

Quarterly Activity Report and Appendix 4C

for the period ending 30 June 2024

Highlights

- New contract signed for counterparty risk oversight, increasing platform use-cases
- New USA go-to-market plan, leveraging the existing Mastercard contract
- Sales activities to progress new customer opportunities increased 25% q/o/q
- Patent infringement case continues to proceed in line with expectations
- \$888K research & development loan received from Mitchell Asset Management
- Payments to suppliers & employees of \$1.42M, stable q/o/q
- Post quarter end, closed Rights Issue raising \$1.66M prior to costs
- The Board has until early October to place \$492K shortfall balance

30 July 2024 - [Idetitii \(ASX:ID8\)](#) ('Idetitii', 'the Company') (ASX:ID8) is pleased to release its Appendix 4C for the three months ending 30 June 2024 and provides an update on its progress during the period.

Commenting on the quarter, John Rayment, CEO of Idetitii, said: "We continue to focus on not only improving the capital efficiency of the Company, but also increasing how much time we spend with existing and prospective customers. Our plans are designed to maximise opportunities to increase customers and recurring licence revenue, without the need to materially increase costs.

"The team has been spending more time with people in the United States, investing in our relationship with Mastercard and leveraging relationships to validate demand for our platform in the North American market. We are excited by the growth opportunities in a much larger market, where we already have a major customer, and the business relationships we can leverage to enter the market at a much lower cost. Growing the US



market is a major focus area for the Company, and we will provide further updates during the rest of 2024.

“In addition to the above, I am also very thankful to those shareholders who helped the Company raise \$1.66M, and to our Board for all taking their full rights, in addition to the 56% of rights I was able to subscribe for. Following the issue, we visited prospective new investors in Hong Kong and Singapore, and I am confident we can place the shortfall so the Company is adequately capitalised for the year ahead.”

What to Expect in 2024

Strategic Planning Process

As with the previous Quarterly Activity Report, the following **four primary focus areas** form the framework for the Company goals and initiatives in 2024.

1. Move towards profitability

What it means:

Driving towards profitability by focusing on opportunities to grow revenue, and utilising existing resources to contain costs, remains our primary objective going forward.

Progress made:

Sales activities that progress genuine new customer opportunities, which include in-person meetings, platform demos, technical workshops and contracting activities, increased 25% on the previous quarter, driven by a marked increase in conversations with technical buyers at all stages of the sales cycle. The Company expects to see increased conversion rates for new deals, and reduced time to onboard and implement the Identitii platform, enabling the team to sell to more prospects, more quickly.

During the quarter, the Company signed a new commercial agreement with a company that provides compliance services to the financial services industry, increasing the number of use-cases the Identitii platform supports. This is the first customer not involved in moving money through the financial services industry, and a key milestone that increases the addressable market for revenue opportunities globally.

The agreement is expected to initially generate \$60,000 in annual licence revenue and includes multiple reporting workflows that extend the Company's previous focus on AUSTRAC reporting with the integration of three additional reporting organisations. This



is an important win for Identitii, demonstrating that ongoing research and development is aligned to increasing customer acquisition as the platform matures.

The previously reported proof-of-concept with a payments company to explore data sharing use-cases with their customers that include financial institutions, corporates and fintechs, and the tender process to supply a major Australian bank in partnership with another company supplying the financial services industry, both continue.

2. Be known for data sharing

What it means:

Being globally recognised as a Company that enables greater access to, and sharing of, data within and across the boundaries of geography, residency and technology.

Progress made:

During the quarter, the Company prioritised enhancing brand visibility and online presence to showcase data sharing capabilities, identifying key prospective customer markets and focusing on relevant search terms. A campaign of targeted content was released via LinkedIn and blog posts to highlight industry expertise, which can be accessed by following the Company online.

One important asset in the campaign was a blog entitled **Top 5 Tips for Better Multi-Party Data Sharing**, which was viewed over 300 times and can be found [here](#).

As a result of the campaign, LinkedIn engagement rose dramatically with impressions increasing 286%, content clicks increasing 182% and unique website visits up 5%. The data confirms that the content strategy is resonating with the target audience, establishing Identitii as a thought leader with brand authority in the data sharing space.

3. Be easy to work with

What it means:

Making it as easy as possible for prospective customers to experience the Identitii platform, by simplifying both the sales process, and the customer onboarding process.



Progress made:

During the quarter, the Company released a Trust Centre where prospective customers can understand Identiiti's information security management system and request various policy and procedure documentation. The centre hosts all the information the Company needs to provide in repetitive due diligence processes, and significantly reduces time spent on procurement and contracting activities necessary for new customers.

Increasingly, buyers and users of the Identiiti platform are software engineers, meaning sales activities now include a technical assessment stage. With the Trust Centre, and the new public-facing API documents released last quarter, it is now much easier for software engineers to understand how the Identiiti platform works and what they need to do when implementing it, which will lead to greater sales conversion rates.

4. Build for the future

What it means:

Building the right foundations that enable our platform to achieve essential scalability, availability and security metrics today, and as volumes grow in the future.

Progress made:

During the quarter, the Company made progress on providing a single user experience to customers, not only making it easier for customers to use the Identiiti platform, but easier to demonstrate value early in the sales process. Further improvements were also made to the platform's underlying infrastructure, reducing the cost associated with configuring, deploying, maintaining and running infrastructure at scale.

The primary benefit of these developments is that the time required to provision new customer environments has significantly declined. New environments can now be provisioned and handed to customers in less than one day, progressing our technology strategy towards the objective of a fully automated new customer sign-up process, meaning customer numbers can grow without material additional costs.



Financial Update

Q4 FY24 cash flow update

Net cash used in operating activities was \$1.33M for the quarter (Q4 FY23: \$1.50M). This is an improvement of 11% compared to the corresponding quarter in the previous financial year.

Payments to employees and suppliers for Q4 FY24 were \$1.42M (Q3 FY24: \$1.35M), showing the reduced operating expenditure has now stabilised and is being carefully managed. Management continues to review operating expenditure closely, seeking to make additional savings where possible.

Payments to related parties included payments to Non-Executive Directors for their services as Directors, and payments of the CEO's salary.

During the quarter, the Company received a term loan of \$888,824 from Mitchell Asset Management, secured against future R&D refunds to be received by the Company. The facility is a prepayment of the forecasted R&D tax incentive claim for the year ended 30 June 2024, with a termination date of 30 October 2024. The facility attracts interest at a rate of 18% p.a., which has been fully paid in advance on the date of drawdown.

The Company closed the quarter with a cash balance of \$644K (Q3 FY24: \$1.08M), a decrease of \$432K. Subsequent to quarter end, on 4 July 2024, the Company closed a Rights Issue raising funds of \$1,659,445 before costs. There is a shortfall balance of \$491,745 that can be placed under the Shortfall Offer. The Board of Directors is confident that the shortfall balance will be placed and as such the Company has sufficient funds to continue its operations.

Ends

This announcement has been approved and authorised to be given to ASX by the CEO of Identitii Limited.

About Identitii

Identitii's mission is to seamlessly connect the world's payment data. Current data sharing methods are manual and unstructured, exposing organisations to inefficiencies and elevated risk. Our platform is being used by more than 200 teams across the world, to structure and automate information sharing, improving the security and control of sensitive data as it moves within and between payments organisations. We



fundamentally believe that the future of digital commerce will be enabled by greater access to, and sharing of, payments data within and across the boundaries of geography, residency and technology.

For more information visit: www.identitii.com

Visit Identitii's interactive Investor Hub: If you have any questions about this announcement or any past Identitii announcements, or would like to see video summaries on important announcements, please visit our investor hub at: <https://investorhub.identitii.com/>

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Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Identitii Limited

ABN

83 603 107 044

Quarter ended ("current quarter")

30 June 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	91	692
1.2 Payments for		
(a) research and development	(550)	(2,464)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(17)	(40)
(d) leased assets	-	-
(e) staff costs	(219)	(902)
(f) administration and corporate costs	(572)	(2,476)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(66)	(66)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	1,527
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(1,333)	(3,729)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	1,000
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	1,000

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	2,159
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(17)	(55)
3.5	Proceeds from borrowings	889	889
3.6	Repayment of borrowings	-	(980)
3.7	Transaction costs related to loans and borrowings	(17)	(17)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	855	1,996

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,076	1,287
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,333)	(3,729)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	1,000

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	855	1,996
4.5	Effect of movement in exchange rates on cash held	46	90
4.6	Cash and cash equivalents at end of period	644	644

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	644	1,076
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	644	1,076

6. Payments to related parties of the entity and their associates

6.1 Aggregate amount of payments to related parties and their associates included in item 1

6.2 Aggregate amount of payments to/(receipts from) related parties and their associates included in item 2

**Current quarter
\$A'000**

152

-

Payment of CEO salary and bonus, along with payments to Non-Executive Directors for their services as Directors.

7. Financing facilities

Note: the term "facility" includes all forms of financing arrangements available to the entity.

Add notes as necessary for an understanding of the sources of finance available to the entity.

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	888,824	888,824
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	888,824	888,824

7.5 Unused financing facilities available at quarter end

-

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

Mitchell Asset Management R&D Loan

On 6th June 2024, the Company entered into a new term loan facility of \$888,824, secured against future R&D refunds to be received by the Company. The facility is a prepayment of the forecasted R&D tax incentive claim for the year ended 30 June 2024, with a termination date of 30 October 2024. The facility attracts interest at a rate of 18% p.a., which has been fully paid in advance on the date of draw down.

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(1,333)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	644
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	644
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	0.48

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

- Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

Yes. The Company does not believe that it will continue to have the current level of net operating cash flows in future quarters.

- Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

Yes. The Company closed a Rights Issue on 4 July 2024, raising funds of \$1,659,445 before costs. There is also a shortfall balance of \$491,745 that can still be placed under the Shortfall Offer. The Board of Directors is confident that the shortfall balance will be placed.

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Yes. The Directors believe that the Company will be able to continue its operations and meet its business objectives on the basis it received funds of \$1,659,445 subsequent to quarter end.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 July 2024

Authorised by: John Rayment, Chief Executive Officer
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.