



ASX:ID8

Identitii AGM | CEO Address

26 November 2024

[Identitii \(ASX:ID8\)](#) ('Identitii', 'the Company') (ASX:ID8) is pleased to share the CEO Address to be delivered at the Annual General Meeting commencing at 2:00pm AEDT today.

Good afternoon shareholders and friends, it is a pleasure to meet with you to reflect on the recent performance of the Company, share our challenges and the steps we're taking to address them, and relay our growing excitement for the future.

Let me begin by reflecting on some highlights from the past year

- After several years of preparation, in October 2023, we filed a claim for infringement of our United States patent against JPMorgan Chase (**JPMC**) in the United States District Court for the District of Delaware, externally funded by specialists in patent litigation, Curiam Capital LLC (New York). We are very proud of this milestone and believe we have a strong claim for patent infringement backed by an extensive catalogue of evidence.
- After we filed our claim, JPMC filed two petitions with the United States Patent and Trademark Office (**USPTO**) seeking to invalidate the Company's patent. These petitions typically pose significant risk to patent holders, with 68% of petitions to the USPTO¹ successful in invalidating patents in the year to 30 September 2024, so we were tremendously encouraged when the USPTO rejected both of JPMC's petitions. The significance of this milestone in the process should not be underestimated.
- Whilst I acknowledge there is more to do, we did see a 41% year-on-year improvement in our overall FY24 financial performance. We removed legacy platform components and improved operational efficiency to reduce ongoing costs by 31%. We also focused solely on recurring SaaS revenue, avoiding professional services income, which is costly to deliver and maintain, without the ability to resell. Customer revenue declined by 45% as a result, but we have enabled Identitii to achieve profitability much more quickly.
- Every year we undertake an external audit of our information security systems and processes, to maintain critical certifications that prove we can serve a highly regulated



industry. Impressively, our most recent audit returned a perfect score, with the auditor finding nothing about our information security systems and processes that require improvement. This is an extraordinary achievement and demonstrates that the foundations of the Company are very strong, so we can spend our time on growing it.

Let's address questions from shareholders we received ahead of today

Broadly speaking, we can summarise everything we received from shareholders into two topics, the rate of revenue growth and our claim for patent infringement.

1. What steps are being taken to expedite revenue growth?

Identitii is effecting change in an industry that moved US\$190 trillion² across borders last year, using technology ranging from the latest smartphone, to computers and messages designed when the industry migrated away from paper-based systems. The appetite for transformation is universally high, driven by consumers, companies and government regulators, yet the ability to deliver change remains an industry-wide challenge.

Honestly speaking, this year we're having so many positive discussions with prospective customers that are increasingly convinced in their own right, that our path is right. We have faced some challenges (outlined below) turning those positive conversations into revenue generating licence agreements. Pleasingly, by actively working to address those challenges this year, we have also seen other opportunities come into view.

- *"It's getting harder just to meet the minimum requirements to serve the industry"*

Criminals move faster than industry, exploiting vulnerabilities whilst everyone plays catch-up. The result is an increasing rate of regulatory change, covering privacy, AML/CTF, identity and systemic risk which does present opportunities for Identitii.

To address this challenge and meet required minimums, we must continue investing in information systems and processes, and prioritise internal work programs, often tailored to individual needs, to stay ahead of what our customer or prospect will ask.

- *"Our risk controls make it challenging for us to buy from early-stage companies"*

Targeting large local and global companies is a key aspect of our growth strategy, though the sales cycle takes many years. To address this challenge, we're building products and a business model to win deals in the months and years in between.

By building commercial partnerships with incumbent providers, we can both increase the number of commercial opportunities and reduce the sale cycle time. To enable this, we



are moving our software platform to bndry.net so prospective partners can access a level of self-service when compiling joint value propositions.

In addition to building partnerships, we're also looking at longer-term solutions to this challenge, exploring opportunities to acquire other software companies and accelerate profitability, via revenue growth from complementary customer groups and via cost savings from realising operational and back-office synergies.

- *"Identitii, you provide identity verification and know-your-customer (KYC) checks?"*

Often, the name given to the Company by our Founders confuses our target audience, complicating buying decisions when our prospective customers are pitching internally for budget or approval to buy our platform.

To address this challenge and increase sales conversions, we started the year by refreshing the Company branding and messaging, more recently renaming our software platform and have released a brand-new website bndry.net.

- *"What about the new Tranche-2 reforms, regulating 100,000 more businesses?"*

Reforms to the AML/CTF Act are expected to arrive in the first half of next year, where Australia's financial crime regulatory regime will be expanded to cover 100,000 more businesses including real estate agents and accounting and law firms.

To capitalise on this opportunity, we are testing prototypes of our platform with different industry groups, all motivated to beat the change deadlines. Whilst the changes are Australia-only, the requirements and therefore opportunities are global in nature.

2. What are the next steps in the patent infringement claim?

JPMC has filed a motion with the Delaware Court to dismiss our claim, and we continue to wait for the Court to rule on this. Unfortunately, there are no further updates on the claim, we're all waiting on the ruling from the Court. Furthermore, whilst we could examine previous patent infringement claims to try and establish what might likely happen after the Court rules on the motion to dismiss, ultimately it is at the Court's discretion.

To summarise the year and close my address

Notwithstanding the speed of our progress to-date, the scale of opportunities ahead of Identitii are incredibly exciting, and we are well-placed to capitalise on them.

Collecting and sharing sensitive information is becoming a real issue for thousands of companies in Australia, and almost every country around the world. We are already solving problems that are starting to appear in several global industries beyond financial services.



We have a great team of people, who have identified and, in several cases, already addressed impediments to mass adoption of our platform. And we have made real progress in the program to protect the Company's intellectual property.

As we reflect on last year, the evolution of the Company and the opportunities ahead, we acknowledge that today Ms Rhyll Gardner resigns her role as Non-Executive Director and Chair of the Audit and Risk Committee. I would like to take this opportunity to thank Rhyll for her contribution to Identitii and wish her the very best for the future.

I would also like to take this opportunity to thank our talented team, who continue to pour their heart and soul into the Company every single day. It takes a special person to be committed to a business that is consistently breaking down barriers to effect industry change, and we are very lucky to have a team full of them.

Finally, I would like to conclude by thanking you, our shareholders, for your continued support of our team and the Company. It is a privilege to lead Identitii, and as our evolution continues to gather momentum, the management team and I are excited about the future of our business.

Ends

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

About Identitii

Identitii's mission is to seamlessly connect the world's payment data. Current data sharing methods are manual and unstructured, exposing organisations to inefficiencies and elevated risk. Our platform is being used by more than 200 teams across the world, to structure and automate information sharing, improving the security and control of sensitive data as it moves within and between payments organisations. We fundamentally believe that the future of digital commerce will be enabled by greater access to, and sharing of, payments data within and across the boundaries of geography, residency and technology.

For more information visit: www.identitii.com

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



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2. <https://www.bvnk.com/blog/b2b-cross-border-payments-fxc-intelligence>

