



identitii

Investor presentation

Idetitii Limited

ASX:ID8

25 March 2019



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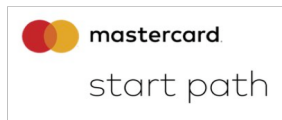
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Identitii (ASX:ID8)

- Award winning Australian FinTech founded in 2014
- Raised AUS\$11m via ASX listing in October 2018
- Funds raised to continue development and innovation around Identitii's proprietary Overlay+ platform, undertake sales and marketing activities and secure pipeline opportunities
- Developing technology that uses a private blockchain to enable the secure, permissioned and auditable sharing of intelligent information for corporate payments
- All research conducted and software developed by in-house engineers, with one patent pending
- Contract with global tier one banking group HSBC, in live production since 2017, with further engagement announced in March 2019
- Growing pipeline of banks and payment networks

Early validation



Participant

Mastercard Start
Path 2018



Participant

Accenture FinTech
Innovation Lab
Hong Kong 2015



Partner

Approved as a
SWIFT partner



Winner

Peer Choice Award
Citi Tech 4 Integrity
Challenge,
Singapore



Winner

Innotribe Industry
Challenge on
Compliance



FinTech 50 –
'Emerging Stars'
KPMG and H2
Ventures

Corporate payments landscape



US\$124 trillion sent across borders by companies in 2018¹

Cross border payments are continuing to increase with 4.6%¹ growth expected in five years



Payments take between 30 seconds and ten days to process

Customers have no visibility into when a payment will be received and 8% are delayed by the need for manual processing and investigations, costing banks US\$43.8 billion per year²



Demand for Open Banking and improving customer experience to meet digital expectations

Non-bank challengers such as FinTech's are providing more choice for customers and banks must embrace the role of third parties in the corporate payments landscape



Current payments technology is up to 40 years old³

Banks are losing customers as outdated technology isn't able to meet demand for faster payments



US\$2 trillion is laundered through financial systems every year⁴

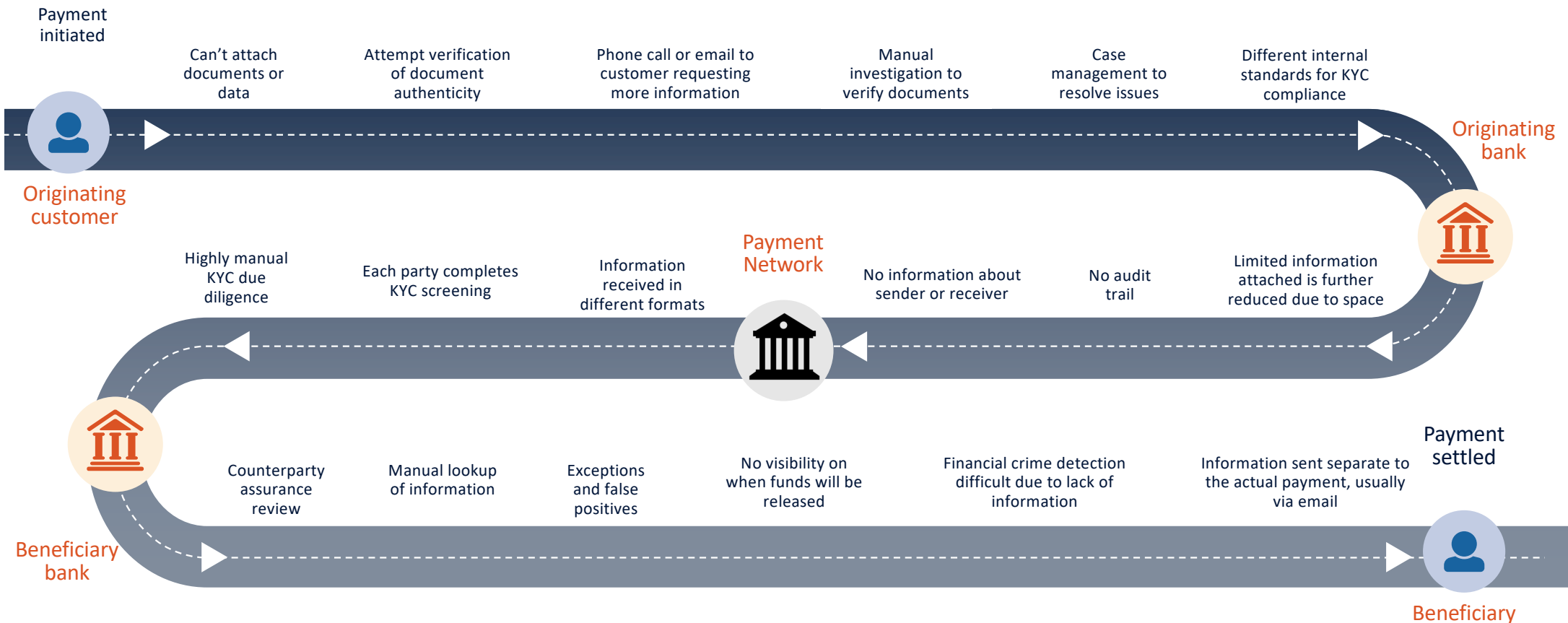
Reducing financial crime and complying with increased AML/CTF regulations is a key priority



Regulators are demanding more accountability from banks for financial crime breaches

US\$321 billion⁵ in fines were issued since the start of the global financial crisis

INFORMATION PAIN POINTS IN PAYMENTS TODAY



Banks spend US\$43.8 billion² a year chasing missing information



Every interaction between a corporate bank and its customer requires an increasing number of documents and data points to be shared internally and externally



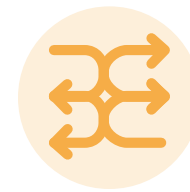
Multiple parties are responsible for collecting, processing and supplying data at different times. Requests for information are often made via phone, email or fax



The same data is processed a number of times along the payments chain by different parties as there is no single source of truth



Each party to a transaction wants to run its own checks and balances for AML, KYC and sanctions, as accountability demands it doesn't rely on checks run by other institutions



Information is truncated and translated multiple times within banks and as it is passed along the chain for processing

How to solve a US\$43.8 billion² problem

Rip and Replace

Remove and replace existing technology that has been in place for up to 40 years

- Complex undertaking due to length of integration with other internal and external systems
- Expensive and lengthy implementation
- Unproven and high risk
- Potential for significant reputational damage
- Takes time to rebuild client network and re-establish trust



OR

Overlay

Enhance existing technology by overlaying a proprietary platform and private blockchain to securely exchange intelligent information

- Seamlessly integrate with existing and emerging technology infrastructure
- Utilise trusted systems already in place
- Secure API
- Fast time to market
- Future proof – Open Banking ready and compliant
- Ensures data integrity



Identitii
enables the
secure
exchange of
intelligent
information



Know Your Transaction

Securely collect and share information with permissioned counterparties to support transfer of funds and understand the origin, purpose and beneficiary of a payment



Overlay approach

Upgrade existing technology infrastructure using a simple overlay approach and connected by API

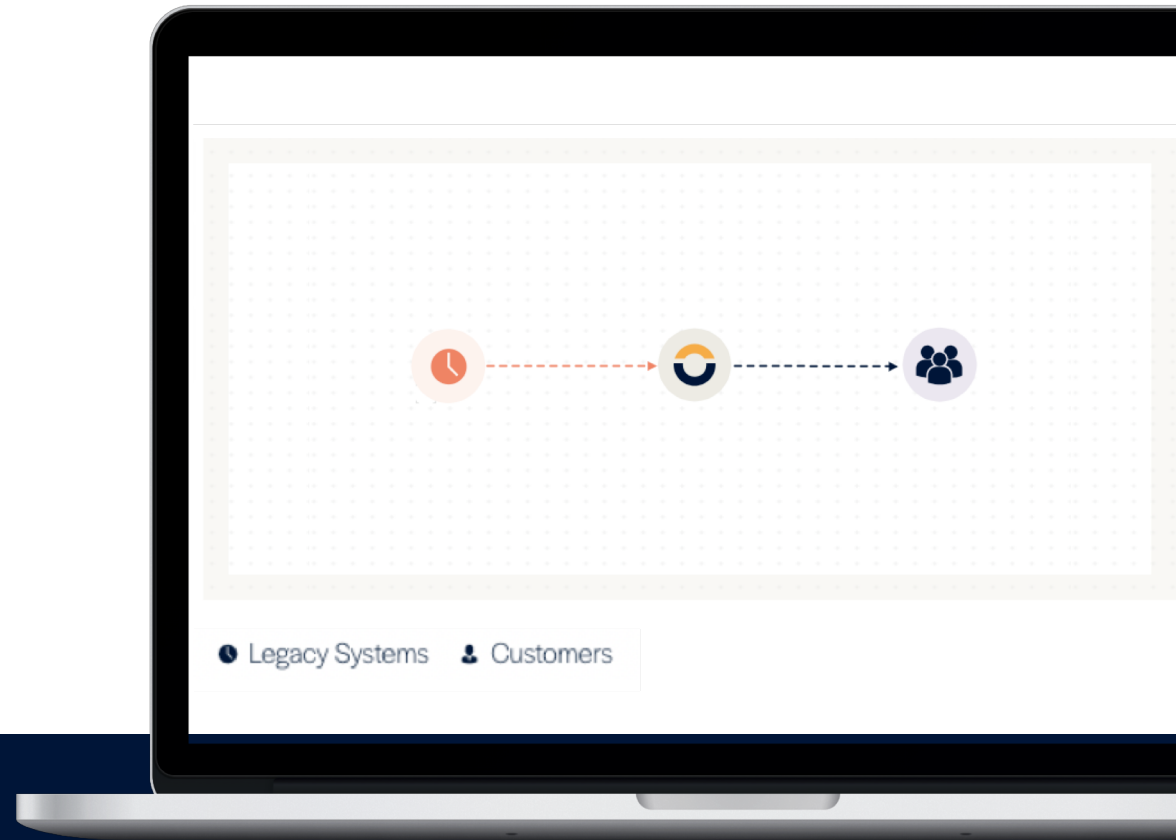


Private blockchain

Timestamping, verification and auditability as everything is recorded on a decentralised ledger, establishing a provable history of document contents

Information exchange

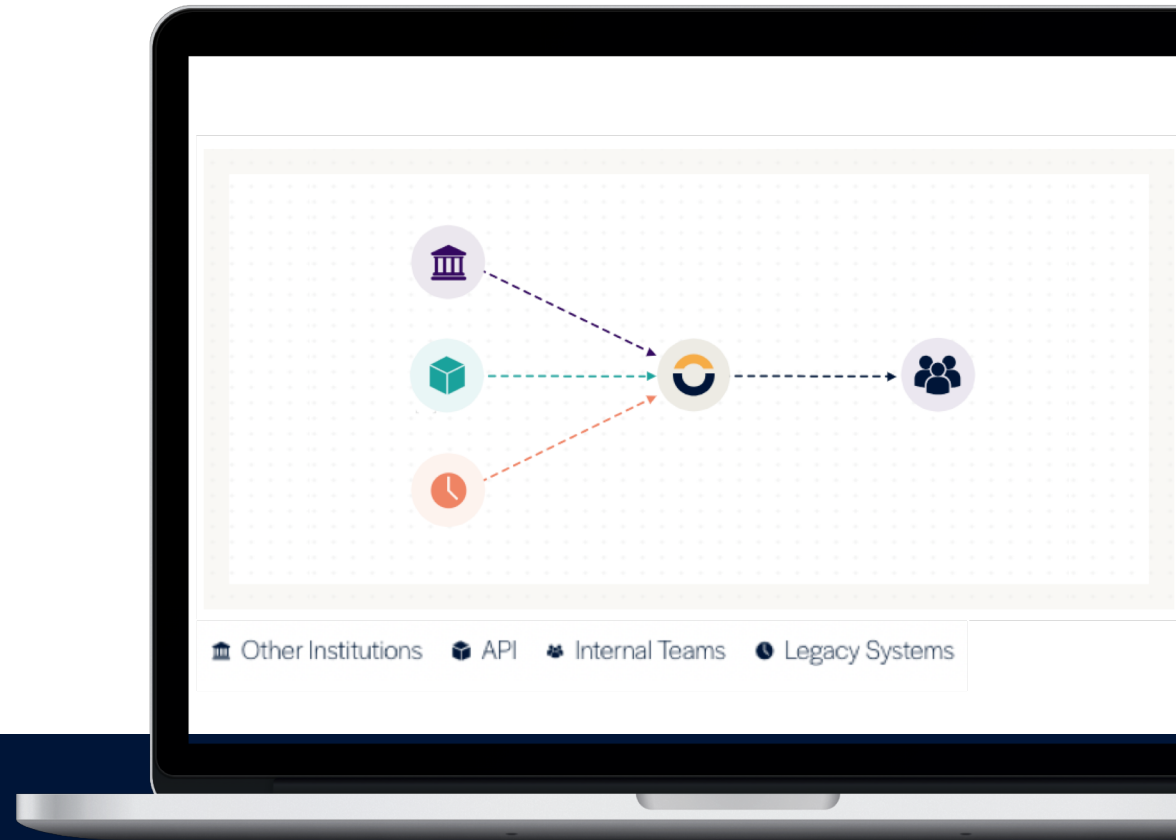
Within a bank



OVERLAY+

Information exchange

Between banks



OVERLAY+

Information exchange

Between corporate banks and customers

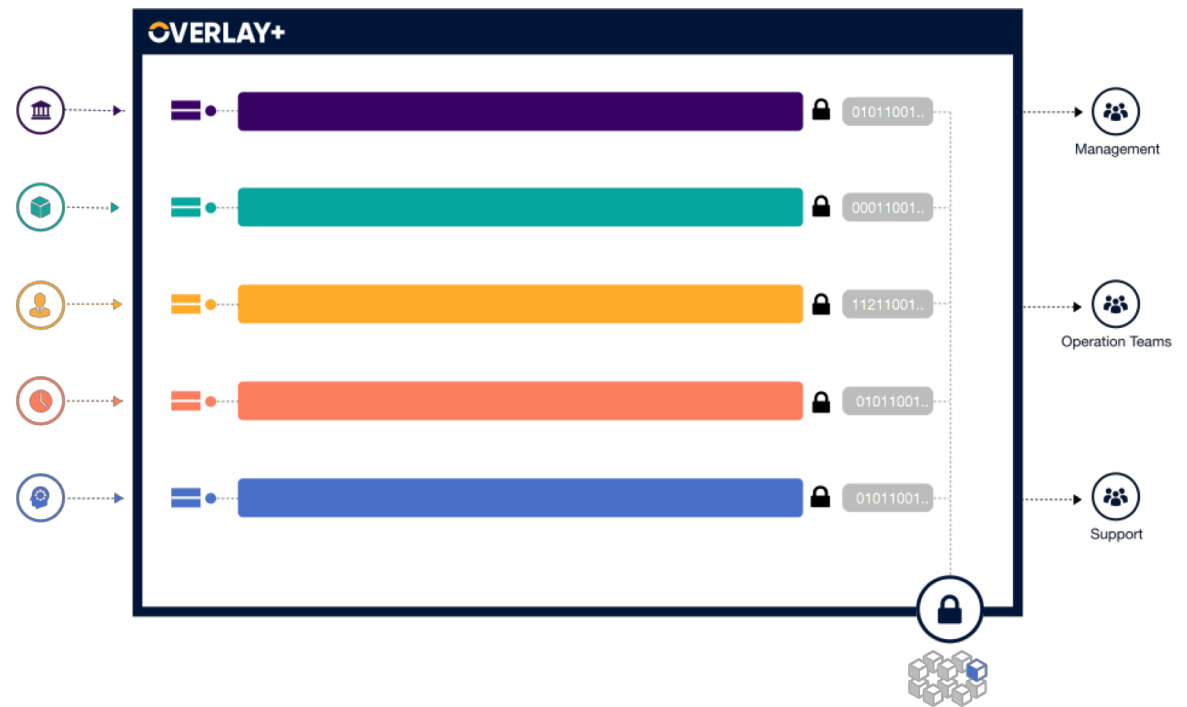


OVERLAY+

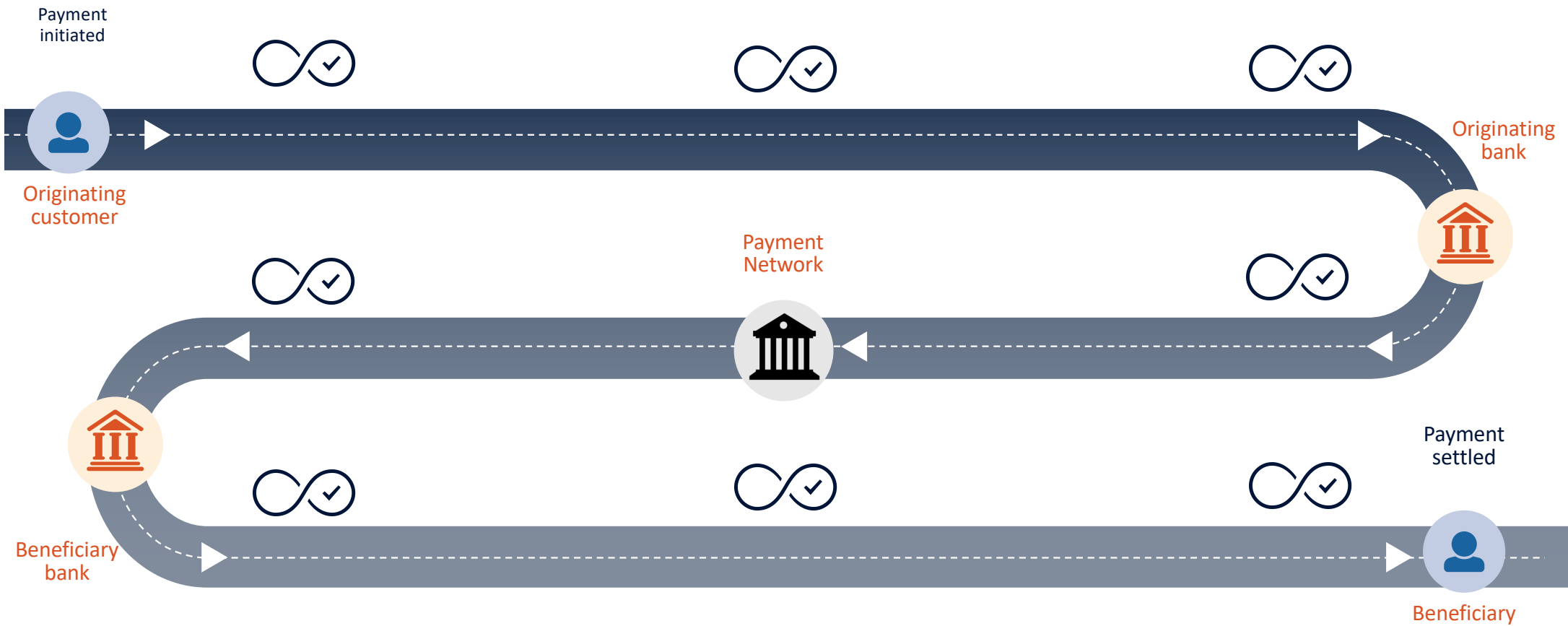
Private blockchain and tokenisation

Collect data from any source and record it on the private Overlay+ blockchain.

Unique Identitii Tokens cryptographically represent data and documents on the blockchain, then travel with a payment message over existing technology infrastructure, enabling the secure exchange of information



PAYMENTS WITH OVERLAY+



Addressing key pain points in payments



Instant payments

Enables the sharing of purpose of payment (Know Your Transaction) information with a payment message as it travels on existing networks such as SWIFT, reducing delays created by manual processing and investigations



Open Banking

Creates a permissioned data ecosystem that securely communicates within a bank or between trusted third parties via an API, simplifying Open Banking and generating new value from data



Corporate treasury

A blockchain based channel for payers and payees to share information about a transaction, results in faster settlement of accounts receivable, more cash flow visibility and increased liquidity



Financial crime compliance

Provides real-time insight into the origin and purpose of a transaction. Verified information about a transaction is securely shared in real-time enabling banks to quickly identify additional information needed to rule out money laundering and fraud

Benefits of an overlay approach

Know Your Transaction

- Enhance existing technology to meet digital expectations
- No costly and time consuming systems replacements
- Technology agnostic – choose which payment channel and internal technology to use
- Highly scalable deployment options, utilising innovative proprietary API
- Reduce manual processing of information
- Improve real-time settlement rates
- Additional security around documents and data
- Improve data integrity and auditability
- Increase visibility into the purpose, origin and beneficiary of cashflows
- Reduce payment reconciliations and exceptions - leading to reduced cost
- Deliver enhanced end-to-end client experience
- Allow customers to bring together the latest innovations, leveraging a private blockchain and tokenisation

Increasing momentum

Idetitii is progressing across key metrics

Scale existing relationship with HSBC

- HSBC further engagement announced March 2019

Increase revenue from customers

- 1H19 revenue and other income increased 31% year-on-year
- Expected contract value growth of 100% in FY19
- Three customers at contract negotiation stage

Scale consumption (transactions)

- Grow partnerships
 - Two new partnerships currently being negotiated

Addressable market⁶

	Large bank	Medium bank	Long tail
Number globally	310	482	4,000+
Examples	Citigroup, Wells Fargo, Westpac, HSBC	Standard Bank, BBVA, State Street, Bank of India	Bendigo Bank, Unicaja, First Community Credit Union
Potential Overlay+ licences ⁷	5-10	4-6	1
Potential annual licence fees per bank	US\$5 million	US\$3 million	US\$0.5 million

The network effect

A single bank customer can introduce us to

- Their counterparties
 - A single large bank can have up to 397 counterparties
 - A medium bank can have up to 103
 - A small (or long tail) bank can have up to 50
- Their correspondent banking network
- Their customers

This creates a network effect for licence growth and increases the opportunity for Identitii to grow data points

Commercial model



Professional services

One-off charge



Unlimited volume based fees

Priced per data point created on the blockchain



Site licences

New geography, business unit or Overlay+ module deployed



Software license

Charged monthly or annually

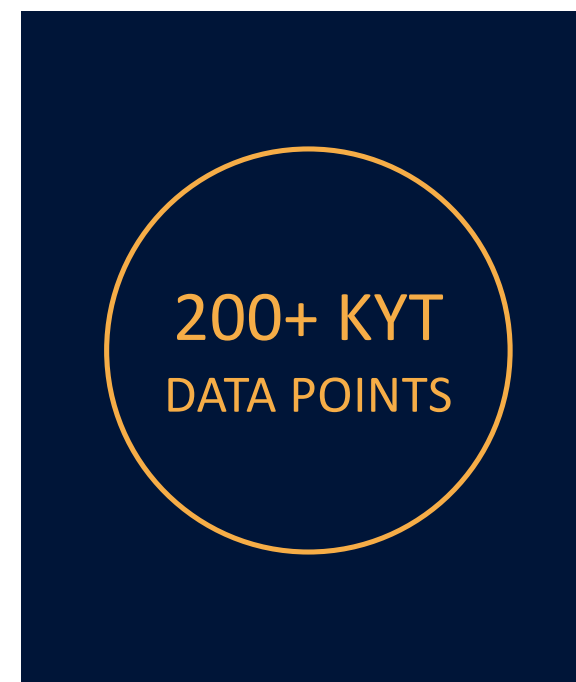


Maintenance and support

Percentage of license fee

How we drive consumption

Indicative activity	KYT data points
Direct	
Payment initiation	35+
Core transaction information	74+
Accounts receivable	40+
Payment rules	15+
Partner integrations	
RPA workflow results (Blue Prism)	2+
Sanctions checks (Dow Jones Risk and Compliance)	3+



Partners extend our reach

We are creating a global network of best in class partners who exponentially increase data points on Overlay+

Our customers can access solutions from each of these organisations within Overlay+ and the results are recorded on the Identitii blockchain

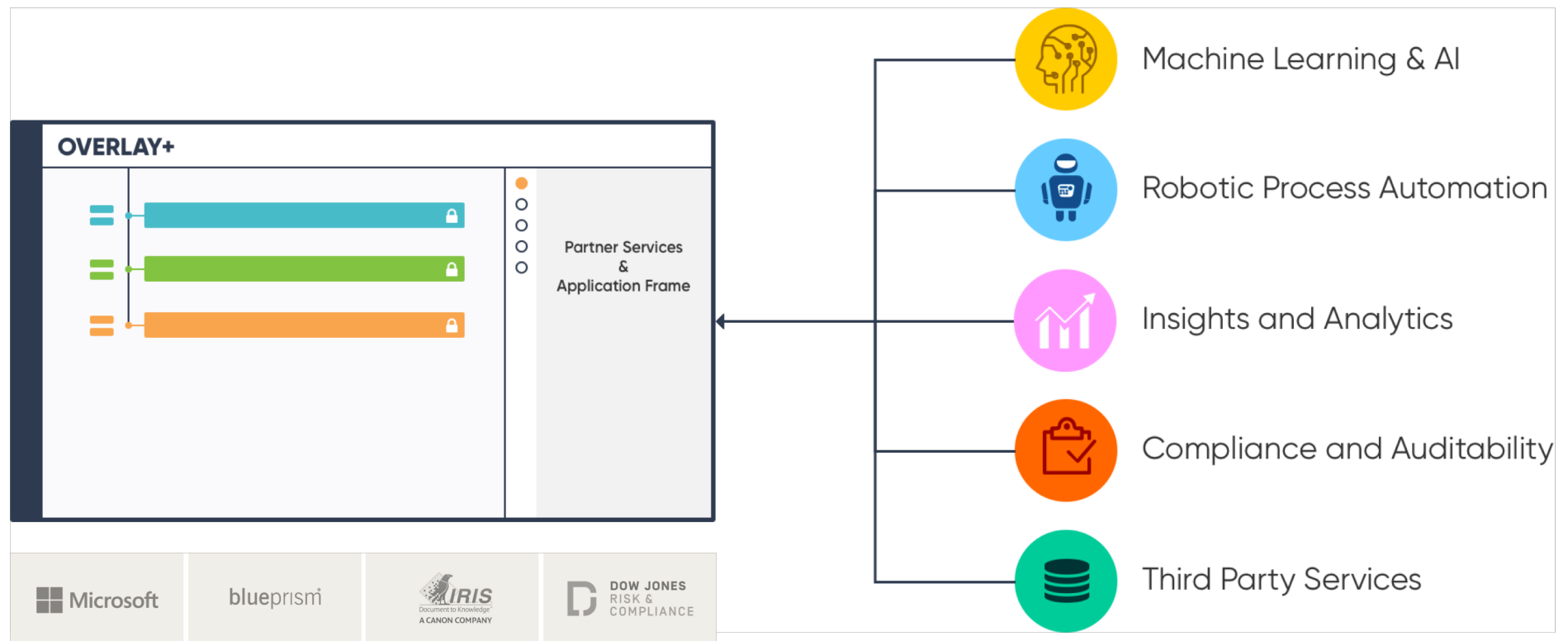


blueprism



DOW JONES
RISK &
COMPLIANCE

Partner integrations enhance functionality



Competitive landscape

Market infrastructure

J.P.Morgan

J.P. Morgan's Interbank Information Network uses blockchain to minimise friction in processing global payments

Description

DLT-based information network providing rich and fast exchange of information between banks

Use cases

- Cross border interbank payment
- Real time sanctions screening
- Encrypted bank communications

How Identitii is different

IIN is only available to banks, not to corporate customers. Developed by J.P. Morgan, IIN is a clear conflict of interest to competitor banks. Identitii provides an independent alternative that can also extend access to corporates

SWIFT

ripple

Existing and emerging networks are improving or replacing the payment rails

Description

SWIFT and Ripple are competing for payments business, but SWIFT has a significant majority

Use cases

- Transaction processing
- Payment track and trace
- Financial message networks

How Identitii is different

Identitii adds secure exchange of information and documents about purpose and origin of payment to any payment rail. Identitii enables end-to-end information sharing, not just track and trace

ivy

The Ivy Network facilitates fiat and digital currency business transactions using blockchain

Description

A blockchain-based channel for payments and associated information using the ivyKoin network

Use cases

- Fiat and crypto currency payments
- Information exchange
- IVY tokens to carry data points

How Identitii is different

Identitii is enhancing the existing payment networks Ivy is trying to replace. Over time, payments will be required to be settled across the Ivy Network, which uses both public and a private blockchains

Competitive landscape

Authentication and timestamping



Real-time validation and an audit trail for the digital society

Description

Industrial blockchain that ensures data integrity and proves time of existence

Use cases

- Enterprise security
- Automated verification of compliance
- Cloud traceability & accountability

How Identitii is different

Guardtime provides a technology stack that adapts to internal systems. Identitii provides a plug & play solution with low-touch integration



A single permanent document catalogue for legal audits

Description

A layer above Bitcoin blockchain, allowing data to be committed to the blockchain in real-time

Use cases

- Document digitisation and authentication
- Regulatory auditing and litigation
- ID document chain

How Identitii is different

Factom lacks industry focus, providing a generic solution. Identitii focuses on the financial services market



Verification of official documents plus blockchain anchoring of data

Description

Two products:

- Proof: An independent data validator
- Chainpoint: Blockchain to anchor data

Use cases

- Audit trail for businesses
- Regulatory compliance
- Document timestamping

How Identitii is different

Identitii's permission scheme allows for exchange of information with low-touch interaction between databases

Summary



Providing information exchange for corporate banks and their customers



Works with a bank's existing and emerging technology to avoid costly rip and replace projects



Expanding relationship with HSBC, a revenue generating customer



Large addressable market and growing pipeline



Patent protection pending and continual innovation and development of core technology – Overlay+ V3 to be released Q2 2019



Proven in a tier one bank environment



Rapidly expanding partner network providing enhanced functionality

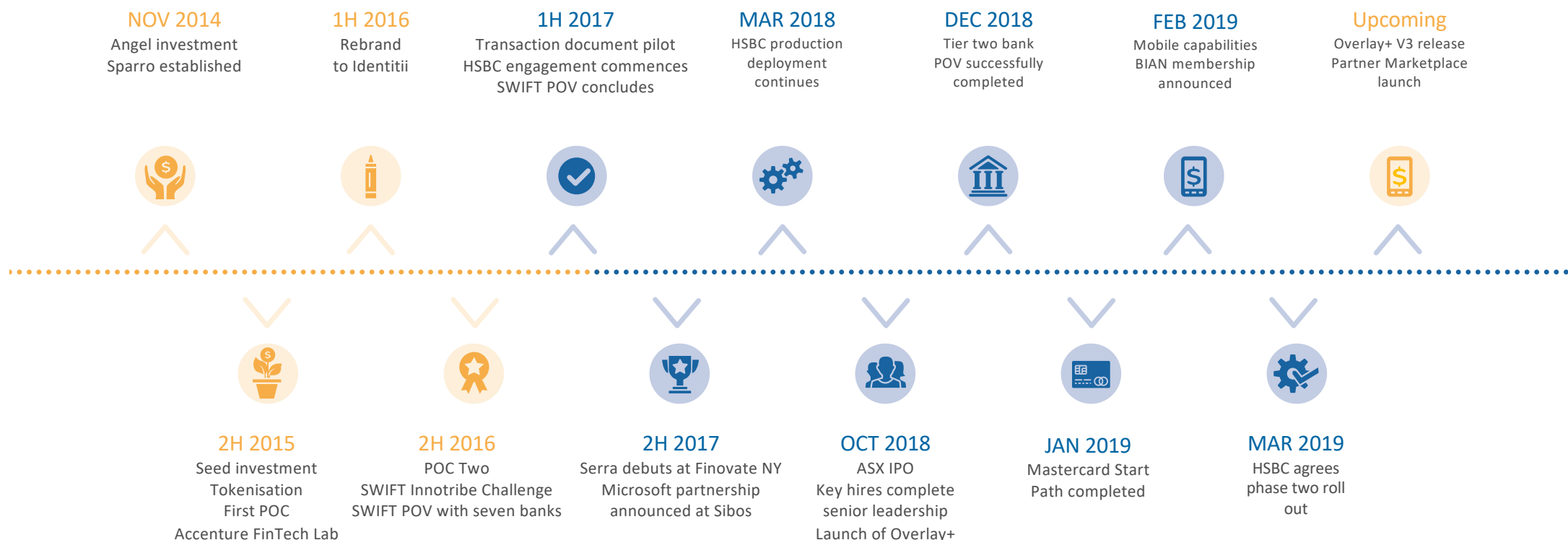


Successfully raised AUS\$11 million in October 2018



Appendix

Company timeline



Board of Directors



Michael Aston
Independent
Non-Executive Chairman



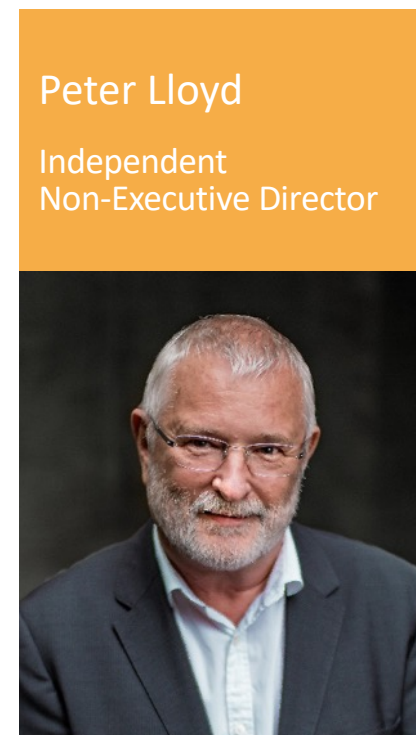
Martin Rogers
Non-Executive Director



Peter Lloyd
Independent
Non-Executive Director



Nicholas Armstrong
Executive Director
CEO



Key management



Margarita Claringbold
Chief Financial Officer



Elissa Hansen
Company Secretary



Ben Buckingham
Chief Product Officer



James Andrew-Smith
Chief Information Officer



Mark Garvie
Chief Commercial Officer



Clare Rhodes
Chief Marketing Officer



Elliott Shepherd
Chief Technology Officer

Capital structure and shareholders

Capital structure⁸

ASX code	ID8
Share price	\$0.44
Ordinary shares on issue	54.5m
Market capitalisation (undiluted)	AUS\$23.98m
Unlisted options ⁹	12.3m
Pro forma cash at 31 December 2018	A\$7.3m
Debt	-

Share register composition

Board of Directors	25%
Top 20	83%

Blockchain explained

A blockchain is a growing list of records, called blocks, which are linked using cryptography. Each block contains a cryptographic hash (a mathematical representation of a piece of data) of the previous block, a timestamp and data specific to the latest activity being recorded.

There is no central owner of or authority over the records. The blockchain is recorded across many computers so that a record cannot be altered retroactively without the alteration of all subsequent blocks and the consensus of the network.

It is this that makes blockchains tamper evident and tamper resistant and ensures that under normal operation of the blockchain network, no transaction can be changed once published.

Public blockchains are networks where anyone can read and write to the blockchain without authorisation. Minors run the network and in exchange are paid in cryptocurrencies.

Private blockchain networks limit participation to specific people or organisations and allow permissioned access and controls. They act like an internal network or intranet, where proof of authority is required to access the blockchain. It has no relationship to cryptocurrency, and is used purely as an unalterable way to record transactions and activities. It is the preferred type of blockchain for banks who need to know who is on the network.

OVERLAY+ and Identitii Tokens

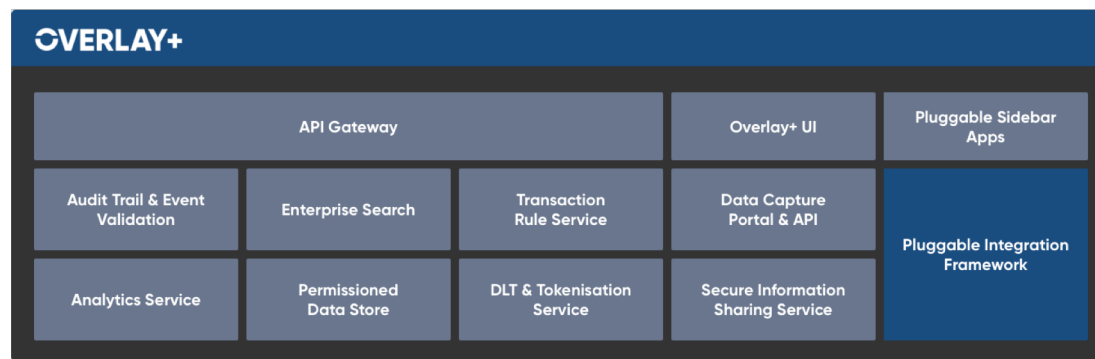
Identitii uses a private blockchain to ensure permissioned access to the Identitii system, create an unalterable and auditable record of a transaction and its associated documents and to create Identitii Tokens.

Identitii Tokens are cryptographic unique identifiers that represent a specific set of data related to a transaction. They are created in Overlay+ and then sent alongside a financial message, overcoming the data limits currently set by payment networks.

When a receiver is sent an Identitii Token, it gives them secure, permissioned access to the Identitii network, where they can access and view the underlying information and documents related to that transaction.

It is this process of tokenisation that enables the accurate retention and sharing of all of the information about a transaction, without compromising its security or sending actual documents and information via email or other less secure channels.

OVERLAY+ COMBINES BEST IN BREED TECHNOLOGY



The Overlay+ technology stack brings together the latest technology to enhance legacy banking infrastructure:

- Global search powered by Elastic Search
- API (interface) & SDK (tools) for connectivity with systems including SAP and Oracle
- Analytics powered by Kibana
- Ability to leverage multiple blockchain technologies
- Highly scalable deployment options via Kubernetes, Envoy and Docker


FOOTNOTES

1. McKinsey & Company, Global Payments Outlook 2018
2. Company estimates and internal Identitii data gathered during POC with SWIFT and seven banks in 2016
3. SWIFT website
4. UN Data on money laundering
5. Boston Consulting Group, Global Risk 2017: Staying the Course in Banking
6. Indicative forecast based on Company estimates. 'Potential annual licence fees per bank' assumes fees are earned from multiple licences of Overlay+. Typically a bank will purchase a single licence first and additional licences will be added over time. Licence periods are typically three years.
7. A single Overlay+ licence for one use case is worth between US\$250,000 and US\$500,000
8. As at 24 March 2019
9. Board and employees



Identitii Limited | ASX:ID8

THANK YOU

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