



Know Your Transaction

A global network for financial information – using existing systems

Investor presentation

June 2020 | Identitii Limited | ASX:ID8



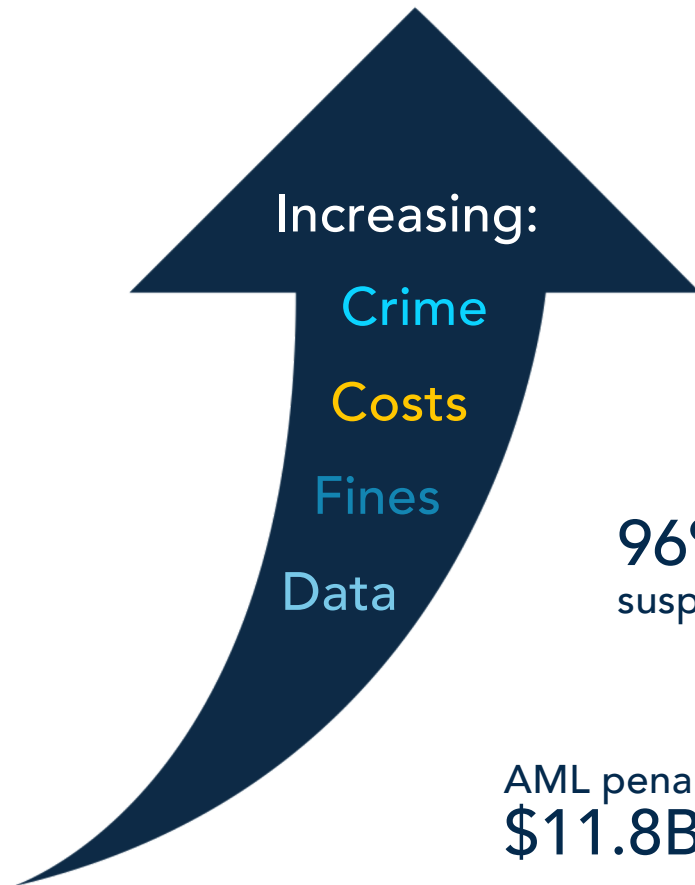
What problem do we solve?

The information needed to process and report financial transactions is often incomplete, inaccurate or even missing

How do we solve it?

Create a global network for financial information – using existing systems

What the landscape looks like



90% of the world's data⁷ was created in the last two years

80% of enterprise data⁷ is unstructured

US \$4.5T laundered² every year

80% of IT budget⁵ spent maintaining legacy tech

96% increase¹ in suspicious matter reports

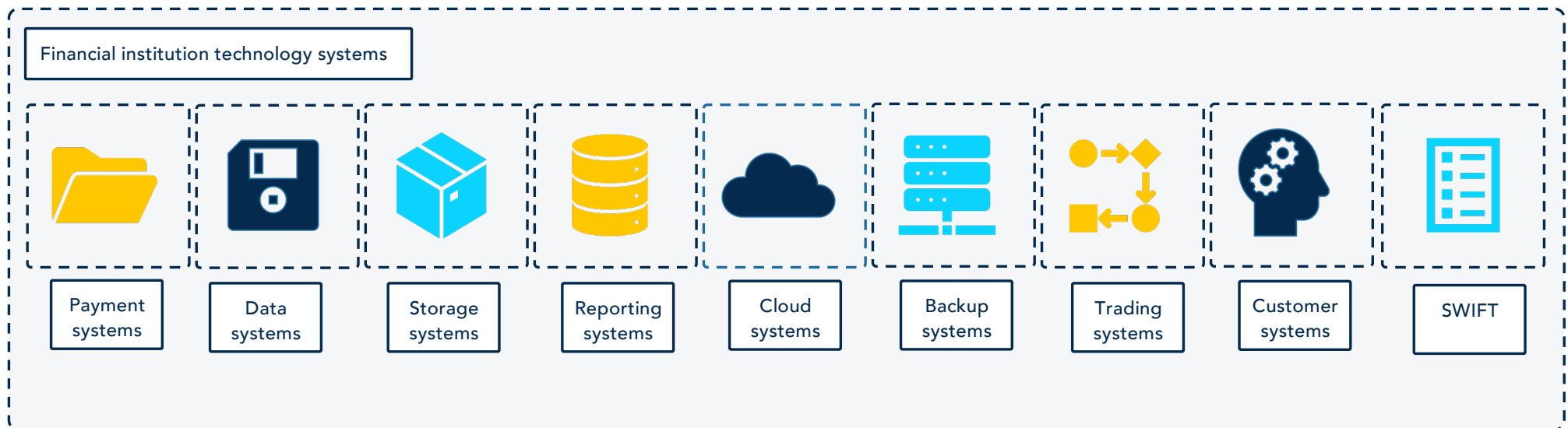
US \$36B in global regulatory fines⁶

AML penalties doubled³ to \$11.8B

7% increase⁴ in FinCrime compliance costs (US \$180.9B)

What causes the problem?

A single institution can have hundreds of critical internal systems, all built in silos and linked together, making it impossible to find a single source of truth



Why not just fix it?

Huge cost & huge risk

Potential data leaks

Locked-out customers

Multi-year programs

Downtime means lost opportunities

Outages at **Mizuho Bank** in 2002 and 2012 were partly caused by the complexity of IT systems created by multiple M&A activities⁸. The 2012 outage delayed US \$10B worth of transactions, including the salaries of 620,000 people⁹. To fix the problem, Mizuho decided to upgrade core systems. A project that cost **US \$3.57B over five years**⁸

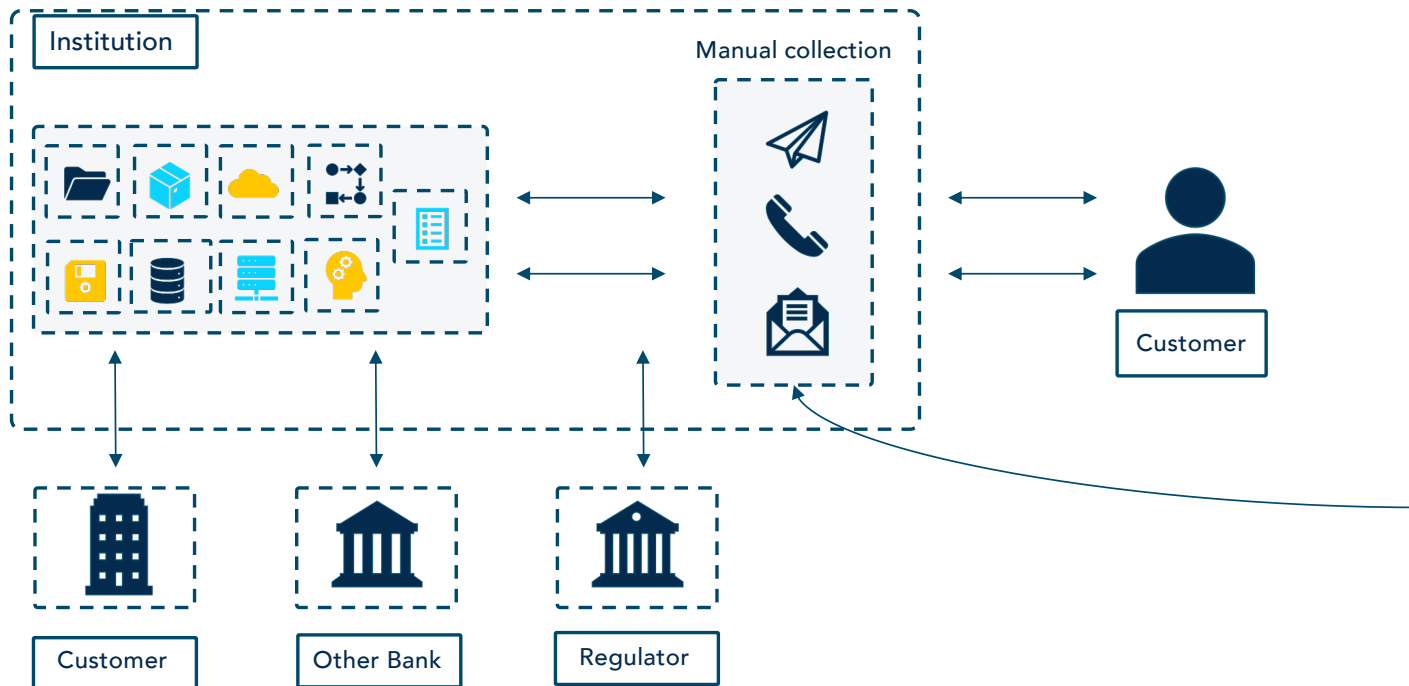
CBA's¹⁰ core system replacement was expected to cost \$580M over four years. The **final cost was \$1.3B over five years**

In 2015, **Deutsche Bank**¹¹ announced a strategy to **reduce its 45 operating systems to 4**. In 2018, it still had 32

UK bank **TSB**¹² suffered an investigation by the Financial Conduct Authority, when a catastrophic glitch in its effort to migrate from a legacy system at Lloyds, **interrupted service and compromised customer data**

What it looks like today

If information can't be identified internally or needs to be collected from customers, it is pushed into highly manual processes such as email, fax or excel

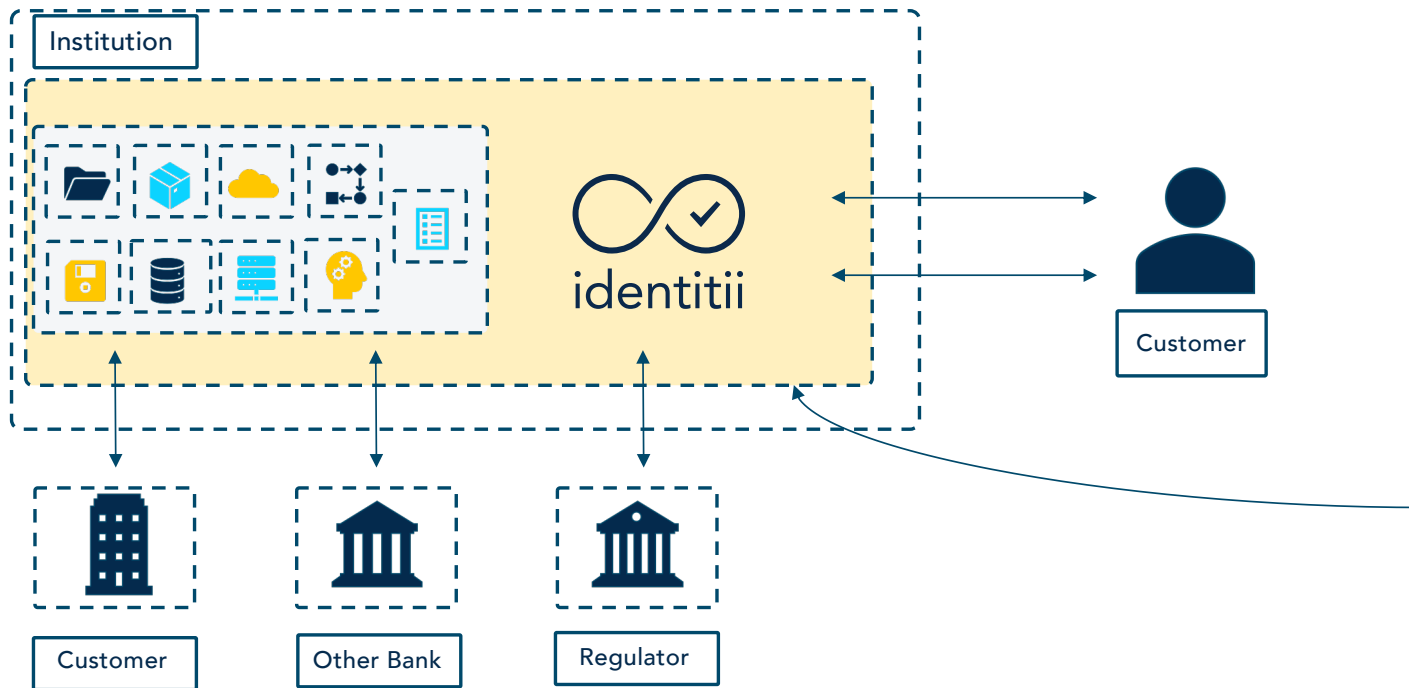


The risk of manual information collection

- Negative customer experience
- Multiple requests for the same information
- Error prone
- Increased operational cost
- Time intensive, causing settlement delays
- High opportunity costs
- Unauditable
- Unsecure

Introducing the **Overlay+** platform

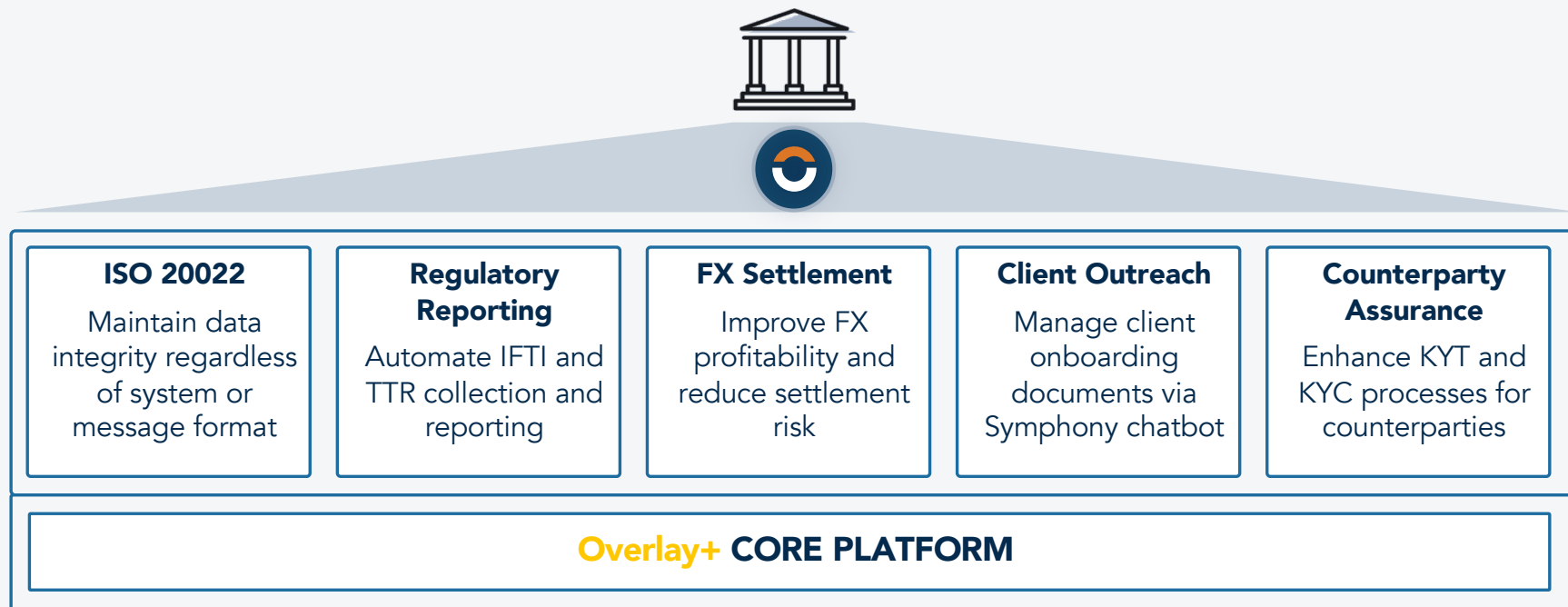
Enhance existing systems, connecting the right people, to the right information, quickly and easily



Key benefits for financial institutions

- Enhanced customer experience
- No costly legacy technology upgrades
- Simplified regulatory reporting
- Greater trust between counterparties
- Auditable record of transaction information
- Improved data security and auditability
- Increased automation
- Reduced manual processes

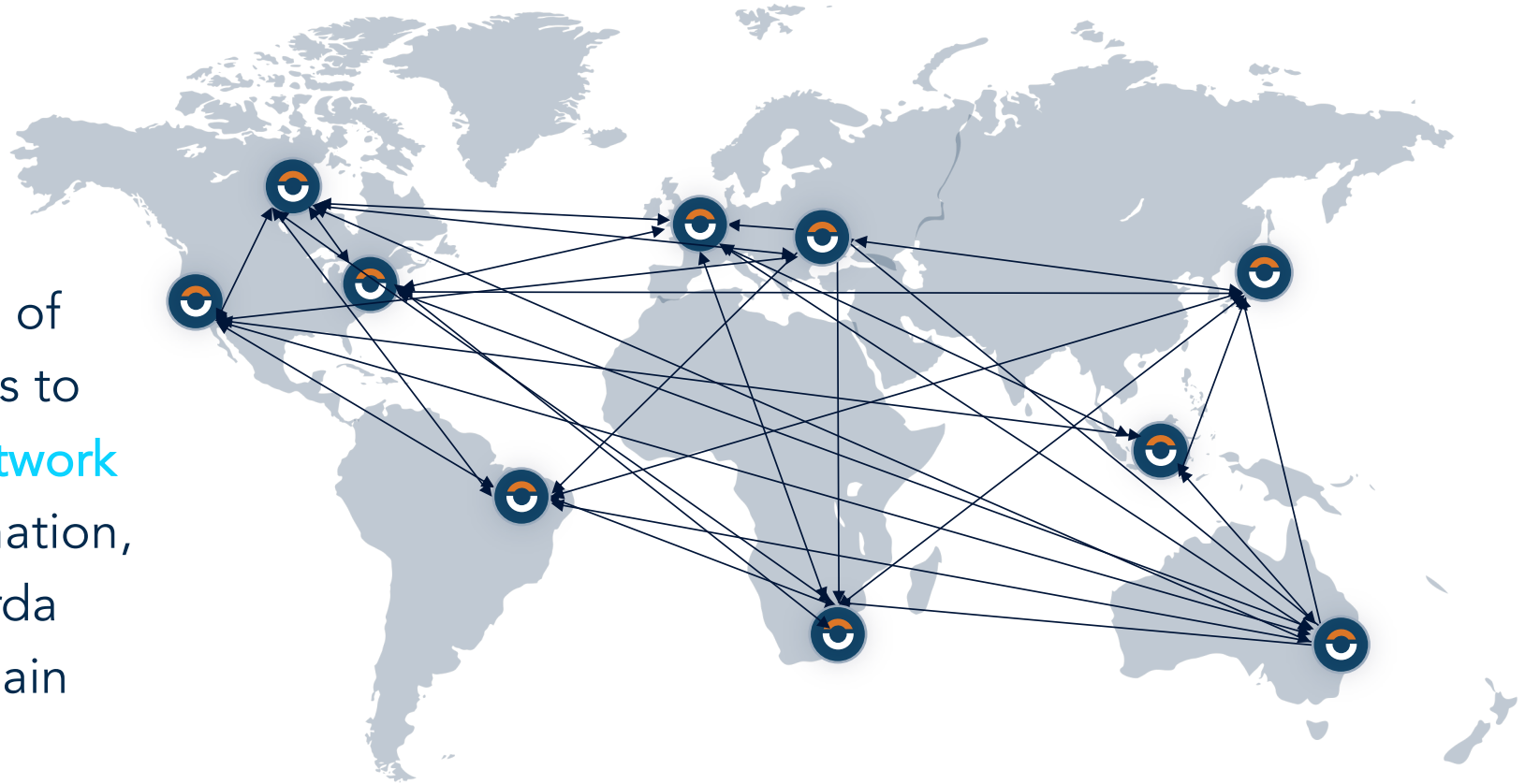
Where is **Overlay+** being applied?



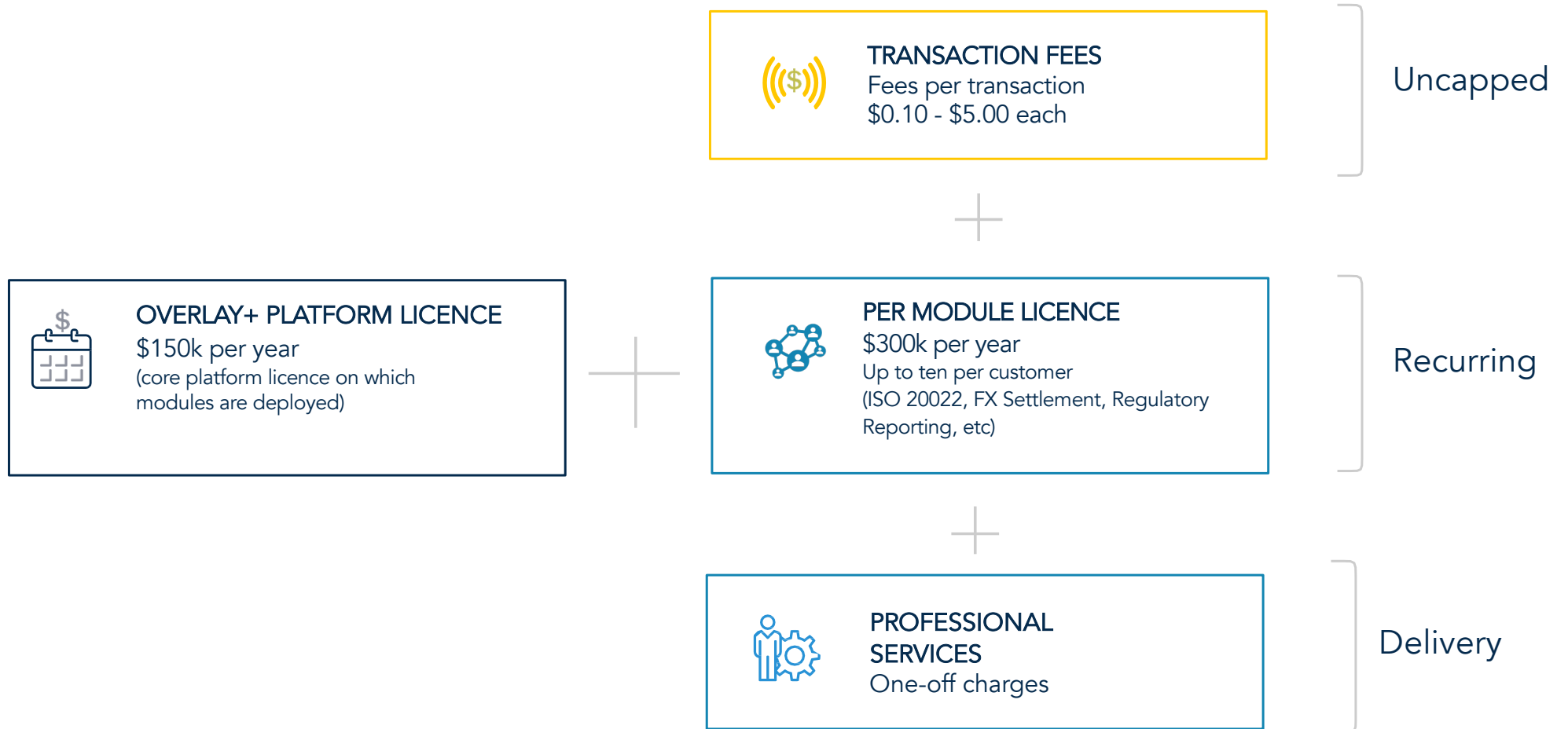
What's our long-term vision?

Connect hundreds of Overlay+ platforms to create a **global network** for financial information, backed by the Corda Enterprise blockchain network*

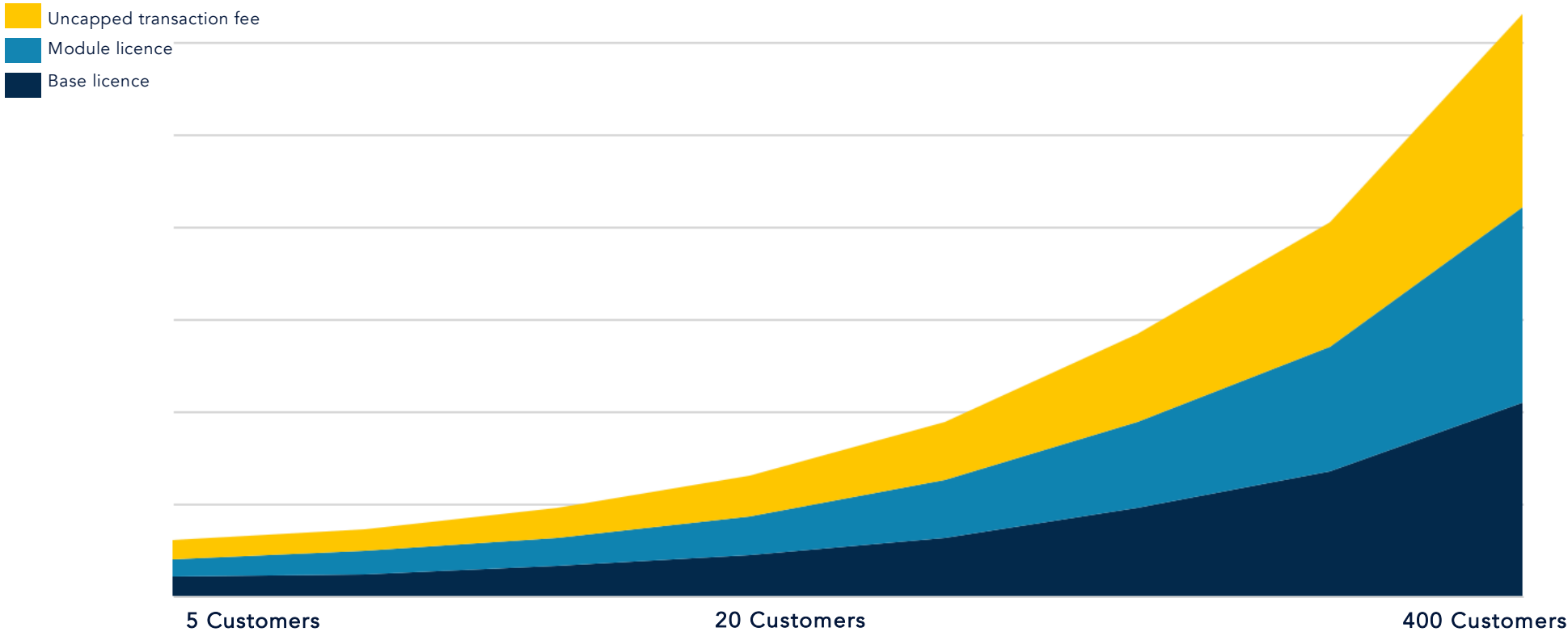
*Supported by R3



How do we generate revenue?



The opportunity – how big is big?

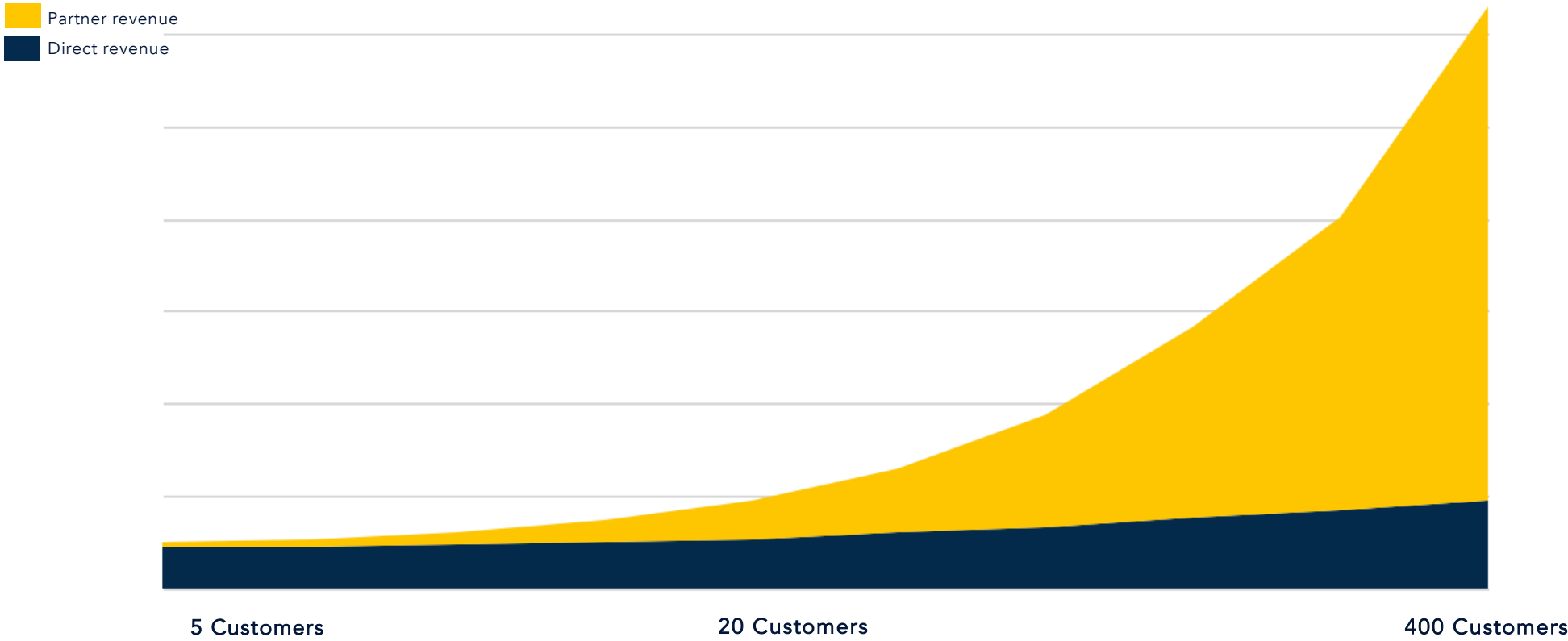


Not to scale. Example of potential opportunity only

How do we acquire customers?



The split – direct v. indirect sales



Not to scale. Example of potential opportunity only

The strategy – how do we get there?

Horizon One

Goal

Five new customers & strategic investment



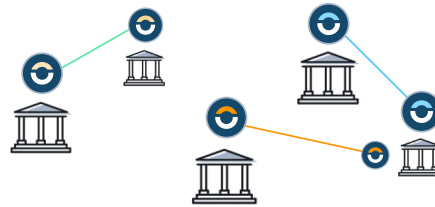
How

- Sign five new customers to single module licences
- Shift Company to new organisational model
- Secure strategic investment of \$10-20m

Horizon Two

Goal

20 new customers & scaled selling



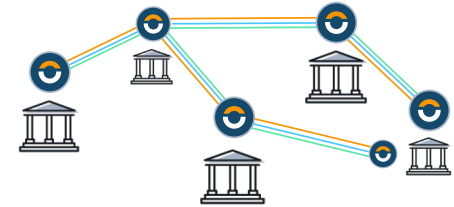
How

- Sell new modules to existing customers, connecting them together
- Sign 20 new customers
- Create a partner ecosystem for scaled selling
- Transform into a cashflow positive business

Horizon Three

Goal

400 new customers



How

- Network existing customers together across multiple use cases within the same institution
- Grow Identitii into a market leading distributed ledger technology (DLT) business with sustainable growth

Marketing strategy

Horizon one strategy generates direct customer demand and enables partnership program



Improve brand awareness

Leverage owned channels to remove barriers to sales. Website, SEO, PR/AR, Social, Content, Influencers



Generate direct opportunities

Demand and lead generation to increase financial institution customers. ABM, InMails, Email marketing, webinars, case studies, thought leadership

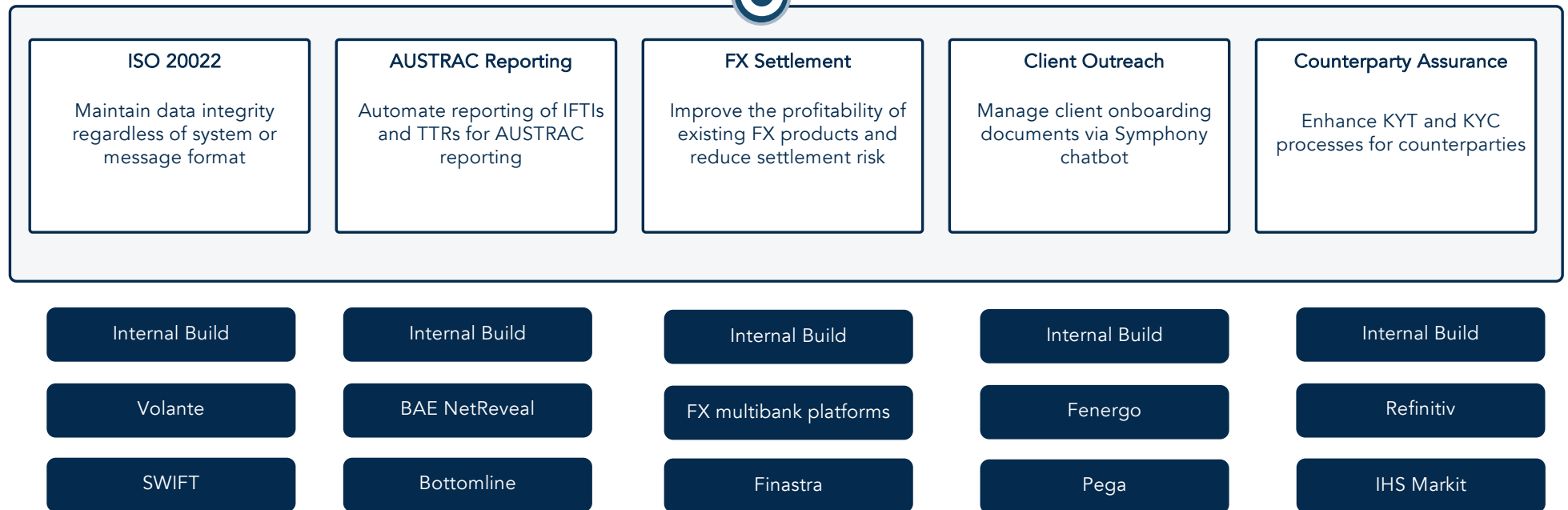


Enable partner sales channel

Equip partners with the tools to co-sell. Execute a program of joint GTM, co-branded activities, content, collateral and demos.

Key competitors

The competitive landscape differs per use case



Impact of Covid-19

- The crisis caused by Covid-19 will mean banks have less time to implement critical projects like remedies to AUSTRAC reporting issues
- The pressure from regulators and consumers to have more information about every transaction will only continue to increase, regardless of the global financial situation
- Identitii's platform enables faster changes at a much lower cost than other alternatives, meaning the Company is well-placed to help financial institutions, regulators and corporations respond, as they recover from this crisis

Leadership team

Board



Steve James

Independent Non-executive Chairman

Steve has held senior leadership and Board positions at public and private organisations including the CBA, CommSec and Seer Asset Management. He developed the first online stockbroking business for financial planners, later sold to CommSec.



John Rayment

Chief Executive Officer & Managing Director

John has supported many early-stage ventures through sharp periods of growth. He has held board and executive roles at Travelex across the globe and has proven success in helping businesses to scale in line with rapidly expanding customer demand.



Nick Armstrong

Co-founder & Non-executive Director

Nick is an experienced technology entrepreneur and company director. He previously founded and ran COzero (before a partial exit to a strategic investor), a company which provides energy management software linking IoT and predictive analytics to help large power users save money

Management



Margarita Claringbold
Chief Financial Officer



Ben Buckingham
Strategy & Partnerships



Martin Botica
Sales



Clare Rhodes
Marketing & Communications



James Andrew-Smith
Technology & Delivery



Elissa Hansen
Company Secretary

Why invest



Creating a global network for financial information, using existing systems



Covid-19 crisis solidifies Identitii's value proposition



Horizon 1, 2, 3 plan focused on closing deals and new customers



Market leading technology live in a Tier One global bank, with patent pending



Strong pipeline of late stage deals and ongoing strategic investment conversations



Partnership strategy is delivering late stage deals



Land and expand strategy with HSBC resulted in second licence sale



242% y-o-y revenue growth FY18-FY19



Experienced leadership with strong enterprise sales and delivery expertise

Capital structure

Capital structure

ASX	ID8
Date listed	17 October 2018
Share price*	A\$0.105
Ordinary share on issue*	81.8m
Market capitalisation (undiluted) ¹	A\$7.5m
Unlisted options	12.8m
Pro forma cash at 31 March 2020	A\$3.1m

*At 28 May 2020

Share register composition

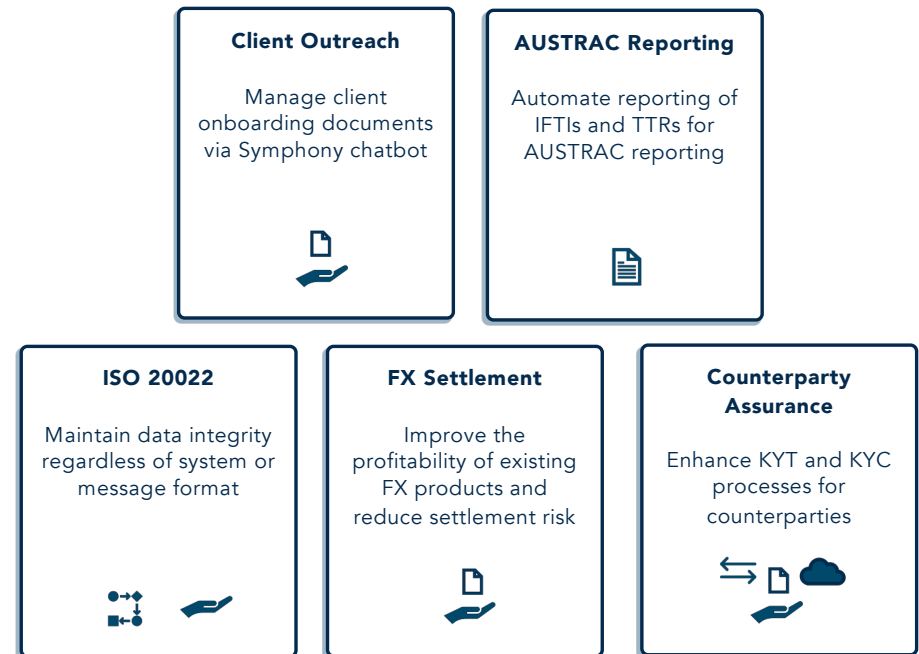
Top 20	72%
Mr Nicholas Armstrong (Co-founder)	11.5%
KTM Ventures	7.5%
Regal Funds Management Pty Ltd	7.2%
Gleneagle Securities Pty Ltd	6.1%
Holywell Ford Pty Ltd	5.7%

About Identitii

Improving the integrity of data as it moves around the global financial system

Helping some of the world's largest institutions do more with existing technology systems

- Founded in 2014
- Listed on the ASX in October 2018 (ASX:ID8)
- Headquartered in Sydney
- Working with some of the world's largest financial institutions and regulators



Footnotes

1. [AUSTRAC 2019 annual report](#)
2. The potential total size of money laundering worldwide in 2020: The U.N.'s Office on Drugs and Crime estimates global money laundering to correspond to 2 to 5 percent of global GDP. <https://www.politico.eu/article/the-world-dirty-money-by-the-numbers/>
3. <https://www.theaustralian.com.au/business/financial-services/penalties-double-to-118bn-in-global-war-on-money-laundering/news-story/2f86fa5a36366b3b49d9cb896688613c>
4. <https://risk.lexisnexis.com/insights-resources/research/true-cost-of-financial-crime-compliance-study-global-report>
5. <https://www.fnlonon.com/articles/banks-face-spiraling-costs-from-archaic-it-20170912>
6. <https://www.businessinsider.com/financial-institutions-hit-with-regulatory-fines-since-2008-2020-1?r=AU&IR=T>
7. <https://www.ibm.com/watson/infographic/discovery/big-data-challenge-opportunity/>
8. <http://www.theasianbanker.com/press-releases/japans-mizuho-bank-on-verge-of-replacing-crash-prone-system>
9. <https://www.banktech.com/channels/japanese-regulators-weigh-penalty-on-mizuho-bank-for-post-quake-atm-outage/d/d-id/1294589.html>
10. <https://www.theaustralian.com.au/business/technology/csc-questions-cba-core-banking-upgrade/news-story/3641617bd3640a35a570928d65d65402>
11. <https://news.efinancialcareers.com/au-en/313445/technology-at-deutsche-bank>
12. <https://www.protiviti.com/AU-en/insights/modernizing-legacy-systems-financial-institutions>