



Appendix 4E Preliminary Final Report

For the Year Ended 30 June 2023

The following information must be given to ASX under listing rule 4.3A.

Name of entity: Identitii Ltd
ABN: 83 603 107 044

1. Reporting Period

Year ended (reporting period) 30 June 2023
Year ended (previous reporting period) 30 June 2022

2. Results for Announcement to the Market

		30 June 2023 \$	30 June 2022 \$	% change to prior year	
2.1	Revenue from ordinary activities	1,363,063	1,457,627	down	6%
2.2	Loss after tax attributable to members	(5,997,504)	(4,883,962)	up	23%
2.4 Dividends		Amount per security		Franked amount per security	
Final dividend		Nil		N/A	
Interim dividend		Nil		N/A	
2.5 Record date for determining entitlements to the dividends		N/A			



2.6 Brief explanation of any of the figures reported above to enable the figures to be understood:

Revenue from ordinary activities decreased by 6% to \$1,363,063, primarily due to a change in sales focus. During the financial year the Company implemented its One Platform rationalisation strategy to reduce legacy technology complexity that is holding back growth. The Company consolidated multiple software products, projects, and platforms, to one single Software as a Service (SaaS) platform hosted by a single cloud services provider. As a result of this, legacy contracts have been terminated, leading to a decline in revenues whilst uptake of the new platform increases.

The Group's loss after tax attributable to members increased by \$1,113,542 or 23% to \$5,997,504, primarily due to:

- A \$94,564 (6%) decrease in revenue from ordinary activities for the financial year;
- A \$1,860,064 gain on loss of control of subsidiary recognised as one-off income in the prior financial year; and
- A \$641,136 (7%) decrease in operating expenses for the financial year as a result of a company-wise cost reduction program implemented during the year.



3. Consolidated Statement of Profit or Loss and Other Comprehensive Income

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR YEAR ENDED 30 JUNE 2023

	2023	2022
	\$	\$
Revenue from contracts with customers	1,363,063	1,457,627
Research and development tax incentive	1,490,084	1,190,700
Government grants	36,303	43,284
Interest income	21,114	498
Gain on loss of control of subsidiary	-	1,860,064
Total revenue and other income	2,910,564	4,552,173
Salaries and employee benefit expense	(2,179,630)	(3,109,750)
Share-based payments	(405,977)	(541,737)
Consultants' fees	(564,062)	(707,506)
Advertising and marketing	(148,983)	(296,876)
Depreciation and amortisation	(13,875)	(99,254)
General expenses	(738,465)	(797,291)
Interest expense	(52,694)	(67)
Legal expenses	(163,532)	(290,293)
Office expenses	(537,878)	(495,521)
Travel and accommodation	(191,926)	(153,208)
Short-term lease payments	(55,449)	(55,721)
Reversal of impairment on trade receivables	749	1,825
Research and development expenses	(3,425,480)	(2,736,559)
Share of equity-accounted investee loss	(430,866)	(567,433)
Total expenses	(8,908,068)	(9,549,204)
Loss before income tax	(5,997,504)	(4,997,031)
Income tax expense	-	-
Loss for the year	(5,997,504)	(4,997,031)
Other comprehensive income		
<i>Items that will be reclassified subsequently to profit or loss:</i>		
Exchange differences on translating foreign operations	(19,528)	(73,375)
Total comprehensive loss for the year	(6,017,032)	(5,070,406)



**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR YEAR ENDED 30 JUNE 2023 (CONTINUED)**

Loss for the year attributable to:

Owners of Identitii Limited	(5,997,504)	(4,833,962)
Non-controlling interests	-	(163,069)
	<u>(5,997,504)</u>	<u>(4,997,031)</u>

Comprehensive loss for the year attributable to:

Owners of Identitii Limited	(6,017,032)	(4,907,337)
Non-controlling interests	-	(163,069)
	<u>(6,017,032)</u>	<u>(5,070,406)</u>

Basic loss per share (cents)	(2.91)	(2.64)
Diluted loss per share (cents)	(2.91)	(2.64)

4. Consolidated Statement of Financial Position

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	2023	2022
	\$	\$
Assets		
Cash and cash equivalents	1,287,005	5,074,133
Research and development tax incentive receivable	1,490,084	1,193,963
Trade receivables	17,049	264,302
Other receivables	194,659	248,088
Contract assets	-	120,250
Loans to equity-accounted investees	-	120,000
Total Current Assets	2,988,797	7,020,736
Property, plant, and equipment	49,860	88,052
Investment in equity-accounted investees	1,392,307	903,154
Loans to equity-accounted investees	-	779,144
Other non-current assets	27,170	27,170
Total Non-Current Assets	1,469,337	1,797,520
Total Assets	4,458,134	8,818,256
Liabilities		
Trade and other payables	583,029	644,317
Employee liabilities and provisions	251,820	481,633
Contract liabilities	318,379	259,712
Borrowings	980,000	-
Total Current Liabilities	2,133,228	1,385,662
Total Liabilities	2,133,228	1,385,662
Net Assets	2,324,906	7,432,594
Equity		
Share capital	33,438,200	32,934,833
Share options reserve	4,306,491	3,900,514
Foreign currency translation reserve	(19,886)	(358)
Retained losses	(35,399,899)	(29,402,395)
Total equity	2,324,906	7,432,594

5. Consolidated Statement of Cash Flows

CONSOLIDATED STATEMENT OF CASH FLOWS FOR YEAR ENDED 30 JUNE 2023

	2023	2022
	\$	\$
Cash flows from operating activities		
Receipts from customers	1,847,455	1,464,792
Payments to suppliers and employees	(8,218,360)	(8,425,325)
Cash flows utilised in operations	(6,370,905)	(6,960,533)
Receipt from government grants and tax incentives	1,240,015	945,340
Interest received	987	498
Interest paid	(73,823)	-
Net cash used in operating activities	(5,203,726)	(6,014,695)
Cash flows from investing activities		
Payments to acquire property, plant and equipment	-	(65,335)
Proceeds from disposal of property, plant and equipment	-	2,309
Cash flows from loans to equity-accounted investees	12,386	70,000
Loss of control of subsidiary	-	(547,253)
Other investing cash flows	-	(27,170)
Net cash provided by/(used in) investing activities	12,386	(567,449)
Cash flows from financing activities		
Proceeds from the issue of shares	416,868	7,403,986
Transaction costs related to the issue of shares	(36,109)	(327,813)
Proceeds from borrowings	980,000	-
Lease payments	-	(13,039)
Transaction costs related to borrowings and leases	-	(67)
Net cash provided by financing activities	1,360,759	7,063,067
Net (decrease)/increase in cash held	(3,830,581)	480,923
Cash and cash equivalents at beginning of financial year	5,074,133	4,489,311
Effects of foreign currency exchange	43,453	103,899
Cash and cash equivalents at end of financial year	1,287,005	5,074,133

6. Consolidated Statement of Changes in Equity

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED 30 JUNE 2023

	Share capital	Share option reserve	FCTR	Retained losses	Other reserves	Total	Non-controlling interest	Total equity
	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2021	25,775,278	4,517,002	73,017	(26,414,781)	688,123	4,638,639	363,485	5,002,124
Loss after tax	-	-	-	(4,833,962)	-	(4,833,962)	(163,069)	(4,997,031)
Other comprehensive income	-	-	(73,375)	-	-	(73,375)	-	(73,375)
Total comprehensive loss	-	-	(73,375)	(4,833,962)	-	(4,907,337)	(163,069)	(5,070,406)
Transactions with equity holders in their capacity as owners.								
Loss of control of subsidiary	-	-	-	688,123	(688,123)	-	(200,416)	(200,416)
Issue of ordinary share capital	7,761,986	-	-	-	-	7,761,986	-	7,761,986
Costs of equity raising	(602,431)	-	-	-	-	(602,431)	-	(602,431)
Equity-settled share-based payments	-	541,737	-	-	-	541,737	-	541,737
Transfer share-based payments to retained earnings	-	(1,158,225)	-	1,158,225	-	-	-	-
Balance at 30 June 2022	32,934,833	3,900,514	(358)	(29,402,395)	-	7,432,594	-	7,432,594



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED 30 JUNE 2023 (CONTINUED)

	Share capital	Share option reserve	FCTR	Retained losses	Other reserves	Total	Non-controlling interest	Total equity
	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2022	32,934,833	3,900,514	(358)	(29,402,395)	-	7,432,594	-	7,432,594
Loss for the year	-	-	-	(5,997,504)	-	(5,997,504)	-	(5,997,504)
Other comprehensive income	-	-	(19,528)	-	-	(19,528)	-	(19,528)
Total comprehensive income (loss) for the year	-	-	(19,528)	(5,997,504)	-	(6,017,032)	-	(6,017,032)
Transactions with equity holders in their capacity as owners.								
Issue of ordinary share capital	541,976	-	-	-	-	541,976	-	541,976
Costs of equity raising	(38,609)	-	-	-	-	(38,609)	-	(38,609)
Equity-settled share-based payments	-	405,977	-	-	-	405,977	-	405,977
Balance at 30 June 2023	33,438,200	4,306,491	(19,886)	(35,399,899)	-	2,324,906	-	2,324,906

7. Dividends (in the case of a trust, distributions)

Date dividend is payable

N/A

⁺Record date to determine entitlements to the dividend

N/A

If it is a final dividend, has it been declared?

N/A

Amount per security

	Amount per security	Franked amount per security at 30% tax (see note 4)	Amount per security of foreign source dividend
Final dividend: Current year	NIL	N/A	N/A
Interim dividend: Current year	NIL	N/A	N/A

Total dividend (distribution) per security (interim plus final)

	Current period	Previous Period
Ordinary securities	N/A	N/A
Preference securities	N/A	N/A

8. Dividend or distribution plans in operation

N/A

The last date(s) for receipt of election notices for the ⁺dividend or distribution plans

N/A

9. Net tangible assets per security

	Current Period 2023	Prior Period 2022
Net tangible asset backing per ordinary share	\$0.01	\$0.03

10. Control gained or lost over entities

No gain or loss of control over any entities occurred in the reporting period.

11. Details of associates and joint venture entities

Name	Principal place of business	Ownership Interest	
		30 June 2023	30 June 2022
Payble Pty Ltd	Australia	33%	44%

12. Significant information

Any other significant information needed by an investor to make an informed assessment of the entity's financial performance and financial position:

Please refer to section 2.6 above for information on the Group's financial performance.

13. Foreign entities set of accounting standards used in compiling the report (IAS)

The Company is not a foreign entity. Australian Accounting Standards have been applied consistently across all entities in the Group.

14. Commentary on the results for the period

14.1 Earnings per security (EPS)

	Current Period 2023 (cents)	Prior Period 2022 (cents)
Basic and diluted loss per share	2.91	2.64

14.2 Returns to shareholders (Including distributions and buy backs)

	Current Period 2022 \$	Current Period 2021 \$
Ordinary securities	-	-
Preference securities	-	-
Other equity instruments	-	-
Total	-	-

14.3 Significant features of operating performance

Please refer to section 2.6 above for information on the Group's financial performance.

14.4 Segment information

An operating segment is a component of the Group:

- that engages in business activities from which it may earn revenues and incur expenses (including revenue and expenses relating to transactions with the Group's other components); and
- whose operating results are reviewed regularly by the Group's chief operating decision maker for the purpose of making decisions about allocating resources to the segment and assessing its performance.

The Group currently has one reportable segment, which develops and licenses software for regulated entities. The revenues and losses generated by the Group's operating segment and segment assets are summarised below:

	Software Development and Licensing	
	2023 \$	2022 \$
Sales to external customers	1,363,063	1,457,627
Other revenue and income	1,526,387	3,094,048
Total segment revenue and income	2,889,450	4,551,675
<i>Unallocated revenue:</i>		
Interest revenue	21,114	498
Total revenue and other income	2,910,564	4,552,173
 EBITDA	 (5,952,049)	 (4,898,208)
Depreciation and amortisation	(13,875)	(99,254)
Interest revenue	21,114	498
Interest expense	(52,694)	(67)
Loss before income tax	(5,997,504)	(4,997,031)
Income tax expense	-	-
Loss for the period	(5,997,504)	(4,997,031)

	Software Development and Licensing	
	2023	2022
	\$	\$
Segment assets	4,458,134	8,818,256
Segment liabilities	2,133,228	1,385,662

Geographic information

The Group's main operations and place of business is in Australia.

<i>Revenue from contracts with customers</i>	30 June 2023	30 June 2022
	\$	\$
Asia	292,493	561,660
Australia	623,988	443,765
United States of America	446,582	452,202
	1,363,063	1,457,627

Revenue is based on the location of the customer.

<i>Location of non-current assets</i>	30 June 2023	30 June 2022
	\$	\$
Australia	1,469,337	1,797,520
	1,469,337	1,797,520

14.5 Report on trends in performance

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Please refer to section 2.6 above for information on the Group's revenue and expense trends.

Statement of Financial Position

As at 30 June 2023 Identitii's Net Assets decreased to \$2,324,906 (2022: \$7,432,594). The decrease was largely due to:

- A decrease in the closing cash position to \$1,287,005 (2022: \$5,074,133). See detailed commentary below on the movements in cash for the financial year.
- An increase of \$980,000 in borrowings (2022: Nil) as a result of the Company taking out a loan during the financial year as described below. The loan matures on 31 October 2023 and will be repaid using the R&DTI refund.

Consolidated Statement of Cash Flows

- Net cash used in operating activities decreased to \$5,203,726 (2022: \$6,014,695). This was primarily as a result an increase in the Research and Development Tax Incentive ("R&DTI") refund received during the year of \$294,675, combined with an increase in receipts from customers of \$382,663. Payments to suppliers and employees also decreased by \$206,965 as a result of cost-saving measures implemented across the business during the financial year.
- Net cash provided by investing activities for the year was \$12,386 (2022: net cash used in investing activities of \$567,449). In the previous year there were outflows of \$547,253 recognised upon loss of control of the subsidiary, Payble.
- Net cash provided by financing activities decreased to \$1,360,759 (2022: \$7,063,067), due to a reduction in capital raises during the financial year. The Company had a primary strategy of obtaining non-dilutive working capital during the current financial year and obtained a loan of \$980,000 from Mitchell Asset Management.

14.6 Report any factors which have affected the results during the reporting period or which are likely to affect results in the future, including those where the effect could not be quantified.

N/A



15. Compliance statement

This report is based on accounts to which one of the following applies.

(Tick one)

The accounts have been audited.

The accounts have been subject to review.



The accounts are in the process of being audited or subject to review.

The accounts have not yet been audited or reviewed.

16. If the accounts have not yet been audited or subject to audit review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification:

The report is based upon the accounts which are in the process of being audited.

17. If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification:

N/A

Compliance statement

The information provided in this report has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*. It also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

A handwritten signature in black ink, appearing to read "JR", with a stylized flourish at the end.

John Rayment
Chief Executive Officer

31 August 2023
Sydney



This announcement has been authorised for release to ASX by the Board.

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: investorhub.identitii.com

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About Identitii

Identitii Limited is helping regulated entities reduce their exposure to regulatory risk, without replacing existing technology systems. Founded in 2014 and headquartered in Sydney, Australia, Identitii is listed on the Australian Securities Exchange (ASX:ID8).

For more information visit: www.identitii.com