



Know Your Transaction

Q4 FY21 Quarterly Investor Update

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5 August 2021



Agenda

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



Our vision

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



The market for RegTech solutions is growing

Global spending on RegTech will reach **US\$130B** by 2025¹

Major market drivers:

- Government regulatory enforcement
- Increasing financial crime
- New industry players
- Accelerated digital adoption
- Increased intelligence sharing

US\$287B¹

The amount regulated entities currently spend meeting compliance and regulatory obligations



What problem do we solve?

The information needed to process and report financial transactions is often incomplete, inaccurate or even missing, holding up payments and increasing the risk of non-compliance

The industry symptoms:

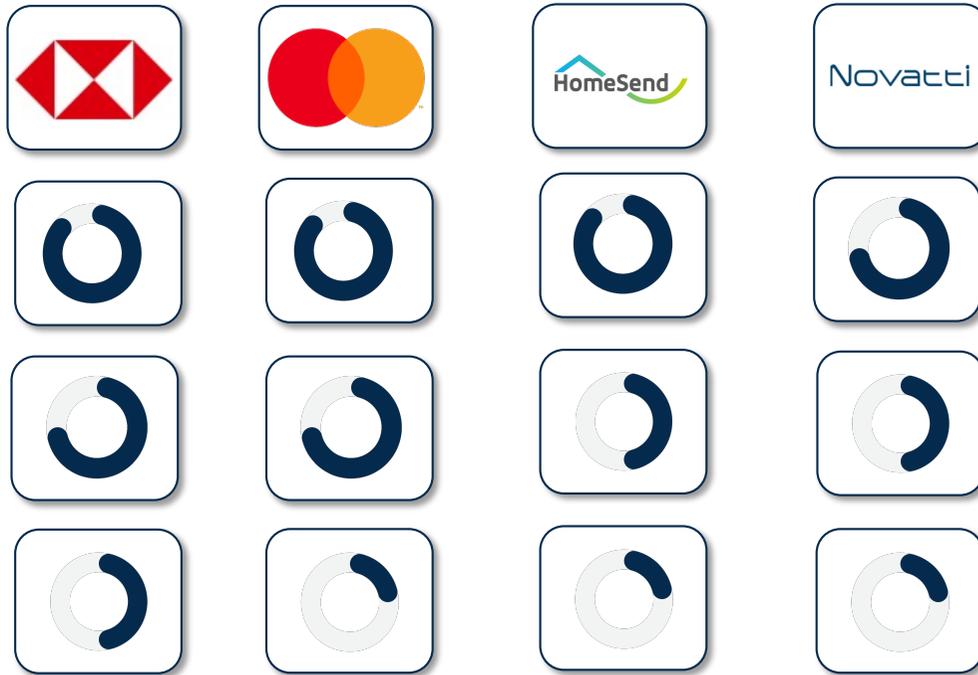
- Compliance requires significant amounts of information for every transaction
- The information sits in multiple legacy systems and is hard to find
- Manual processes increase risk of human error and cost of compliance
- Manual information sharing with regulators and counterparties is unsecure
- Different information is needed for each country regulator

78%

of firms expect they will need to collect more information for regulatory compliance, than they do today²



Our focus on customers, to-date



Focus to-date:

Large volume reporting entities:

- Global banks
- Australian banks

+ New (SaaS):

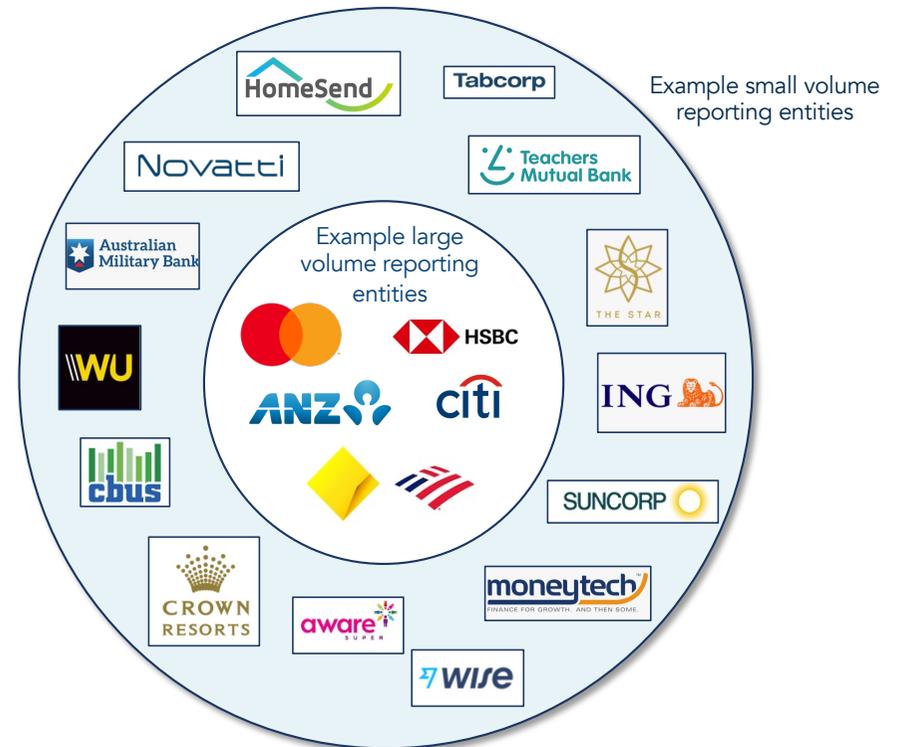
Small volume reporting entities:

- Credit Unions
- Money Remitters
- Super Funds
- Insurance Funds
- Casinos

How does Software-as-a-Service (SaaS) help Identitii?

SaaS customers sign a software agreement and commence using the Overlay+ platform almost immediately

- Delivers a new additional revenue stream
- Speeds customer acquisition
- Greatly expands customer base to include:
 - Smaller financial institutions
 - Non-bank regulated entities including Casinos, Money Transfer Businesses and Super Funds
- Enables rapid onboarding
- Significantly expands Total Addressable Market



What is 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.

Our growth strategy

Deliver	Land	Expand	Innovate	Monetise
Focus on the basics, and service existing clients in HSBC, Mastercard and HomeSend	Leverage AUSTRAC's public discussion of regulatory non-compliance to drive sales of Reporting	Grow reporting deals to include Request use-cases (correspondent bank and remediation) once contracts agreed	Continuously improve core Overlay+ platform through ongoing innovation and product updates	Monetise other previous technology investments, which no longer fit our core RegTech strategy



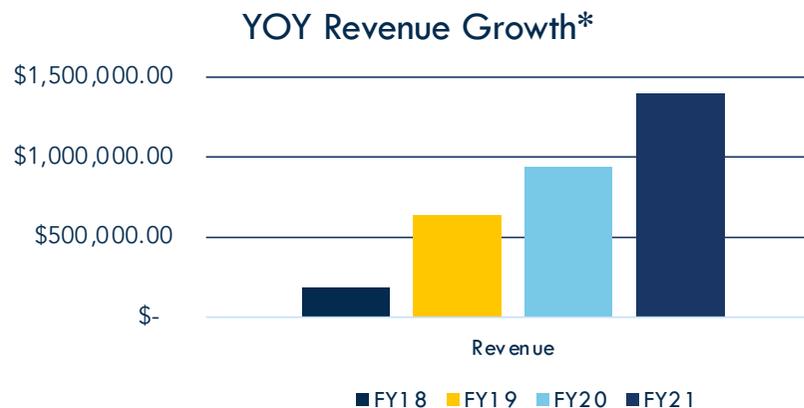
Performance against our growth strategy

	Deliver	Land	Expand	Innovate	Monetise
Q1 - Q3	<ul style="list-style-type: none"> ✓ Investec Former Head of Payments joins as CCO ✓ Raised \$5.9million ✓ Mastercard and HomeSend implementations 	<ul style="list-style-type: none"> ✓ Mastercard and HomeSend join customer list ✓ Won Citi 2020 Mega FinTech Accelerator ✓ Named 'One to Watch' by Regulation Asia 	<ul style="list-style-type: none"> ✓ Won Sibos Pitch Perfect Competition ✓ Revenue from customers totalled \$1.3M 	<ul style="list-style-type: none"> ✓ Granted patent approval in the United States ✓ ISO 27001 certification granted 	<ul style="list-style-type: none"> ✓ Launched Payble, to fix late and failed payments before they happen ✓ Payble received seed investment from CommBank's x15Ventures
Q4	<ul style="list-style-type: none"> ✓ First customer goes live with Request ✓ First customer goes live using Overlay+ to report to AUSTRAC ✓ Full-year customer receipts up 28%   	<ul style="list-style-type: none"> ✓ Novatti signs 3 year licence for Overlay+ to further strengthen AUSTRAC reporting ✓ Named in Deloitte's Asia Pacific Technology Fast 500   	<ul style="list-style-type: none"> ✓ HSBC renews original contract for another 3 years ✓ Deloitte and ASIC veteran joins the Board    	<ul style="list-style-type: none"> ✓ Overlay+ SaaS development commences and first customer announced ✓ IFTI-DRA functionality developed and first customer announced  	<ul style="list-style-type: none"> ✓ Payble receives additional \$1M from x15ventures ✓ Payble signs first energy retail customer ✓ Payble attracts top talent from BPay 



Q4 FY21 financial results

- Cash receipts from customers were down \$0.3M from the previous quarter, due to reduced professional services fees following successful go-live of two customer implementations
- Full year receipts from customers of \$1.4M was up \$0.3M and 28% on last year
- Cash outflows for Identitii were \$2.0M, up \$0.2M and 8% on the previous quarter, due to headcount increases in preparation for future committed works.



* FY21 figures are unaudited

634%

Growth in
revenue from
customers over
four years
(FY18-FY21)

Questions?



References

1. Juniper Research, '[RegTech: Market Opportunities, Challenges and Forecasts 2021-2025](#)'
2. 2021 Thomson Reuters [Cost of Compliance Report](#)



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