08/2016	01/07/2017	5,000,000	-
01/08/2016	01/07/2018	5,000,000	-
01/08/2016	01/07/2019	5,000,000	-
		<u>43,000,000</u>	<u>28,000,000</u>

During the period the consolidated entity issued a total of 1,357,750 performance rights to employees in accordance with the company's share incentive plan.

Set out below are summaries of performance rights granted under the plan:

31 December 2016

Grant date	Expiry date	Balance at the start of the half-year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the half-year
01/08/2016	01/03/2018	-	231,250	-	-	231,250
01/08/2016	15/07/2018	-	791,500	-	-	791,500
11/11/2016	01/11/2018	-	335,000	-	-	335,000
		<u>-</u>	<u>1,357,750</u>	<u>-</u>	<u>-</u>	<u>1,357,750</u>

The performance rights listed above will vest once the holder of the right has satisfied various performance conditions set out in the signed offer letter.

Set out below are the performance rights exercisable at the end of the financial half-year:

Grant date	Expiry date	31 December 2016 Number	31 December 2015 Number
01/08/2016	01/03/2018	231,250	-
01/08/2016	15/07/2018	791,500	-
11/11/2016	01/11/2018	335,000	-
		<u>1,357,750</u>	<u>-</u>

Note 9. Share-based payments (continued)

For the options granted during the current financial half-year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
01/08/2016	01/07/2017	\$0.215	\$0.380	98.59%	-	1.57%	\$0.043
01/08/2016	01/07/2018	\$0.215	\$0.500	93.99%	-	1.48%	\$0.060
01/08/2016	01/07/2019	\$0.215	\$0.620	93.99%	-	1.44%	\$0.077

For the performance rights granted during the current financial half-year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
01/08/2016	01/03/2018	\$0.215	\$0.000	93.99%	-	1.48%	\$0.215
01/08/2016	15/07/2018	\$0.215	\$0.000	93.99%	-	1.48%	\$0.215
11/11/2016	01/11/2018	\$0.170	\$0.000	93.99%	-	1.73%	\$0.170

The performance rights listed above will vest once the holder of the right has satisfied various performance conditions set out in the signed offer letter. The company has estimated that there is a 56% chance of all rights vesting and has therefore taken this into consideration when valuing the rights.

As part of the part consideration for the acquisition of 100% of issued capital of iSignthis B.V. and ISX IP Ltd (together known as "iSignthis") in March 2015 the vendor also issued 336,666,667 performance shares (on a post consolidation basis) based on achievement of the following milestones within three (3) of completing the transaction:

(i) 112,222,222 Class A Performance Shares – on achievement of annual revenue of at least \$5,000,000. Annual revenue will be calculated on annualised basis over a 6 month reporting period. Class A Performance Shares will expire if unconverted within three (3) years of completing the transaction;

(ii) 112,222,222 Class B Performance Shares – on achievement of annual revenue of at least \$7,500,000. Annual revenue will be calculated on annualised basis over a 6 month reporting period. Class B Performance Shares will expire if unconverted within three (3) years of completing the transaction; and

(iii) 112,222,223 Class C Performance Shares – on achievement of annual revenue of at least \$10,000,000. Annual revenue will be calculated on annualised basis over a 6 month reporting period. Class C Performance Shares will expire if unconverted within three (3) years of completing the transaction.

As at the date of the this report, none of the milestones have been met in relation to the Performance Shares and none of the Performance Shares were issued or cancelled.

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors



Nickolas John Karantzis
Managing Director

28 February 2017

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Independent Auditor's Review Report To the Members of iSignthis Ltd

We have reviewed the accompanying half-year financial report of iSignthis Ltd (“Company”), which comprises the consolidated financial statements being the statement of financial position as at 31 December 2016, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement or description of accounting policies, other explanatory information and the Directors’ declaration of the consolidated entity, comprising both the Company and the entities it controlled at the half-year’s end or from time to time during the half-year.

Directors’ Responsibility for the Half-year Financial Report

The Directors of iSignthis Ltd are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such controls as the Directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express a conclusion on the consolidated half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the iSignthis Ltd consolidated entity’s financial position as at 31 December 2016 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of iSignthis Ltd, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we complied with the independence requirements of the *Corporations Act 2001*.

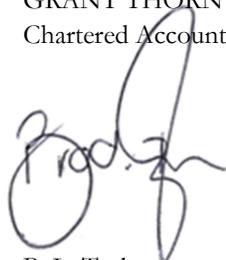
Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of iSignthis Ltd is not in accordance with the *Corporations Act 2001*, including:

- a giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and
- b complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



B. L. Taylor
Partner - Audit & Assurance

Melbourne, 28 February 2017