



Know Your Transaction

# Identitii Ltd

## H1 FY21 Report Presentation

9 March, 2021  
2pm AEDT

John Rayment, CEO, Identitii



# Agenda

1. Welcome
2. Overview and progress update
3. Growth strategy
4. Questions



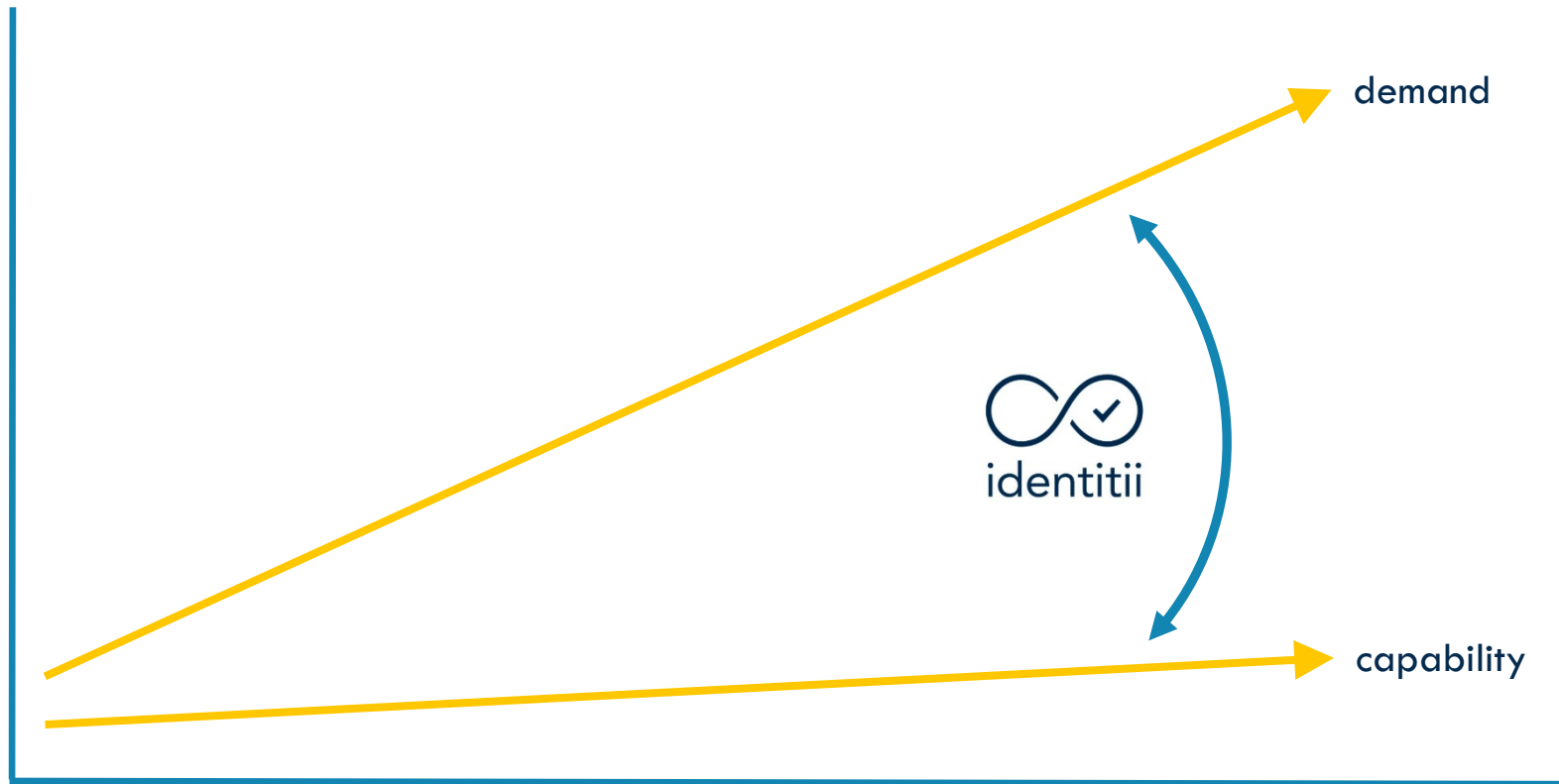
## Our vision

A **trusted and transparent** financial services industry, which is **accessible to everyone**, and where **financial crime is impossible**



# What exactly do we do?

Overlay multiple existing systems with a single platform, to bridge the growing gap between demand from regulators and customers, and capabilities of legacy technology

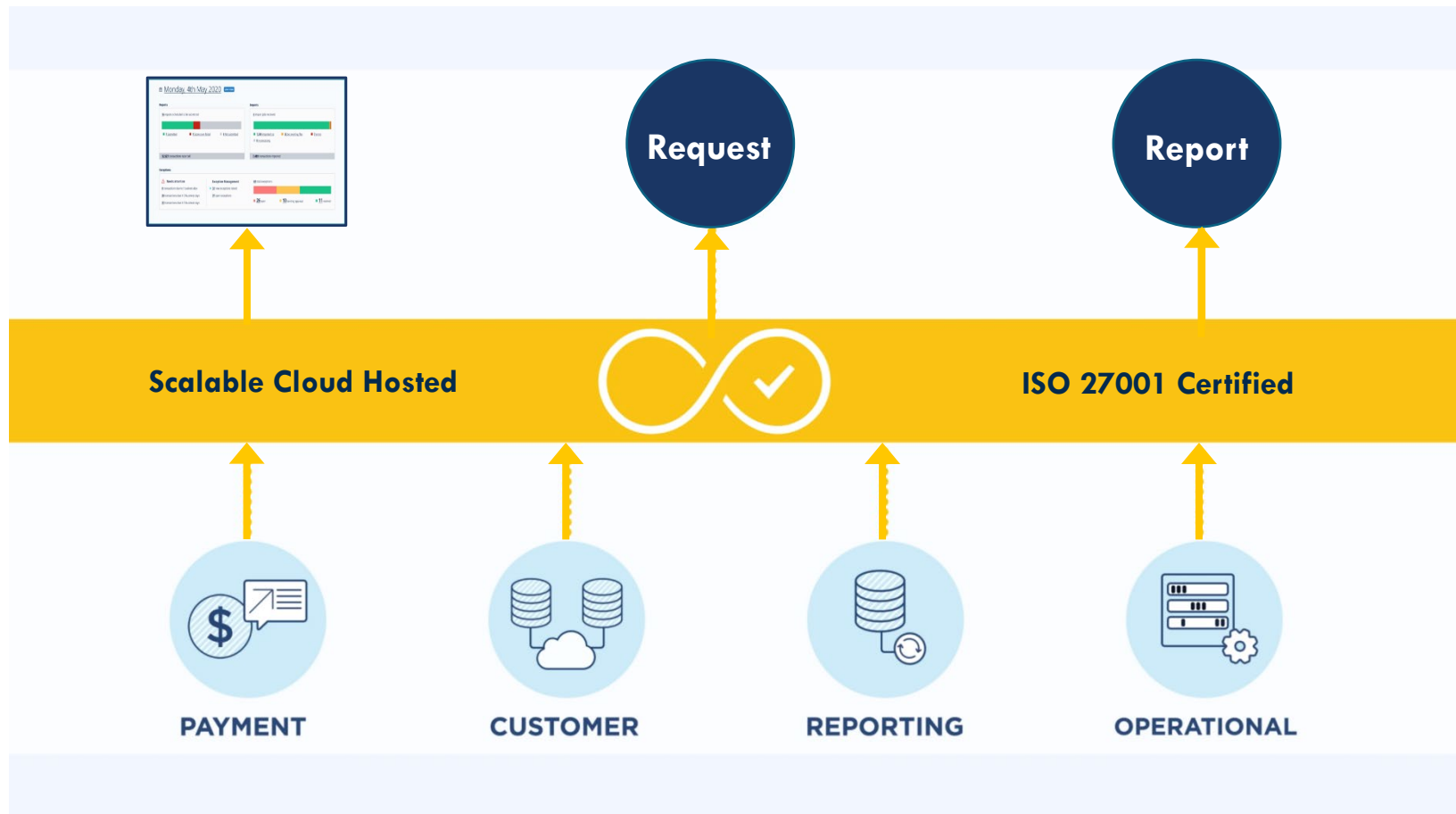


Identitii bridges the gap:

- between the growing **demand** from regulators and customers to see more information about financial transactions
- and the **capability** of legacy technology used in much of the financial services industry
- to exchange **more** transaction information securely between teams and organisations



# How do we do it?



Identitii's Overlay+ platform:

- collects data from **multiple** different systems
- creates a **single** view of all transaction information
- facilitates missing information **requests** with other parties
- sends complete and accurate **reports** to the regulator

## On requesting information:

Identitii enables large correspondent banks to **securely share** rich client and transaction data, across their **own private network** of trusted respondent banks

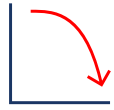


# What's driving the industry to engage us?

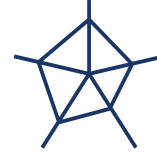
Global banks are exiting long-term relationships with smaller banks in high-risk markets, generating new costs and risks, as companies find alternative access to global finance



Anti-money laundering (AML) compliance requires a significant amount of information



Appetite for risk is decreasing



Financial crime compliance requirements vary between countries and across the industry



Secure information sharing between institutions is difficult



Centralised approaches do not work for sensitive data



Information sits in siloed systems that are difficult to connect

Since 2011, global banking networks have **declined by 22%<sup>1</sup>**

↓ 30% decrease in the number of times US and EU banks used as correspondents<sup>1</sup>

↓ 50% LATAM banks<sup>2</sup>

↓ 28% African banks<sup>2</sup>

1. [New correspondent banking data, The Bank for International Settlement \(BIS\)](#)
2. [The cost of de-risking, Accuity](#)

## On reporting information:

Identitii automates complete and accurate **AUSTRAC reporting**, creating a single, transparent and auditable view of **what is and isn't** reportable





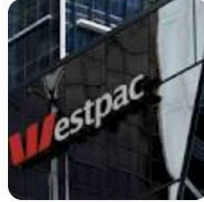
# What's driving the industry to engage us?

7NEWS.com.au

## Westpac fined by AUSTRAC over laundering law breaches

Westpac has agreed to pay a \$1.3 billion penalty for breaching anti-money laundering and counter terrorism financing laws. Should the fine be ...

1 month ago



Regulation Asia

## AUSTRAC Fines State Street Over IFTI Reporting Breaches

State Street Bank and Trust failed to report IFTIs on 99 occasions. There is no suggestion that the transactions were suspicious or that there ...

1 month ago



ABC News

## Commonwealth Bank to pay \$700m fine for anti-money laundering, terror financing law breaches

CBA will pay \$700 million plus legal costs after federal financial intelligence agency AUSTRAC last year accused bank of serious and ...

Jun 3, 2018



FINANCIAL REVIEW

## Why \$2b in bank fines was necessary

AUSTRAC boss Nicole Rose doubts the banks would have spent millions of dollars fixing their systems without the \$2 billion in fines the regulator has extracted over the past two years.

Sep 25, 2020



The **Banking Executive Accountability Regime (BEAR)**, set out in Part IIAA of the Banking Act 1959, establishes accountability obligations for authorised deposit-taking institutions (ADIs) and their senior executives and directors. The regime also establishes, among other things, deferred remuneration, key personnel and notification obligations for ADIs.

# What is our growth strategy?

## Deliver

Focus on the basics, and service existing clients in HSBC, Mastercard and HomeSend

- ✓ Signed MSA with Mastercard, first and second project commenced
- ✓ Increased customer revenue by 129%
- ✓ Reduced operating costs by 27%
- ✓ Raised \$5.9million



## Land

Leverage AUSTRAC's public discussion of regulatory non-compliance to drive sales of Reporting

- ✓ Won Client Centricity Award at the Citi 2020 Mega FinTech Accelerator with Overlay+ Reporting.
- ✓ Named 'One to Watch: AML/CTF Reporting' by Regulation Asia
- ✓ More to come!



## Expand

Grow reporting deals to include Request use-cases (correspondent bank and remediation) once contracts agreed

- ✓ Won Sibos Pitch Perfect Competition, promoting correspondent banking use case to more than 22,000 delegates representing 10,000 institutions from all over the world.



## Innovate

Continuously improve core Overlay+ platform through ongoing innovation and product updates

- ✓ Granted patent approval in the United States
- ✓ ISO 27001 certification granted



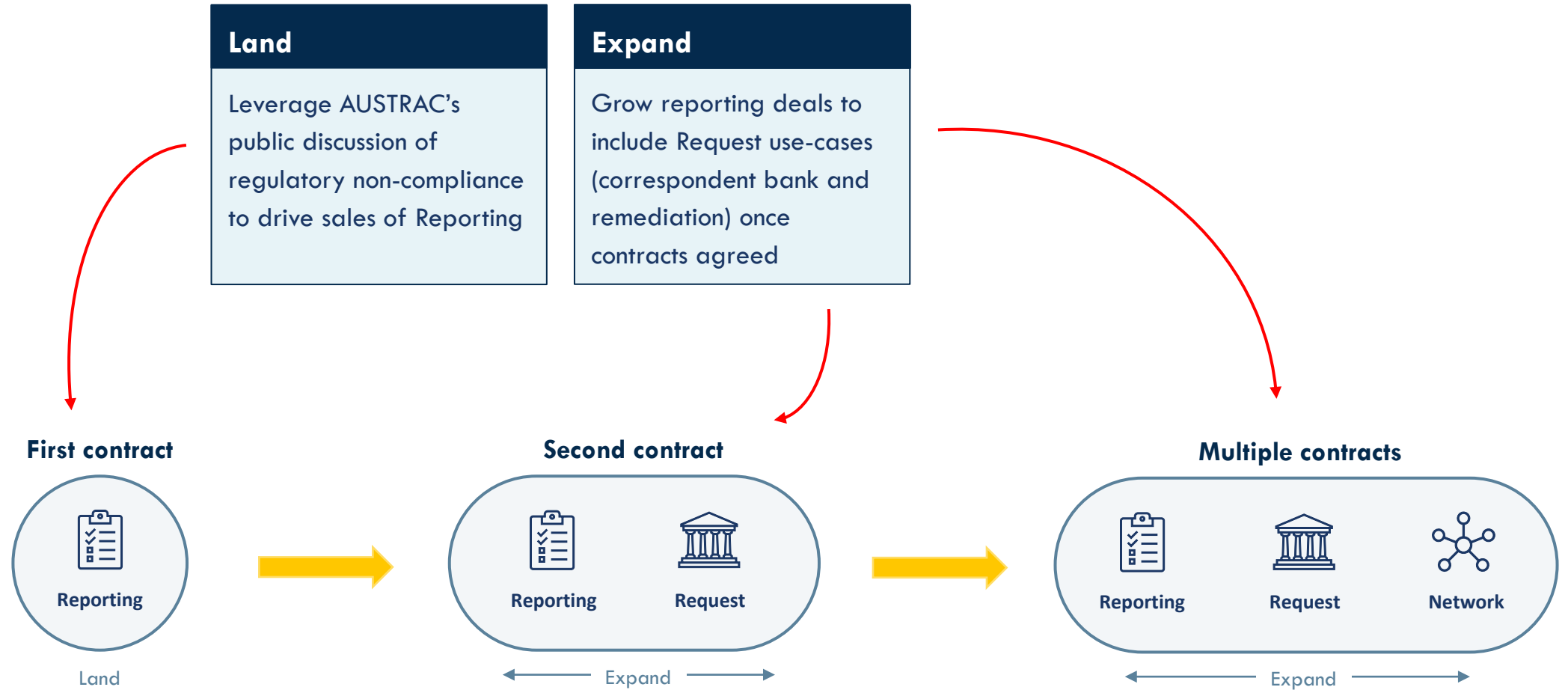
## Monetise

Monetise other previous technology investments, which no longer fit our core RegTech strategy

- ✓ Launched Payble, to fix late and failed payments before they happen
- ✓ Received seed investment from CommBank's x15Ventures.



# What is our sales strategy?



# How do we measure success\*?

For the end of FY22	One-off \$	ARR \$	Total \$
1 x global correspondent network with 35 respondent members	\$7.3m	\$4.0m	\$11.3m
2 x new global correspondent networks in pre-production	-	-	-
12 x regulatory reporting customers	\$1.2m	\$1.2m	\$2.4m
<b>Totals</b>	<b>\$8.5m</b>	<b>\$5.2m</b>	<b>\$13.7m</b>

For the end of FY25	One-off \$	ARR \$	Total \$
7 x global correspondent networks, each with 50 respondent members	\$72.1m	\$38.5m	\$110.6m
25 x regulatory reporting customers	\$2.5m	\$2.5m	\$5.0m
<b>Totals</b>	<b>\$74.6m</b>	<b>\$41.0m</b>	<b>\$115.6m</b>

ARR = annual recurring (license) revenue

\* Indicative figures. Not a forecast

## Total address. market:

- ~200 correspondent banks in the world
- incl. 16 of the top 20 banks in the world (by total assets)
- major correspondent banks may have thousands of respondent banks in their network

# Our management team



**John Rayment**  
CEO & Managing Director

Having supported many early-stage ventures through sharp periods of growth, John is driving Identitii as it scales to meet growing customer demand. 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.



**Trent Jerome**  
Chief Financial Officer

Experienced CFO who has held finance and operational leadership roles at organisations including AAPT, Ingogo and Evolt.



**Ben Buckingham**  
Strategy & Partnerships

Strong background in driving customer growth at McKinsey and Company and as a banking and finance lawyer



**Andrew Creighton**  
Business Development

Former Global Transformation Head for IMO at Standard Chartered Bank, with additional experience in leadership roles at UBS and NAB



**Clare Rhodes**  
Marketing & Communications

FinTech marketing veteran with experience across APAC, the UK and US and proven track record supporting rapidly scaling global businesses



**James Andrew-Smith**  
Products & Projects

Significant experience developing distributed systems and databases for complex organisations.



**Gus Garcia**  
Technology

Ex-Global Head of Architecture for Travelex, where he oversaw hundreds of complex technology systems



# Questions?



# Appendix



# Our capital structure

## Capital structure

ASX	ID8
Date listed	17 October 2018
Share price	\$0.14
Ordinary share on issue	151.8m
Market capitalisation (undiluted)	A\$21.2m
Unlisted options	12.3m
Pro forma cash at 31 December 2020	A\$5.0m

## Share register composition

Top 20	33.8%
KTM Ventures Innovation Fund LP	4.9%
HSBC Custody Nominees (Australia) Limited	4.2%
Bannaby Investments Pty Ltd <Bannaby Super A/c>	2.2%
CS Third Nominees Pty Ltd <HSBC Cust Nom Au Ltd 13	2.1%
Wodi Wodi Pty Limited <Wodi Wodi A/c>	2.0%

\*As of 9 March 2021





# Summary profit and loss

Period	31-Dec-20	31-Dec-19
Revenue from customer contracts	941,139	410,486
Other income and government incentives	599,008	655,237
<b>Total revenue and other income</b>	<b>1,540,147</b>	<b>1,065,723</b>
<b>Expenses</b>		
Salaries and employee expenses	1,629,781	2,081,747
Research and development expenses	630,243	1,564,570
Other expenses	1,404,689	1,489,539
Depreciation and amortisation	107,798	61,564
<b>Total expenses</b>	<b>3,772,511</b>	<b>5,197,420</b>
<b>Loss for the period</b>	<b>(2,232,364)</b>	<b>(4,131,697)</b>



# Cash flow statement

Period	31-Dec-20	31-Dec-19
<b>Cashflows from operating activities</b>	\$	\$
Receipts from customers	936,479	432,455
Receipts from government grants and incentives	1,030,881	1,205,915
Payments to suppliers and employees	(3,357,904)	(4,517,976)
Interest	414	(3,823)
<b>Total cashflow from operating activities</b>	<b>(1,390,130)</b>	<b>(2,883,429)</b>
<b>Cashflows from investing activities</b>		
Acquisition of property, plant and equipment	-	(16,027)
Proceeds from disposal	-	1,840
Acquisition of intangibles	-	(62,112)
<b>Total cashflow from investing activities</b>	<b>-</b>	<b>(76,299)</b>
<b>Cashflow from financing activities</b>		
Proceeds from the issue of shares	5,923,197	-
Transaction costs related to issue of shares	(291,746)	-
Repayment of borrowings and leases	(650,656)	(47,300)
Transaction costs related to borrowing and leases	(49,500)	-
Other financing cashflows	100,000	-
<b>Total cashflow from financing activities</b>	<b>5,031,295</b>	<b>(47,300)</b>
<b>Net increase/decrease in cash held</b>	<b>3,641,165</b>	<b>(3,007,028)</b>
<b>Opening cash balance</b>	<b>1,411,309</b>	<b>4,120,380</b>
Effect of exchange rate movements	(31,865)	(5,445)
<b>Closing cash balance</b>	<b>5,020,609</b>	<b>1,107,907</b>



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