

## Quarterly Activity Report and Appendix 4C for the period ending 31 March 2024

### Highlights

- New licence agreement signed with one of Australia's top ten banks
- New licence agreement signed with Australian International payments company
- Several other new commercial opportunities progressing
- All customers now using the Identitii SaaS platform
- Patent infringement case proceeding in line with expectations
- Customer receipts of \$474K, an increase of 393% compared to Q2 FY24
- Payments to suppliers & employees of \$1.35M, stable q/o/q

**30 April 2024** - [Identitii \(ASX:ID8\)](#) ('Identitii', 'the Company') (ASX:ID8) is pleased to release its Appendix 4C for the three months ending 31 March 2024 and provides an update on its progress during the period.

Commenting on the quarter, John Rayment, CEO of Identitii, said: "The Company is pleased to start 2024 with two new licence agreements, the first with one of Australia's top ten banks, and the second with an Australian international payments company. In addition, the Company also saw further commercial momentum during the quarter with another revenue-generating contract in late stages of negotiations, plus the submission of a bank tender in partnership with a global digital identity provider.

"In addition to commercial momentum, during the quarter the Board and Management teams reviewed 2023 in detail, and set plans to ensure the Company is well placed to deliver in 2024. I am proud to share the framework below and will use it to update



shareholders throughout the year. Identitii has made a solid start to the year, and I'm optimistic we can deliver strong revenue growth in the year ahead."

## What to Expect in 2024

### Strategic Planning Process

The following **four primary focus areas** form the framework, against which the Identitii team have set goals and initiatives for 2024, to deliver sustainable stakeholder value growth, through clear accountability.

#### 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:

Since the last quarterly update, the Company signed two licence agreements, each with a contract value of \$60,000 in annual recurring revenue. The first with one of Australia's top ten banks, and the second with an Australian international payments company.

Both companies will use the Identitii platform for data sharing use cases, including reporting to AUSTRAC. Importantly, the focus on payments companies has seen the sales cycle reduce to less than six months, from initial contact to signed agreement.

A proof-of-concept agreement also entered the negotiation phase with a payments company, to explore a data sharing use-case with their customers that include financial institutions, corporates and fintechs. This is a significant opportunity, expected to materially increase customer and revenue numbers, if successful.

A tender response was also submitted to another major Australian bank in partnership with a global digital identity provider. If successful, the tender win would solidify a partnership with the identity provider, meaning the Identitii platform could be cross sold to a large book of financial services businesses currently using their platform.

In addition to the above, to maintain commercial momentum the Company has shifted the sales team to a performance-based incentive scheme, self-funded out of new incoming revenue, focused on driving top-line revenue growth.



## 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.

### Why this is important:

Our platform inherently solves data sharing problems, as one part of the process to automate regulatory reporting. We have validated significantly more opportunities for growth in the data sharing space, and are positioning Identitii to capitalise on them.

The below graphic illustrates where and how the Identitii platform is superior to the range of alternatives commonly used to share data by the industry today. Our focus is to effectively communicate this unique value proposition to the market, to gain traction.

	 <b>Identitii</b>	 <b>Encrypted Emails</b>	 <b>Cloud File Storage</b>	 <b>Big Data Platforms</b>	 <b>Secure Analytics</b>
<b>Maintain control when data is shared</b>	✓	✗	✗	✗	⦿
<b>Control where data is stored</b>	✓	✗	✗	✓	✓
<b>Automated workflows</b>	✓	✗	✗	⦿	✗
<b>Collaborate with external parties</b>	✓	✗	⦿	⦿	⦿
<b>Expire data access</b>	✓	✗	✓	✓	✓
<b>Share fully or partially redacted data</b>	✓	⦿	⦿	✓	✗
<b>Send files</b>	✓	✓	✓	✗	✗
<b>Share data sets</b>	✓	✗	✗	✓	✓

✓ Yes   
 ⦿ Partially   
 ✗ No

### Progress made:

During the second quarter, Identitii announced a refresh of its brand and website, to position the Company as one that enables greater access to, and sharing of data.

Building on this, in the last quarter the team created product-focused sales and marketing collateral targeting product owners and managers, to attract these key decision-makers and connect them with our sales team to discuss potential use cases.



### **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 expanded the partnership with Amazon Web Services (AWS) which is widely used by the financial services industry. Aligning the Company to AWS has many future cost and revenue benefits, including the ability to fast-track new contracts from existing AWS customers.

Additionally, during the quarter Identitii also released public-facing API documents, exposing our technology to prospective customers, enabling them to integrate and experience our platform without needing a custom demo environment or sandbox.

### **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:

The contract supporting the bespoke Identitii platform developed for HSBC Australia was not renewed in 2024. During the quarter the Company decommissioned the project and archived necessary assets, reducing technology complexity and operational costs.

## **Financial Update**

### **Q3 FY24 cash flow update**

Net cash used in operating activities was \$877K for the quarter (Q3 FY23: \$948K). This is an improvement of 8% compared to the corresponding quarter in the previous financial year. During the quarter, cash receipts from customers were \$474K as a result of the receipt of annual licensing fees from customers (Q2 FY24: \$96K).



Payments to employees and suppliers for Q3 FY24 were \$1.35 million (Q2 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 salary.

The Company closed the quarter with a cash balance of \$1.1 million (Q2 FY 24: \$1.9 million), a decrease of \$0.8 million.

Ends

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

## About Identitii

Identitii powers the way organisations store, transmit and share sensitive data. Our platform has been designed to help organisations reduce the time and cost required to effectively and scalably manage their data compliance needs through collaborative workflows that connect internal teams, customers, partners and industry bodies while enhancing the protection of that data. We built this for the way data should be.

For more information visit: [www.identitii.com](http://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")**

31 March 2024

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	474	601
1.2 Payments for		
(a) research and development	(551)	(1,914)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(1)	(22)
(d) leased assets	-	-
(e) staff costs	(225)	(683)
(f) administration and corporate costs	(574)	(1,904)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	1,527
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(877)</b>	<b>(2,395)</b>
<b>2. Cash flows from investing activities</b>		
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 (9 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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>-</b>	<b>1,000</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
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	-	(38)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	(980)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>1,141</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	1,940	1,287
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(877)	(2,395)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	1,000

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	1,141
4.5	Effect of movement in exchange rates on cash held	13	43
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>1,076</b>	<b>1,076</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	1,076	1,940
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,076</b>	<b>1,940</b>

**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**

133

-

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

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

**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.*

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

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.

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (Item 1.9)	(877)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	1,076
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	1,076
8.5 <b>Estimated quarters of funding available (Item 8.4 divided by Item 8.1)</b>	1.23

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:

No. The Company does not believe that it will continue to have the current level of net operating cash flows in future quarters due to new signed revenue contracts as noted in the Quarterly Activities Report

If required, operating costs can be further reduced. Management will continue to closely monitor costs to determine whether there is a the need for this action to be taken.

- 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 is in the process of negotiating a debt facility against its FY24 R&D Tax Incentive and expect to close this out in Q4 FY24.

The Board of Directors are also considering additional non-dilutive equity funding.

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 following receipt of the R&D loan.

### 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 April 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.