

IDENTITII LIMITED
ACN 603 107 044

OFFER DOCUMENT

For a pro rata non-renounceable Rights Issue to Eligible Shareholders on the basis of one (1) New Share for every one (1) existing Share held by Eligible Shareholders on the Record Date at an issue price of \$0.01 per New Share to raise up to approximately \$2,127,985 (before costs) (**Rights Issue**), with a minimum subscription amount of \$1,500,000 (**Offer**).

The Offer opens on 15 August 2023 and closes at 5:00pm (AEST) on 30 August 2023 (unless it is lawfully extended). Valid acceptances must be received before that time.

Applications for New Shares by Eligible Shareholders can only be made by using or following the instructions on an Entitlement and Acceptance Form, as sent with this Offer Document. The Entitlement and Acceptance Form sets out the Eligible Shareholders' Entitlement to participate in the Offer.

Please read the instructions in this Offer Document and on the accompanying Entitlement and Acceptance Form.

This document is not a prospectus and does not contain all of the information that an investor may require in order to make an informed investment decision regarding the New Shares offered by this document.

The New Shares offered by this Offer Document should be considered as speculative.

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1. IMPORTANT INFORMATION

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Offer Document. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer.

1.1 This document is not a prospectus

This Offer Document is dated 4 August 2023, has been prepared by Identitii Limited and is for a rights issue of continuously quoted securities (as defined in the Corporations Act) of the Company. This Offer Document is not a prospectus under the Corporations Act and has not been lodged with the ASIC. It does not contain all of the information that an investor would find in a prospectus or which may be required in order to make an informed investment decision regarding, or about the rights attaching to, the Shares offered by this document.

This Offer Document including each of the documents attached to it and which form part of this Offer Document are important and should be read in their entirety prior to making an investment decision. In particular, Shareholders should refer to the risk factors set out in section 5 of this document. If you do not fully understand this Offer Document or are in any doubt as to how to deal with it, you should consult your professional adviser.

1.2 Section 708AA of the Corporations Act

This Offer Document has been prepared in accordance with section 708AA of the Corporations Act and applicable ASIC Corporations (Non-Traditional Rights Issue) Instrument 2016/84 (**ASIC Instrument 2016/84**). In general terms, section 708AA permits certain companies to undertake rights issues without being required to use or provide to shareholders a prospectus or other disclosure document. Accordingly, the level of disclosure in this Offer Document is significantly less than the level of disclosure required in, and what you would expect in, a prospectus. Eligible Shareholders should rely on their own knowledge of the Company, refer to disclosures made by the Company to ASX and consult their professional advisers before deciding to accept the Offer.

1.3 Eligibility

Applications for Shares by Eligible Shareholders can only be made on an original Entitlement and Acceptance Form, as sent with this Offer Document. The Entitlement and Acceptance Form sets out an Eligible Shareholder's Entitlement to participate in the Offer.

1.4 Overseas Shareholders

This Offer Document does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Offer Document.

The Offer is not being extended and Shares will not be issued to Shareholders with a registered address which is outside Australia and New Zealand. It is not practicable for the Company to comply with the securities laws of overseas jurisdictions (other than those mentioned above) having regard to the number of overseas Shareholders, the number and value of Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction.

United States Shareholders

This Offer does not constitute an offer in the United States of America, nor does it constitute an offer to a person who is a US Person or someone who is acting on behalf of a US Person.

The Shares have not been, and will not be, registered under the US Securities Act 1933 and may not be offered or sold in the United States of America, or to, or for the account or benefit of, US Persons (as defined in Rule 902 under the US Securities Act) except under an available exemption from registration under the US Securities Act. These Shares may only be resold or transferred if registered under the US Securities Act or pursuant to an exemption from registration under the US Securities Act and in compliance with state securities laws. The Company is under no obligation and has no intention to register the Shares in the United States of America.

Further detail in relation to foreign jurisdictions is set out in this Offer Document.

New Zealand Shareholders

The Offer is being made in New Zealand pursuant to the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021 (New Zealand).

Shareholders resident in Australia or New Zealand holding Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up an Entitlement under the Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

1.5 Notice to nominees and custodians

Shareholders resident in Australia or New Zealand holding Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up an Entitlement under the Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

1.6 Forward-looking statements

This Offer Document contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Offer Document, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of our Company, the Directors and our management.

We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained

in this Offer Document will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

We have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Offer Document, except where required by law.

These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 5 of this Offer Document.

1.7 Privacy Act

If you complete an Entitlement and Acceptance Form, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and uses that information to assess your application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Offer Document.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the Entitlement and Acceptance Form, the Company may not be able to accept or process your application.

2. CORPORATE DIRECTORY

Directors

Timothy Phillipps
(Independent Non-Executive
Chairperson)

John Rayment
(Managing Director/ Chief Executive
Officer)

Rhyll Gardner
(Independent Non-Executive Director)

Simon Griffin
(Independent Non-Executive Director)

Company Secretary

Elissa Hansen

Registered Office

The Commons
388 George Street
SYDNEY NSW 2000
Telephone: + 61 2 8806 0438

Email: info@identitii.com
Website: <https://identitii.com/>

ASX Code

ID8

Share Registry*

Boardroom Pty Limited
Level 8, 210 George Street
Sydney NSW 2000

Telephone: +61 2 9290 9600

Email:

corporateactions@boardroomlimited.com.au

Website: www.boardroomlimited.com.au

Legal Advisers

Steinepreis Paganin
Level 6, 99 William Street
Melbourne VIC 3000

Auditor*

RSM Australia Pty Ltd
Level 13, 60 Castlereagh Street
Sydney NSW 2000

*These parties have been included for information purposes only. They have not been involved in the preparation of this Offer Document.

3. DETAILS OF THE OFFER

3.1 The Offer

The Offer is being made as a non-renounceable entitlement offer of one (1) New Share for every one (1) Share held by Eligible Shareholders registered at the Record Date at an issue price of \$0.01 per Share. Fractional entitlements will be rounded up to the nearest whole number.

Based on the capital structure of the Company as set out in Section 3.6 of this Offer Document, a maximum of approximately 212,798,500 Shares will be issued pursuant to this Offer to raise up to approximately \$2,127,985.

As at the date of this Offer Document, the Company has 36,294,577 Options on issue all of which may be exercised prior to the Record Date in order to participate in the Offer. Please refer to section 3.6 of this Offer Document for information on the exercise price and expiry date of the Options on issue.

All of the Shares offered under this Offer Document will rank equally with the Shares on issue at the date of this Offer Document.

The Directors may at any time decide to withdraw this Offer Document and the offer of Shares made under this Offer Document in which case the Company will return all Application monies (without interest) within 28 days of giving such notice of withdrawal.

3.2 Use of Funds

Completion of the Offer will result in an increase in cash in hand of up to approximately \$2,127,985 (before the payment of costs associated with the Offer).

The Company intends to apply the funds raised under the Offer as follows:

Items of Expenditure	Minimum Subscription (\$1,500,000)	Full Subscription (\$2,127,985)	%
Ongoing marketing and contract negotiation of the AUSTRAC reporting solution, including new SMR functionality	338,348	480,000	23
Continued development of the Identitii platform, feature development for existing customers, plus new SMR functionality	631,749	896,235	42
Working capital ¹	500,650	710,250	33
Expenses of the Offer	29,253	41,500	2
Total	\$1,500,000	\$2,127,985	100%

Note:

1. Funds allocated to working capital will be used for administration expenses of the Company over the next 15 months, including administration fees and other administration and obligatory overheads.

If only the Minimum Subscription of \$1,500,000 is raised under the Offer, then the Company will reduce the amount of funds allocated to each of expenditure item as shown in the use of funds table above by the amount of the difference between the amount raised and the Minimum Subscription.

The above table is a statement of the Board's current intentions as at the date of this Offer Document. However, Shareholders should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including the outcome of operational and development activities, regulatory developments, market and general economic conditions and environmental factors. In light of this, the Board reserves the right to alter the way the funds are applied.

3.3 Indicative Timetable

Announcement of Offer and lodgement of Appendix 3B with ASX	31 July 2023
Lodgement of Cleansing Statement and Offer Document with ASX	4 August 2023
Ex date	9 August 2023
Record Date for determining Entitlements	10 August 2023
Offer Document despatched to Eligible Shareholders and Company announces despatch has been completed and Offer Opening Date	15 August 2023
Last day to extend the Closing Date	25 August 2023
Closing Date* as at 5:00pm	30 August 2023
Shares quoted on a deferred settlement basis	31 August 2023
ASX notified of under subscriptions	31 August 2023
Issue date / Shares entered into Shareholders' security holdings	5 September 2023
Quotation of Securities issued under the Offer	6 September 2023

* Subject to the ASX Listing Rules, the Directors reserve the right to extend the Closing Date for the Offer at their discretion. Should this occur, the extension will have a consequential effect on the anticipated date of issue for the New Shares.

** These dates are indicative only and are subject to change.

3.4 Entitlements and acceptance

Details of how to apply under the Offer are set out in Section 4 of this Offer Document.

The Entitlement of Eligible Shareholders to participate in the Offer will be determined on the Record Date. Your Entitlement is shown on the Entitlement and Acceptance form accompanying this Offer Document.

You can also apply for Additional Shares under the Shortfall Offer in addition to your Entitlement by following the instructions set out in Section 4. The Shortfall Offer is described in Section 4.5 below.

3.5 No rights trading

The rights to New Shares under the Offer are non-renounceable. Accordingly, there will be no trading of rights on the ASX and you may not dispose of your rights to subscribe for New Shares under the Offer to any other party. If you do not take up your Entitlement to New Shares under the Offer by the Closing Date, the Offer to you will lapse.

3.6 Capital structure

The effect of the Offer on the capital structure of the Company, assuming all Entitlements are accepted, is set out below.

Shares	Minimum Subscription (\$1,500,000)	Full Subscription (\$2,127,985)
Shares currently on issue	212,798,462	212,798,462
New Shares offered pursuant to the Offer ¹	150,000,000	212,798,462
Total Shares on issue after completion of the Offer¹	362,798,462	425,596,924

Notes:

- This number may vary due to rounding of Entitlements and may increase as a result of the rounding up of New Shares offered under the Offer.

Options

Options	Number
Options currently on issue:	
Quoted options exercisable on or before 29 December 2024	5,210,834
Unquoted exercisable at \$0.25 on or before 8 July 2024	2,000,000
Unquoted exercisable at \$0.24 on or before 20 January 2024	5,000,000
Unquoted exercisable at \$0.15 on or before 21 October 2025	10,000,000
Unquoted exercisable at various prices and various dates ¹	11,086,851
New Options offered pursuant to the Offer	Nil
Total Options on Issue	33,297,685

Notes:

- Comprising:
 - 8,191,988 Options exercisable at \$0.15 each on or before 1 January 2026;
 - 261,781 Options exercisable at \$0.15 each on or before 1 July 2026;
 - 150,000 Options exercisable at \$0.15 each on or before 7 January 2027;
 - 46,875 Options exercisable at \$0.15 each on or before 2 March 2027;
 - 150,000 Options exercisable at \$0.15 each on or before 14 March 2027;
 - 358,082 Options exercisable at \$0.75 each on or before 1 July 2028;
 - 1,350,000 Options exercisable at \$0.75 each on or before 6 July 2028; and

(h) 578,125 Options exercisable at \$0.75 each on or before 1 August 2028.

Performance Rights

Performance Rights	Number
Performance Rights currently on issue	3,800,000
New Shares offered pursuant to the Offer	Nil
Total Performance Rights on issue after completion of the Offer	3,800,000

The capital structure on a fully diluted basis as at the date of this Offer Document would be 252,893,039 Shares and on completion of the Offer (assuming all Entitlements are accepted and no Options are exercised prior to the Record Date) would be 465,691,501 Shares.

No Shares or Options on issue are subject to escrow restrictions, either voluntary or ASX imposed.

3.7 Dilution

Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 50% (as compared to their holdings and number of Shares on issue as at the date of this Offer Document).

Examples of how the dilution may impact Shareholders are set out in the table below:

Holder	Holding as at Record date	Approximate % at Record Date ¹	Entitlements under the Offer	Holdings if Offer not taken Up	Approximate % post Offer
Shareholder 1	10,000,000	4.70%	10,000,000	10,000,000	2.35%
Shareholder 2	5,000,000	2.35%	5,000,000	5,000,000	1.17%
Shareholder 3	1,500,000	0.70%	1,500,000	1,500,000	0.35%
Shareholder 4	400,000	0.19%	400,000	400,000	0.09%
Shareholder 5	50,000	0.02%	50,000	50,000	0.01%

Notes:

1. This is based on a share capital of 425,596,924 Shares at the date of this Offer Document.

3.8 Directors Interests and Participation

Each Director's relevant interest in the securities of the Company at the date of this Offer Document and their Entitlement is set out in the table below.

Director	Shares	Voting Power (%)	Entitlement	\$
John Rayment	2,385,912 ¹	1.12%	2,385,912	\$23,859.12
Timothy Phillipps	1,269,232	0.60%	1,269,232	\$12,692.32
Rhyll Gardner	nil	nil	nil	nil
Simon Griffin	nil	nil	nil	nil

Notes:

1. John Rayment holds 2,385,912 Shares through Elore Pty Ltd <Ramillies A/C> of which Mr Rayment is a director of the trustee and beneficiary of the Trust.

Each of Messrs John Rayment and Timothy Phillipps have agreed to take up their Entitlements in full.

3.9 Effect of the Offer on control and voting power in the Company

Based on publicly available information as at the date of this Offer Document, the Company does not have any substantial holders.

The potential effect that the issue of the Shares under the Offer will have on the control of the Company is as follows:

- (a) if all eligible shareholders take up their entitlements under the Offer, the issue of Shares under the Offer will have no effect on the control of the Company and all shareholders will hold the same percentage interest in the Company, subject only to changes resulting from ineligible shareholders being unable to participate in the Offer;
- (b) in the more likely event that there is a shortfall, eligible shareholders who do not subscribe for their full entitlement of Shares under the Offer and ineligible shareholders unable to participate in the Offer will be diluted relative to those shareholders who subscribe for some or all of their entitlement as shown by the table in section 3.7; and
- (c) in respect of any shortfall, eligible shareholders will be entitled to top-up their shareholding, by subscribing for additional shares to be issued from the shortfall pool (**Shortfall Offer**). However, the Company will only issue such Shares pursuant to an application received where the Directors are satisfied, in their discretion, that the issue of the Shares will not increase the applicant's voting power above 19.90%. Having regard to the number of Shares to be issued under the Offer, even if a substantial shortfall eventuated, a participant in the Shortfall Offer would not be in a position to exercise any substantive control in the Company.

3.10 Market Price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of release of this Offer Document and the respective dates of those sales were:

	(\$)	Date
Highest	\$0.040	9 May 2023
Lowest	\$0.017	1 August 2023
Last	\$0.018	4 August 2023

3.11 Opening and Closing Dates

The Offer opens on the Opening Date, being 15 August 2023, and closes on the Closing Date, being 5:00pm (AEST) on 30 August 2023 (or such other dates as the Directors in their discretion shall determine subject to the ASX Listing Rules). The Company will accept Entitlement and Acceptance Forms until the Closing Date or such other date as the Directors in their absolute discretion shall determine, subject to the ASX Listing Rules.

3.12 Issue and dispatch

Shares issued pursuant to the Offer will be issued in accordance with the ASX Listing Rules and the indicative timetable set out in Section 3.3 of this Offer Document. Shares issued pursuant to the Shortfall Offer will be issued on a progressive basis.

Pending the issue of the Shares or payment of refunds pursuant to this Offer Document, all Application monies will be held by the Registry in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest by completing and returning the Entitlement and Acceptance Form.

The expected dates for issue of New Shares offered by this Offer Document and dispatch of holding statements is expected to occur on the dates specified in the Timetable set out in Section 3.3 of this Offer Document.

It is the responsibility of Applicants to determine the allocation prior to trading in the New Shares. Applicants who sell New Shares before they receive their holding statements will do so at their own risk.

3.13 ASX listing

Application for official quotation by ASX of the New Shares offered pursuant to this Offer Document will be made.

The fact that ASX may grant official quotation to the New Shares is not to be taken in any way as an indication of the merits of the Company or the New Shares now offered for subscription.

3.14 CHESS

The Company is a participant in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank

account statement) that sets out the number of New Shares allotted to them under this Offer Document. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

3.15 Risk Factors

An investment in New Shares should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are specific risks associated with an investment in the Company which are non-exhaustive. Please refer to Section 5 of this Offer Document for further details.

3.16 Taxation implications

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of subscribing for New Shares under this Offer Document. The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders.

Shareholders should consult their professional tax adviser in connection with subscribing for New Shares under this Offer Document.

3.17 Continuous disclosure obligations

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX and, as such, the Company is subject to regular reporting and disclosure obligations under the Corporations Act and the Listing Rules.

Specifically, the Company is required to notify ASX of information about specific events and matters as they arise for the purposes of the ASX making that information available to the securities markets conducted by the ASX. In particular, the Company has an obligation under the ASX Listing Rules (subject to certain exceptions) to notify the ASX immediately of any information of which it is or becomes aware which a reasonable person would expect to have a material effect on the price of value of its securities.

This Offer Document is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include information that would be included in a disclosure document or which investors ought to have regard to in deciding whether to subscribe for Shares under the Offer. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

All announcements made by the Company are available from its website <https://identitii.com/> or the ASX www.asx.com.au.

Additionally, the Company is also required to prepare and lodge with ASIC yearly and half-yearly financial statements accompanied by a directors' statement and report, and an audit report or review. These reports are released to ASX and published on the Company's and the ASX websites.

This Offer Document (including the Entitlement & Acceptance Form) and the contracts that arise from acceptance of the Applications are governed by the laws applicable in Western Australia and each Applicant submits to the non-exclusive jurisdiction of the courts of Western Australia.

3.18 Enquiries concerning Offer Document

Enquiries relating to this Offer Document should be directed to the Company on +61 2 8806 0438.

4. ACTION REQUIRED BY SHAREHOLDERS

4.1 How to Accept the Offer

Your acceptance of the Offer must be made on the Entitlement and Acceptance Form accompanying this Offer Document. You may participate in the Offer as follows:

- (a) **if you wish to accept your Entitlement in full:**
 - (i) complete the Entitlement and Acceptance Form, filling in the details in the spaces provided; and
 - (ii) attach your cheque or arrange payment by BPAY® for the amount indicated on the Entitlement and Acceptance Form; or
- (b) **if you only wish to accept part of your Entitlement:**
 - (i) fill in the number of New Shares you wish to accept in the space provided on the Entitlement and Acceptance Form; and
 - (ii) attach your cheque or arrange payment by BPAY® for the appropriate Application monies (at \$0.01 per New Share); or
- (c) if you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

Your completed Entitlement and Acceptance Form and payment must reach the Registry no later than 5:00pm (AEST) on the Closing Date.

The Offer is non-renounceable. Accordingly, a holder of Shares may not sell or transfer all or part of their Entitlement.

4.2 Implications of an acceptance

Returning a completed Entitlement and Acceptance Form or paying any Application monies by BPAY® will be taken to constitute a representation by you that:

- (a) you have received a copy of this Offer Document and the accompanying Entitlement and Acceptance Form, and read them both in their entirety; and
- (b) you acknowledge that once the Entitlement and Acceptance Form is returned, or a BPAY® payment instruction is given in relation to any Application monies, the Application may not be varied or withdrawn except as required by law.

4.3 Payment by cheque/bank draft

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to "Identitii Limited" and crossed "Not Negotiable".

Your completed Entitlement and Acceptance Form and cheque must reach the Company's share registry at the address set out on the Entitlement and Acceptance Form by no later than 5:00pm AEST on the Closing Date.

4.4 Payment by BPAY®

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (a) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form; and
- (b) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your application monies.

It is your responsibility to ensure that your BPAY® payment is received by the share registry by no later than 2:00pm (AEST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment.

4.5 Minimum Subscription

The minimum subscription in respect of the Offer is \$1,500,000. No securities will be issued under the minimum subscription has been received. If the minimum subscription is not achieved within 4 months after the date of issue of this Offer Document, the Company will repay the Application monies to the Applicants.

4.6 Shortfall Offer

Any Entitlement not taken up pursuant to the Offer will form the Shortfall Offer.

The Shortfall Offer is a separate offer made pursuant to this Offer Document and will remain open for up to three months following the Closing Date. The issue price for each Share to be issued under the Shortfall Offer shall be \$0.01 being the price at which Shares have been offered under the Offer.

The Directors reserve the right to issue Shortfall Shares at their absolute discretion. Accordingly, do not apply for Shortfall Shares unless instructed to do so by the Directors.

5. RISK FACTORS

5.1 Introduction

The Shares offered under this Offer Document should be considered speculative because of the nature of the Company's business.

There are numerous risk factors involved with the Company's business. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of the Company and cannot be mitigated. Accordingly, an investment in the Company carries no guarantee with respect to the payment of dividends, return of capital or price at which securities will trade.

The following is a summary of the more material matters to be considered. However, this summary is not exhaustive and potential investors should examine the contents of this Offer Document in its entirety and consult their professional advisors before deciding whether to apply for the New Shares.

5.2 Company specific

Risk Category	Risk
Potential for dilution	<p>Upon implementation of the Offer, assuming all Entitlements are accepted, no other Shares are issued and no Options are exercised prior to the Record Date, the number of Shares in the Company will increase from 212,798,462 as at the Record Date to 425,596,924 Shares. This means that immediately after the Offer each Share will represent a lower proportion of the ownership of the Company.</p> <p>It is not possible to predict what the value of the Company, and a Share will be following the completion of the Offer being implemented and the Directors do not make any representation as to such matters.</p> <p>The last trading price of Shares on ASX prior to the Offer Document being lodged of \$0.018 is not a reliable indicator as to the potential trading price of Shares after implementation of the Offer.</p>
Additional requirements for capital	<p>The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.</p>
Going concern	<p>The Company's Annual Financial Report for the financial year ended 30 June 2022 (FY22) (Financial Report)</p>

Risk Category	Risk
	<p>includes a note on the financial condition of the Company. The Annual Report explains that:</p> <p>The statement of profit or loss and other comprehensive income for the year ended 30 June 2022 reflects a loss for the year of \$4,997,031 and total cash outflows from operating activities of \$6,014,695. The Directors believe that it is reasonably foreseeable that the Company will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after considering that the Company:</p> <ul style="list-style-type: none"> (a) has \$5,074,133 in cash and cash equivalents as at the balance date; (b) successfully raised \$7,403,986 in funding during the year ended 30 June 2022 and currently has placement capacity to issue securities (under ASX Listing Rules 7.1 and 7.1A) without the requirement for additional shareholder approval, in the event future funding is required; (c) has the ability to scale back a significant portion of its expenditure if required; and (d) continues to extend its customer base and has other potential customer engagements in the pipeline. <p>Consequently, the Directors have concluded there are reasonable grounds to believe that the Group will continue to be able to pay its debts as and when they become due and payable for a period of no less than 12 months from the date of signing this financial report and that the preparation of the 30 June 2022 Financial Report on a going concern basis is appropriate. If the Minimum Subscription is not raised under the Offer, the Company may need to consider its financial position.</p>
Competition	<p>The business of providing enterprise software for the financial services industry in order to solve challenges for international wire transfers is highly competitive and includes companies with significantly greater financial, technical, human, research and development and marketing resources than the Company. There is also currently significant interest in adopting blockchain technology for this purpose, including among banks, financial intermediaries, financial technology start-ups and others. The Company's competitors may discover and develop products in advance of the Company and/or products that are more effective than those developed by the Company. As a consequence, the Company's current and future technologies and products may become obsolete or uncompetitive resulting in adverse effects on revenue, margins and profitability.</p>
Failure to attract new customers	<p>The Company may fail to attract new customers for a number of reasons, such as the failure to meet customer expectations or requirements, poor customer service, pricing or competition. The Company's ability to retain</p>

Risk Category	Risk
	<p>and renew existing contracts and win new contracts may also be impacted by broader external factors, including a slowdown in economic activity, changes to law or changes to regulation. If the Company fails to retain its existing customers, attracts further business from those existing customers and attracts new customers, the Company's future operating and financial performance may be adversely affected and its reputation may be damaged.</p>
Product disruption	<p>The rapid pace of innovation and development within the industry, together with the high number of competitors means that there are no guarantees the Company's products will be effective or economic. There is a risk that any of the Company's competitors' products, services or offerings may render the Company's products, services or offerings obsolete or uncompetitive. In particular, the enterprise software market and financial services industry has been rapidly evolving, with both new entrants and established participants operating in specific areas of expertise.</p>
Business strategy risk	<p>The Company's future growth and financial performance is dependent on the Company's ability to successfully execute its business strategy. This will be impacted by a number of factors, including the Company's ability to expand through new channels and develop within Australian and international financial services markets for its current commercialised products and services; ability to successfully commercialise its current products and services and being able to provide these products and services; innovate and successfully commercialise new products that are appealing to customers; and comply with regulatory requirements (reflecting the sensitive regulatory nature or highly regulated environment in which the Company's customers operate their business).</p>
Inability to retain key staff	<p>The Company currently employs a number of key management personnel and the Company's future depends on retaining appropriately qualified and experienced personnel. The loss of any of these employee's services could materially and adversely affect the Company and may impede the achievement of its product development and commercialisation objectives. Furthermore, the successful development of the Company will require the services of additional appropriately qualified and experienced staff. There can be no assurance that the Company will be able to attract appropriately qualified and experienced additional staff and this may adversely affect the Company's prospects of success.</p>

5.3 Risks associated with the Company's intellectual property and trade secrets

Risk Category	Risk
<p>Dependence on technology rights and intellectual property</p>	<p>Obtaining and protecting intellectual property rights over all the technologies and products connected with the Company's products, services or offerings will be essential to commercialisation and realising its growth potential. The prospects of the Company's products, services and offerings generating a profit and increasing in value depend significantly on its ability to obtain interests in all relevant intellectual property, maintain trade secret protection and operating without infringing the proprietary rights of third parties. In this regard, the Company and its Directors offer no assurance that any intellectual property which it develops or acquires will afford the Company or the holder commercially significant protection of its products or technologies, or that any of the projects that may arise from technologies will have commercial applications the Company expects. However, no assurance can be given that any measures taken to protect its interests in intellectual property will be sufficient. There is a risk that as yet unknown third parties may assert intellectual property claims in relation to blockchain, including any of the technologies or services associated with the Company's blockchain based products, services or offerings. Irrespective of the merit of any rights or claims asserted by third parties, such claims may adversely affect the Company. There is also a risk that the Company's investment may be indirectly adversely affected if a third party claim or asserted right reduces confidence in the longer-run viability of the blockchain industry.</p>
<p>Patent risk</p>	<p>The Company's patent application has been granted. However, there is also no guarantee that the Company's patent will provide adequate protection for the intellectual property, or that third parties will not infringe or misappropriate its patents or any other rights. In addition, there can be no assurance that the Company will not have to pursue litigation against other parties to assert its rights.</p>
<p>Infringement of third party intellectual property rights</p>	<p>If a third party accuses the Company of infringing its intellectual property rights or if a third party commences litigation against the Company for the infringement of patent or other intellectual property rights, the Company may incur significant costs in defending such action, whether or not it ultimately prevails. Costs that the Company incurs in defending third party infringement actions would also include diversion of management's and technical personnel's time. In addition, parties making claims against the Company may be able to obtain injunctive or other equitable relief that could prevent the Company from further developing discoveries or commercialising its products and services. In the event of a successful claim of infringement against the Company, it may be required to pay damages and</p>

Risk Category	Risk
	obtain one (1) or more licences from the prevailing third party. If it is not able to obtain these licences at a reasonable cost, if at all, it could encounter delays in product and service delivery and loss of substantial resources while it attempts to develop alternative products and services. Defence of any lawsuit or failure to obtain any of these licences could prevent the Company from commercialising available products and services and could cause it to incur substantial expenditure.
Trade secret risks	The Company relies on its trade secrets, which include information relating to the development of its technology and integration with its customers. The protective measures that the Company employs may not provide adequate protection for its trade secrets. This could erode the Company's competitive advantage and materially harm its business. The Company cannot be certain that others will not independently develop the same or similar technologies on their own or gain access to trade secrets or disclose such technology, or that the Company will be able to meaningfully protect its trade secrets and unpatented know-how and keep them secret.

5.4 Key investment risks

Potential investors should be aware that subscribing for Shares in the Company involves a number of risks. Prospective investors should read this Offer Document in its entirety before deciding whether to apply for Shares under this Offer Document.

These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Shares pursuant to this Offer Document.

5.5 General Risks

Risk Category	Risk
Market conditions	<p>Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:</p> <ul style="list-style-type: none"> (a) general economic outlook; (b) introduction of tax reform or other new legislation; (c) interest rates and inflation rates; (d) changes in investor sentiment toward particular market sectors; (e) the demand for, and supply of, capital; and (f) terrorism or other hostilities. <p>The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and technology stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.</p> <p>In addition, the extent of the effects of COVID-19 is at this stage uncertain and continuing to evolve. The COVID-19 pandemic is having, and is expected to continue to have, a significant influence on the volatility of equity markets generally and may continue to impact and influence the value of the Company's quoted securities.</p>
Force Majeure Events	<p>Events may occur within or outside Australia that could impact upon the global and Australian economies, the operations of the Company and the price of the Shares. Such events include but are not limited to acts of terrorism, an outbreak of international hostilities, fires, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease or other natural or man-made events or occurrences that can have an adverse effect on the demand for the Company's services and its ability to conduct business. The Company will have only a limited ability to insure against some of these risks.</p>
Litigation risks	<p>The Company is exposed to possible litigation risks including intellectual property claims, contractual disputes, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation.</p>
Dividends	<p>Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of</p>

Risk Category	Risk
	dividends or franking credits attaching to dividends can be given by the Company.
Taxation	<p>The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All prospective investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally. To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for securities under this Offer Document.</p>
Government	Changes in government, monetary policies, taxation and other laws can have a significant influence on the outlook for companies and investor returns.
Climate Risk	<p>There are a number of climate-related factors that may affect the operations and proposed activities of the Company. The climate change risks particularly attributable to the Company include:</p> <ul style="list-style-type: none"> <li data-bbox="603 981 1394 1496">(a) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and <li data-bbox="603 1529 1394 1832">(b) climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.

Risk Category	Risk
Reliance on Key Personnel	The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.
General Economic Conditions or National Issues	<p>General economic conditions, laws relating to taxation, new legislation, trade barriers, movements in interest and inflation rates, currency exchange controls and rates, national and international political circumstances (including outbreaks in international hostilities, wars, terrorist acts, sabotage, subversive activities, security operations, labour unrest, civil disorder, and states of emergency), natural disasters (including fires, earthquakes and floods), and quarantine restrictions, epidemics and pandemics, may have an adverse effect on the Company's operations and financial performance, including the Company's exploration, development and production activities, as well as on its ability to fund those activities.</p> <p>General economic conditions may also affect the value of the Company and its market valuation regardless of its actual performance.</p> <p>Specifically, it should be noted that the current evolving conflict between Ukraine and Russia is impacting global macroeconomics and markets generally. The nature and extent of the effect of this conflict on the performance of the Company and the value of the Company's Shares remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by the conflict between Ukraine and Russia and overall impacts on global macroeconomics. Given the situation is continually evolving, the outcomes and consequences are inevitably uncertain.</p>

5.6 Investment Speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the securities offered under this Offer Document. Therefore, the securities to be issued pursuant to this Offer Document carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those securities.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for securities pursuant to this Offer Document.

6. DEFINED TERMS

\$ or A\$ means an Australian dollar.

Additional Shares means those New Shares not issued under the Offer.

AEST means Australian Eastern Standard Time as observed in Sydney, New South Wales.

Applicant refers to a person who submits an Entitlement and Acceptance Form, or submits a payment of subscription monies in respect of the Offer.

Application refers to the submission of an Entitlement and Acceptance Form or Shortfall Application Form (as the case may be).

ASX means ASX Limited (ACN 008 624 691) or, where the context permits, the Australian Securities Exchange operated by ASX Limited.

ASX Listing Rules means the Listing Rules of the ASX.

Closing Date means the closing date set out in Section 3.3 or such other date as may be determined by the Directors.

Company means Identitii Limited (ACN 603 107 044).

Corporations Act means the *Corporations Act 2001* (Cth).

Directors mean the directors of the Company.

Eligible Shareholder means a Shareholder whose details appear on the Company's register of Shareholders as at the Record Date whose registered address is in Australia or New Zealand.

Entitlement means the entitlement to subscribe for one (1) New Share for every one (1) Share held by an Eligible Shareholder on the Record Date.

Entitlement and Acceptance Form means the Entitlement and Acceptance Form accompanying this Offer Document.

New Share means a new Share proposed to be issued pursuant to this Offer.

Offer or Rights Issue means the pro rata non-renounceable offer of New Shares at an issue price of \$0.01 each on the basis of one (1) New Share for every one (1) Share held on the Record Date subscribed for pursuant to this Offer Document.

Offer Document means this Offer Document.

Opening Date means the opening date set out in Section 3.3 of this Offer Document.

Record Date means the record date set out in Section 3.3 of this Offer Document.

Section means a section of this Offer Document.

Share means an ordinary fully paid share in the capital of the Company.

Shareholder means a holder of Shares.

Shortfall means those Shares under the Offer not applied for by Shareholders under their Entitlement.

Shortfall Offer means as defined in Section 4.5 of this Offer Document.