

1. Company details

Name of entity:	iSignthis Ltd
ABN:	93 075 419 715
Reporting period:	For the half-year ended 31 December 2017
Previous period:	For the half-year ended 31 December 2016

2. Results for announcement to the market

			\$
Revenues from ordinary activities	up	168.3% to	826,912
Loss from ordinary activities after tax attributable to the owners of iSignthis Ltd	down	22.3% to	(2,606,234)
Loss for the half-year attributable to the owners of iSignthis Ltd	down	22.3% to	(2,606,234)

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 \$2,606,234 (31 December 2016: \$3,355,811).

The reduction in the loss for the period is a result from an increase in Revenue in the amount of \$518,723 and a decrease in Share Based Payments in the amount of \$731,267 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>1.22</u>	<u>0.99</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 2017 is attached.

12. Signed

Signed _____



Nickolas John Karantzis
Managing Director

Date: 28 February 2018

iSignthis Ltd

ABN 93 075 419 715

Interim Report - 31 December 2017

Corporate directory	2
Directors' report	3
Auditor's independence declaration	5
Statement of profit or loss and other comprehensive income	6
Statement of financial position	7
Statement of changes in equity	8
Statement of cash flows	9
Notes to the financial statements	10
Directors' declaration	16
Independent auditor's review report to the members of iSignthis Ltd	17

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 Telephone: 1300 554 474
Auditor	Grant Thornton Audit Pty Ltd Collins Square, 727 Collins Street Melbourne, 3008 VIC
Stock exchange listing	iSignthis Ltd 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 2017.

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 headquartered 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. The Company is licensed by the Central Bank of Cyprus as an EEA authorised eMoney Institution, offering card acquiring in the EEA, Australia and New Zealand.

Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$2,606,234 (31 December 2016: \$3,355,811).

Revenue including other income during the period amounted to \$826,912 (2016: \$308,189), which included contracted service fees and licensing fees of \$799,499 and interest of \$27,413.

Operating expenses for the period were \$220,659 (2016: \$125,255). Employment benefit costs amounted to \$1,410,463 (2016: \$1,248,483), due to an increase in the number of employees when compared to the same period last year. Share based payments during the period amounted to \$205,047 (2016: \$936,314) which represented a total of 1,000,000 fully paid ordinary shares upon the vesting of performance rights meeting performance criteria along with an additional 509,167 performance rights issued to employees in accordance with the company's share incentive plan.

Financial position

The net assets of the consolidated entity increased by \$3,943,911 to \$9,354,275 as at 31 December 2017 (30 June 2017: \$5,410,364). The consolidated entity's working capital, being current assets less current liabilities was \$8,368,165 at 31 December 2017 (30 June 2017: \$4,152,721). During the period the consolidated entity had a negative cash flow from operating activities of \$2,118,418 (2016: \$2,500,759).

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 3 November 2017, the consolidated entity issued 34,210,527 fully paid ordinary shares at an issue price of \$0.19 (19 cents) per share raising a total of \$6,500,000 (before costs).

On 30 November 2017, the consolidated entity issued 1,000,000 fully paid ordinary shares upon the vesting of performance rights that met their respective performance criteria.

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

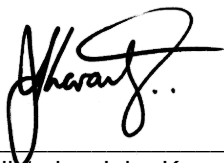
No matter or circumstance has arisen since 31 December 2017 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

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 2018

[This page has intentionally been left blank for the insertion of the auditor's independence declaration]

iSignthis Ltd
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2017



		Consolidated	
		31 December	31 December
	Note	2017	2016
		\$	\$
Revenue	4	826,912	308,189
Expenses			
Corporate expenses		(558,976)	(435,586)
Advertising & marketing expenses		(53,282)	(28,662)
Employee benefits expense		(1,410,463)	(1,248,483)
Research & development expenses		(193,961)	(214,936)
Depreciation expense		(63,679)	(59,520)
Other expenses		(708,751)	(599,003)
Operating costs		(220,659)	(125,255)
Share based payments	5	(205,047)	(936,314)
Net realised foreign exchange loss		(18,328)	(16,241)
Loss before income tax expense		(2,606,234)	(3,355,811)
Income tax expense		-	-
Loss after income tax expense for the half-year attributable to the owners of iSignthis Ltd		(2,606,234)	(3,355,811)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		12,098	(8,056)
Other comprehensive income for the half-year, net of tax		12,098	(8,056)
Total comprehensive loss for the half-year attributable to the owners of iSignthis Ltd		(2,594,136)	(3,363,867)
		Cents	Cents
Basic earnings per share	8	(0.41)	(0.54)
Diluted earnings per share	8	(0.41)	(0.54)

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

	Consolidated	
Note	31 December 2017 \$	30 June 2017 \$
Assets		
Current assets		
Cash and cash equivalents	7,653,681	3,398,853
Trade and other receivables	288,868	818,654
Other assets	1,115,522	642,871
Total current assets	<u>9,058,071</u>	<u>4,860,378</u>
Non-current assets		
Property, plant and equipment	99,032	63,541
Intangibles	1,220,941	1,221,448
Total non-current assets	<u>1,319,973</u>	<u>1,284,989</u>
Total assets	<u>10,378,044</u>	<u>6,145,367</u>
Liabilities		
Current liabilities		
Trade and other payables	566,858	576,562
Employee benefits	123,048	131,095
Total current liabilities	<u>689,906</u>	<u>707,657</u>
Non-current liabilities		
Other payables	300,000	-
Employee benefits	33,863	27,346
Total non-current liabilities	<u>333,863</u>	<u>27,346</u>
Total liabilities	<u>1,023,769</u>	<u>735,003</u>
Net assets	<u>9,354,275</u>	<u>5,410,364</u>
Equity		
Issued capital	6 30,677,294	24,668,528
Reserves	4,518,891	5,735,142
Accumulated losses	(25,841,910)	(24,993,306)
Total equity	<u>9,354,275</u>	<u>5,410,364</u>

iSignthis Ltd
Statement of changes in equity
For the half-year ended 31 December 2017



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	<u>22,734,789</u>	<u>7,304,960</u>	<u>(22,649,055)</u>	<u>(74,414)</u>	<u>7,316,280</u>
Consolidated	Issued capital \$	Share based payments reserve \$	Accumulated losses \$	Foreign currency reserve \$	Total equity \$
Balance at 1 July 2017	24,668,528	5,814,254	(24,993,306)	(79,112)	5,410,364
Loss after income tax expense for the half-year	-	-	(2,606,234)	-	(2,606,234)
Other comprehensive income for the half-year, net of tax	-	-	-	12,098	12,098
Total comprehensive income for the half-year	-	-	(2,606,234)	12,098	(2,594,136)
<i>Transactions with owners in their capacity as owners:</i>					
Share-based payments (note 9)	155,000	50,047	-	-	205,047
Lapse of options	-	(1,757,630)	1,757,630	-	-
Proceeds from issue of shares	6,500,000	-	-	-	6,500,000
Capital raising costs	(646,234)	479,234	-	-	(167,000)
Balance at 31 December 2017	<u>30,677,294</u>	<u>4,585,905</u>	<u>(25,841,910)</u>	<u>(67,014)</u>	<u>9,354,275</u>

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 2017



	Consolidated	
	31 December 2017	31 December 2016
	\$	\$
Cash flows from operating activities		
Receipts from customers	720,653	266,098
Payments to suppliers and employees	(3,449,823)	(2,852,939)
Research and development incentive received	578,884	-
Interest received	31,868	86,082
	<u> </u>	<u> </u>
Net cash used in operating activities	(2,118,418)	(2,500,759)
Cash flows from investing activities		
Payments for intellectual property	(49,924)	-
Payments for property, plant and equipment	(34,934)	(21,827)
Cash on deposit	405,157	-
	<u> </u>	<u> </u>
Net cash from/(used in) investing activities	320,299	(21,827)
Cash flows from financing activities		
Proceeds from issue of shares	6,500,000	-
Capital raising costs	(167,000)	-
Card scheme membership security	(268,182)	-
	<u> </u>	<u> </u>
Net cash from financing activities	6,064,818	-
Net (decrease)/increase in cash and cash equivalents	4,266,699	(2,522,586)
Cash and cash equivalents at the beginning of the financial half-year	3,398,853	8,957,072
Effects of exchange rate changes on cash and cash equivalents	(11,871)	(23,655)
	<u> </u>	<u> </u>
Cash and cash equivalents at the end of the financial half-year	<u>7,653,681</u>	<u>6,410,831</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 2018. 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 2017 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 2017 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

The consolidated entity is organised into one operating segment which consists of online payment security, internet identity, e-mandates and e-contract validation services, to safeguard e Commerce operators, and assist Anti Money Laundering ("AML") and Counter Terrorism Funding ("CTF"). This operating segment is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

Note 4. Revenue

	Consolidated	
	31 December 2017	31 December 2016
	\$	\$
<i>Fees</i>		
Contracted service fees	779,082	119,613
Licensing fees	20,417	102,083
	<u>799,499</u>	<u>221,696</u>
<i>Other revenue</i>		
Interest	27,413	86,493
Revenue	<u>826,912</u>	<u>308,189</u>

Note 5. Expenses

	Consolidated	
	31 December 2017	31 December 2016
	\$	\$
Loss before income tax includes the following specific expenses:		
Share-based payments expense	<u>205,047</u>	<u>936,314</u>

During the half-year period the consolidated entity issued a total of 1,000,000 fully paid ordinary shares upon the vesting of performance rights meeting performance criteria. A total of 1,509,167 performance rights were issued to employees in accordance with the company's share incentive plan (see note 9) of which 1,000,000 rights vested into fully paid ordinary shares during the period.

Note 6. Equity - issued capital

	Consolidated			
	31 December 2017	30 June 2017	31 December 2017	30 June 2017
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>667,080,241</u>	<u>631,869,714</u>	<u>30,677,294</u>	<u>24,668,528</u>

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2017	631,869,714		24,668,528
Proceeds from the issue of fully paid ordinary shares	3 November 2017	34,210,527	\$0.19	6,500,000
Issue of fully paid ordinary shares upon the vesting of performance rights	30 November 2017	1,000,000	-	155,000
Capital raising costs		-	-	<u>(646,234)</u>
Balance	31 December 2017	<u>667,080,241</u>		<u>30,677,294</u>

Note 6. Equity - issued capital (continued)

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

No matter or circumstance has arisen since 31 December 2017 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	
	31 December	31 December
	2017	2016
	\$	\$
Loss after income tax attributable to the owners of iSignthis Ltd	<u>(2,606,234)</u>	<u>(3,355,811)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>642,821,945</u>	<u>621,869,714</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>642,821,945</u>	<u>621,869,714</u>
	Cents	Cents
Basic earnings per share	(0.41)	(0.54)
Diluted earnings per share	(0.41)	(0.54)

Note 9. Share-based payments

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

31 December 2017

Grant date	Expiry date	Exercise price	Balance at the start of the half-year	Granted	Exercised	Expired	Balance at the end of the half-year
02/11/2015	31/07/2017	\$0.38	6,000,000	-	-	(6,000,000)	-
02/11/2015	30/09/2018	\$0.50	6,000,000	-	-	-	6,000,000
02/11/2015	30/09/2018	\$0.62	6,000,000	-	-	-	6,000,000
01/08/2016	01/07/2017	\$0.38	5,000,000	-	-	(5,000,000)	-
01/08/2016	01/07/2018	\$0.50	5,000,000	-	-	-	5,000,000
01/08/2016	01/07/2019	\$0.62	5,000,000	-	-	-	5,000,000
03/08/2017	31/12/2018	\$0.30	-	500,000	-	-	500,000
09/11/2017	08/02/2019	\$0.24	-	2,850,877	-	-	2,850,877
09/11/2017	08/05/2019	\$0.27	-	2,850,877	-	-	2,850,877
09/11/2017	08/02/2020	\$0.31	-	2,850,877	-	-	2,850,877
08/12/2017	08/02/2019	\$0.24	-	200,000	-	-	200,000
08/12/2017	08/05/2019	\$0.27	-	200,000	-	-	200,000
08/12/2017	08/02/2020	\$0.31	-	200,000	-	-	200,000
			<u>33,000,000</u>	<u>9,652,631</u>	<u>-</u>	<u>(11,000,000)</u>	<u>31,652,631</u>

31 December 2016

Grant date	Expiry date	Exercise price	Balance at the start of the half-year	Granted	Exercised	Expired	Balance at the end of the half-year
15/05/2015	13/05/2017	\$0.04	10,000,000	-	-	-	10,000,000
02/11/2015	31/07/2017	\$0.38	6,000,000	-	-	-	6,000,000
02/11/2015	30/09/2018	\$0.50	6,000,000	-	-	-	6,000,000
02/11/2015	30/09/2018	\$0.62	6,000,000	-	-	-	6,000,000
01/08/2016	01/07/2017	\$0.38	-	5,000,000	-	-	5,000,000
01/08/2016	01/07/2018	\$0.50	-	5,000,000	-	-	5,000,000
01/08/2016	01/07/2019	\$0.62	-	5,000,000	-	-	5,000,000
			<u>28,000,000</u>	<u>15,000,000</u>	<u>-</u>	<u>-</u>	<u>43,000,000</u>

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

Grant date	Expiry date	31 December 2017 Number	31 December 2016 Number
15/05/2015	13/05/2017	-	10,000,000
02/11/2015	31/07/2017	-	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	5,000,000
01/08/2016	01/07/2019	5,000,000	5,000,000
03/08/2017	31/12/2018	500,000	-
09/11/2017	08/02/2019	2,850,877	-
09/11/2017	08/05/2019	2,850,877	-
09/11/2017	08/02/2020	2,850,877	-
08/12/2017	08/02/2019	200,000	-
08/12/2017	08/05/2019	200,000	-
08/12/2017	08/02/2020	200,000	-
		<u>31,652,631</u>	<u>43,000,000</u>

Note 9. Share-based payments (continued)

During the period the consolidated entity issued a total of 1,509,167 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 2017

Grant date	Expiry date	Balance at the start of the half-year	Granted	Vested	Expired	Balance at the end of the half-year
01/08/2016	01/03/2018	216,667	-	-	-	216,667
01/08/2016	15/07/2018	718,584	-	-	-	718,584
11/11/2016	01/11/2018	335,000	-	-	(12,500)	322,500
27/01/2017	01/11/2018	371,500	-	-	(18,250)	353,250
30/06/2017	25/04/2019	50,000	-	-	-	50,000
30/06/2017	01/07/2019	17,500	-	-	-	17,500
05/12/2017	24/04/2019	-	127,500	-	-	127,500
05/12/2017	01/09/2018	-	143,333	-	-	143,333
05/12/2017	01/09/2019	-	83,334	-	-	83,334
05/12/2017	19/09/2018	-	72,500	-	-	72,500
05/12/2017	19/09/2019	-	72,500	-	-	72,500
05/12/2017	01/12/2019	-	10,000	-	-	10,000
05/12/2017	01/12/2019	-	1,000,000	(1,000,000)	-	-
		<u>1,709,251</u>	<u>1,509,167</u>	<u>(1,000,000)</u>	<u>(30,750)</u>	<u>2,187,668</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.

31 December 2016

Grant date	Expiry date	Exercise price	Balance at the start of the half-year	Granted	Vested	Expired	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>1,357,750</u>			<u>1,357,750</u>

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

Grant date	Expiry date	31 December 2017 Number	31 December 2016 Number
01/08/2016	01/03/2018	216,667	231,250
01/08/2016	15/07/2018	718,584	791,500
11/11/2016	01/11/2018	322,500	335,000
27/01/2017	01/11/2018	353,250	-
30/06/2017	25/04/2019	50,000	-
30/06/2017	01/07/2019	17,500	-
05/12/2017	24/04/2019	127,500	-
05/12/2017	01/09/2018	143,333	-
05/12/2017	01/09/2019	83,334	-
05/12/2017	19/09/2018	72,500	-
05/12/2017	19/09/2019	72,500	-
05/12/2017	01/12/2019	10,000	-
		<u>2,187,668</u>	<u>1,357,750</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
03/08/2017	31/12/2018	\$0.20	\$0.30	77.90%	-	1.67%	\$0.048
09/11/2017	08/02/2019	\$0.19	\$0.24	64.40%	-	1.74%	\$0.040
09/11/2017	08/05/2019	\$0.19	\$0.27	75.20%	-	1.74%	\$0.048
09/11/2017	08/02/2020	\$0.19	\$0.31	82.50%	-	1.74%	\$0.066
08/12/2017	08/02/2019	\$0.15	\$0.24	65.90%	-	1.87%	\$0.021
08/12/2017	08/05/2019	\$0.15	\$0.27	67.10%	-	1.87%	\$0.022
08/12/2017	08/02/2020	\$0.15	\$0.31	78.60%	-	1.87%	\$0.038

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	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
05/12/2017	24/04/2019	\$0.155	-	-	-	\$0.155
05/12/2017	01/09/2018	\$0.155	-	-	-	\$0.155
05/12/2017	01/09/2019	\$0.155	-	-	-	\$0.155
05/12/2017	19/09/2018	\$0.155	-	-	-	\$0.155
05/12/2017	19/09/2019	\$0.155	-	-	-	\$0.155
05/12/2017	01/12/2019	\$0.155	-	-	-	\$0.155
05/12/2017	01/12/2019	\$0.155	-	-	-	\$0.155

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.

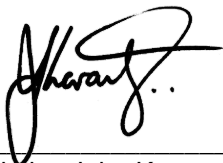
As at the date of the this report, none of the milestones have been met in relation to the Performance Shares and none of the Performance Shares were issued or cancelled.

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 2017 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 2018

[This page has intentionally been left blank for the insertion of page one of the independent auditor's review report]

[This page has intentionally been left blank for the insertion of page two of the independent auditor's review report]