

KNOW YOUR TRANSACTION



# Identitii (ASX:ID8) Investor Presentation

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CEO

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October 2021

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## THE GLOBAL PROBLEM

“A significant proportion of the technology supporting cross-border payment systems **remains on legacy platforms** built when paper-based payment processes were first migrated to electronic systems<sup>1</sup>”.

Bank of England

June 2021

# Reporting financial transactions to regulators is a *highly manual process*, using people, spreadsheets and emails

**1** Identitii transforms unstructured and incomplete financial information into *one single view of all transactions*



**ONE SINGLE VIEW**  
OF ALL TRANSACTIONS



**2** Then automates the processing and submission of complete and *accurate reports to regulators*



**COMPLETE REPORT**  
TO REGULATORS



[Company introduction video](#)



Trusted by our growing customer list

**citi**

HomeSend

**HSBC**

mastercard

Novatti

standard chartered

# Legacy technology makes complying with regulations *very difficult*

Fines from global regulators for compliance and reporting failures *rose 27% in 2020*, and will continue to grow for the foreseeable future<sup>1</sup>

## 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

## FINANCIAL REVIEW

### Commonwealth Bank settles AUSTRAC case for \$700m

Jun 4, 2018



### Westpac to pay \$1.3bn fine over AUSTRAC breaches

Sep 24, 2020

## FINANCIAL REVIEW

### More AUSTRAC bumper fines on the way, PwC warns

Mar 2, 2021



### Crown, Star risk steep fines as AUSTRAC swoops ...

Jun 8, 2021

## 2020 regulatory fines:



**US \$10.6B**

globally across the industry<sup>2</sup>



**AU \$1.3B**

from AUSTRAC in 2020 alone<sup>3</sup>



**US \$5.2B**

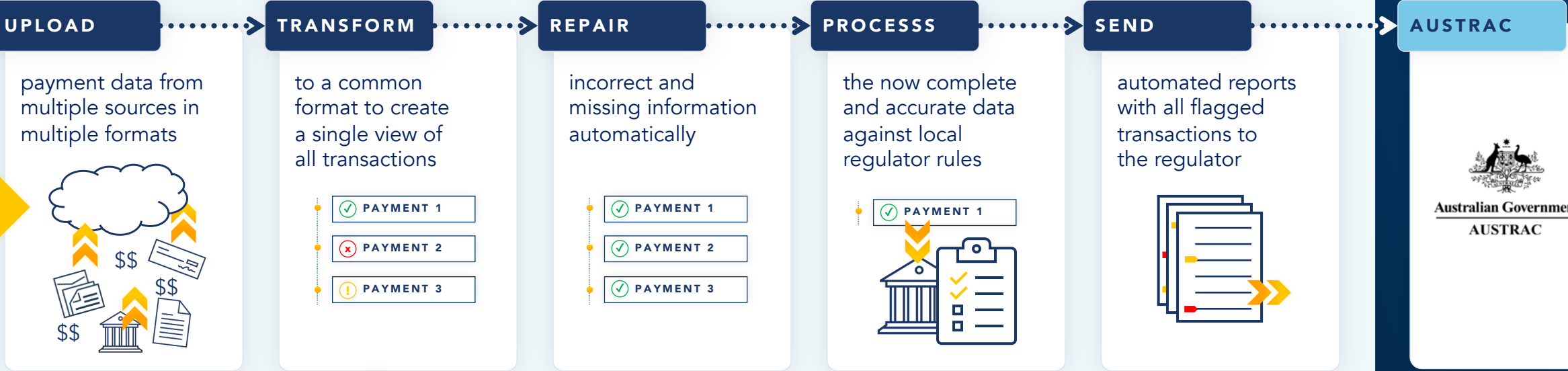
fine in APAC, up from US \$6.6M<sup>2</sup>

# Identitii works with ageing legacy technology, to *submit complete and accurate reporting to regulators*

- 1. Our cloud-hosted platform uploads disparate payment data
- 2. Automates the repair of missing or incomplete information
- 3. Builds a complete and auditable view of all transactions
- 4. Reports accurately to regulators

● ● ● REAL-TIME DASHBOARD VIEW OF ALL TRANSACTIONS, REPORTS AND EXCEPTIONS

∞ identitii



⚙️ Software-as-a-Service (SaaS) ISO 27001 information security certified



# \$323 million addressable market opportunity for Identitii

In the Australia, New Zealand and Canada reporting markets

Money laundering laws, and therefore potential revenue opportunities, exist in 200 countries. In 46 of these, 5.4m businesses are regulated across 30+ industry sectors.



Country	Regulated Entities <sup>4</sup>	Total Addressable <sup>5</sup>
Australia	15,400	A\$133m
New Zealand	9,900	A\$50m
Canada	60,500	A\$140m
USA	223,300	
UK	71,500	
Ireland	31,171	
South Africa	116,720	
Hong Kong	8,360	
Singapore	8,250	

Focus now

Expansion Markets

# Diverse go-to-market strategy, focused on direct and indirect sales channels, and acquiring payments industry expertise

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Large enterprise sales opportunities will increase, following several global early-adopter customers, further expedited by focus on multiple engagement points, with additional SaaS revenue generating linear income



## Hiring payments industry experts

Sales, product and technology people who understand the problem and the buying cycle



## Direct focus on enterprise clients

Sales and marketing to global and local banks, their problem owners and their budget holders



## SaaS to capture non-enterprise

Large number of smaller non-bank clients increase revenue and cash flow predictability



## Partnerships to grow distribution

Complimentary sales and marketing with firms like Deloitte, PwC and Ashurst Risk Advisory



## Highly active with industry bodies

Memberships and sponsorship engagements with RegTech Association, ACAMS and more



## Leverage fintech challenge wins

Technology recognised by SWIFT, Mastercard, Citi, Deloitte, Accenture, KPMG, Regulation Asia

# Our enterprise and SaaS pipelines are growing



Overcoming the long lead-times associated with enterprise sales, by adding a parallel SaaS focus

## Twin-track growth focus:



### Enterprise, large transaction-volume reporting entities:

- Global banks
- Australian banks



### SaaS, smaller transaction-volume reporting entities:

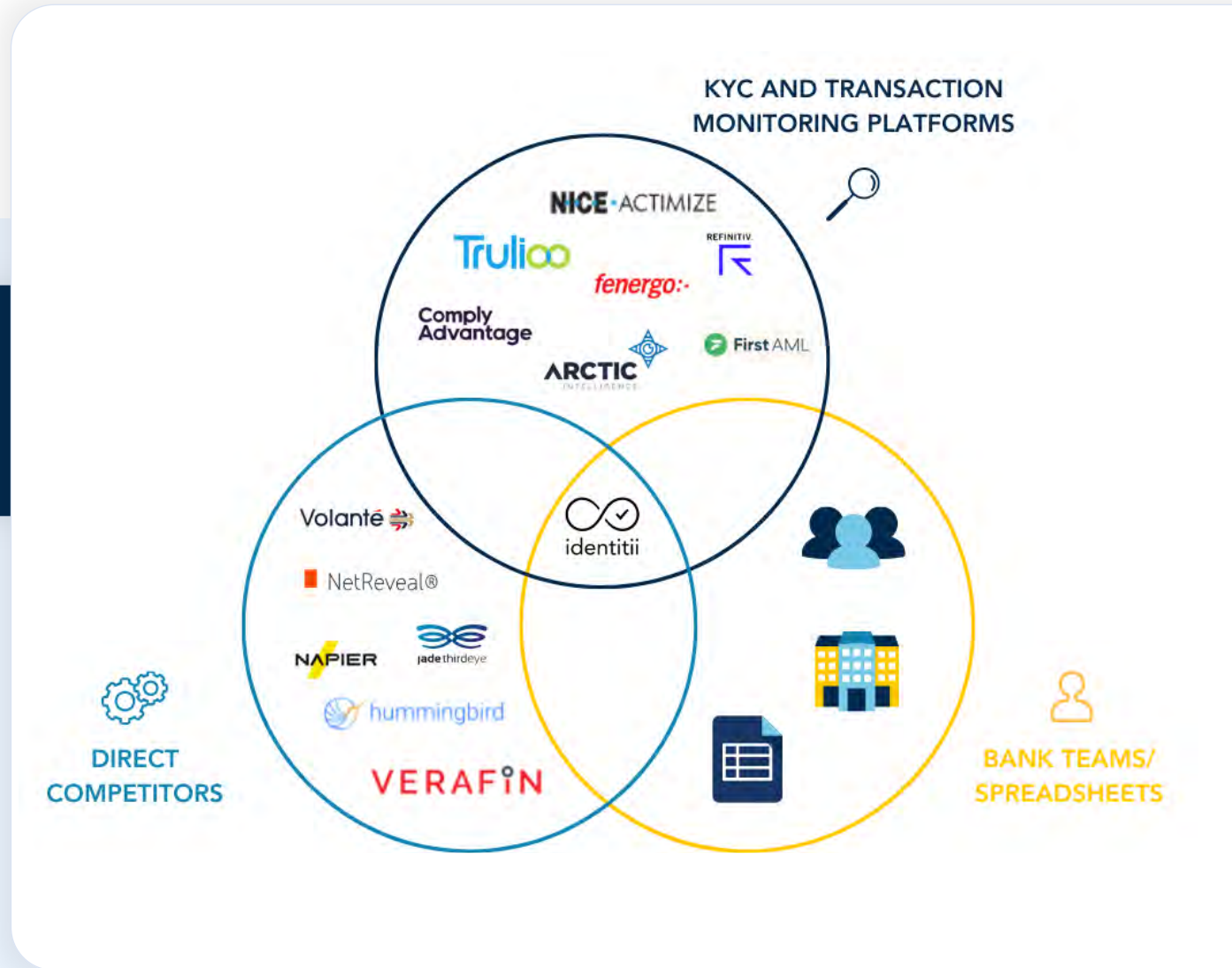
- Credit Unions
- Money Remitters
- Super Funds
- Insurance Funds
- Casinos



# Uniquely placed across the competitive landscape

Identitii sits at the intersection of financial crime compliance solutions and internal teams working with legacy technologies

We are uniquely focused on enhancing technology already in-use and reducing manual processes – to automate the preparation and submission of financial transaction reports to AUSTRAC and other country regulators.



# Identitii's concept of a globally connected ecosystem *granted US patent*

**uspto**

Granted in 2021, recognising a globally connected ecosystem for:

- rich, tokenised payments information,
- accessible via enterprise blockchain,
- universally compatible with legacy networks such as SWIFT and ACH,
- and new networks such as RippleNet and Mastercard Cross-Border Services.

**WILSON SONSINI**

Identitii is progressing an IP strategy written with leading United States IP law firm Wilson Sonsini looking at avenues to:

- commercialise the patent,
- including direct partnerships,
- indirect licensing,
- and the potential for enforcement, including infringement litigation.



Identitii has patent applications live in several other key global markets:

- is progressing the filing of continuation claims,
- to continue to expand the scope of the original patent, as technology,
- regulatory frameworks,
- market demand evolves around the world.

# A phased land-and-expand *growth strategy*

Growing customer numbers and selling multiple products, as we work towards longer-term vision of deploying our US patent

LATER

NEXT

NOW

## LAND >

READY NOW

### Regulatory reporting:

- Growing fines from regulators are forcing the industry to invest in technology solutions
- Leverage this regulatory pressure to grow customers
- **A\$323m addressable market<sup>5</sup>**

## EXPAND >

READY NOW

### SWIFT message migration:

- 10bn<sup>6</sup> payment messages must be migrated to the new global ISO 20022 standard by 2025
- 11,500+<sup>6</sup> banks globally must undertake this migration
- **> US\$1b addressable market<sup>5</sup>**

## CONNECT >

### Global information network:

- Deploy our US patent, to connect all our customers via private enterprise blockchain
- Interconnecting both old and new payment systems
- Tokenising rich payment data

# Payble™ *Joint venture with* x15 ventures



Helping businesses recoup the cost of late or failed bill payments

15%<sup>2</sup> of bills issued to consumers in Australia **are paid late, or not at all**, costing businesses half a billion dollars per year

Payble's mobile app leverages the new Consumer Data Right to **pre-validate availability of consumer funds**

Where funds are not available, Payble uses intelligent messaging to **offer payment solutions, including credit**

**500m**

The number of bills sent to Aussie consumers each year<sup>2</sup>

**\$0.5b**

The amount Aussie businesses spend chasing bills<sup>3</sup>

**75m**

The number not paid on time<sup>3</sup>

## KEY EARLY-STATS:



Founded by Identitii, to monetise prior investment in Loot UK



\$1 million invested by CommBank for a 26.7% stake<sup>1</sup>



First energy retail customer signed contract in 2021



Still pre-revenue, should generate value for Identitii in FY22

1. On a fully diluted basis, Identitii retains a 51.3% stake on a similar basis
2. Calculation: each Australian aged 18+ receiving 2 bills p/month
3. Data supplied by two Australian telcos

# Our board



**John Rayment**  
CEO & MANAGING DIRECTOR

John has held financial services board and executive roles in Australia, Japan, the United States and the United Kingdom, and has significant industry contacts and experience. An enterprise sales specialist, he has helped scale small start-ups, and transformed large global companies. John is also Non Executive Director of the Payble joint venture with x15ventures.



**Steve James**  
CHAIR

Steve has held senior leadership and Board positions at multiple public and private organisations, including the Commonwealth Bank of Australia, CommSec, Aston Consulting, Motorcycling Australia and Seer Asset Management. He also played a pivotal role in developing the first online stockbroking business for financial planners, which was later sold to CommSec.



**Tim Phillips**  
NON-EXECUTIVE DIRECTOR

Tim is a FinCrime and RegTech expert with 45 years of experience. He has held Global and Asia-Pacific roles in FinCrime compliance and analytics at Deloitte, and was Director of Enforcement for ASIC. Because of this experience, Tim recognises the opportunity for Identitii to help regulated entities and law enforcement in FinCrime prevention.

# Our management team



**Joe Higginson**  
**CHIEF COMMERCIAL  
OFFICER**

A wealth of experience implementing payments technology and innovation into the banking industry, holding strategic positions at Investec Bank UK, Western Union and Travelex.



**Trent Jerome**  
**CHIEF FINANCIAL  
OFFICER**

Experienced CFO who has held finance and operational leadership roles at organisations including AAPT, Ingogo and Evolt.



**Ben Buckingham**  
**CHIEF INNOVATION  
OFFICER**

Strong background in driving customer growth at McKinsey and Company and as a banking and finance lawyer.



**Gus Garcia**  
**CHIEF TECHNOLOGY  
OFFICER**

Ex-Global Head of Architecture for Travelex, where he oversaw hundreds of complex technology systems.



**Clare Rhodes**  
**HEAD OF SALES AND  
MARKETING**

FinTech marketing veteran with experience across APAC, the UK and US and proven track record supporting rapidly scaling global businesses.



**Patrick Vu**  
**HEAD OF PRODUCT  
AND ONBOARDING**

Payments expert with 20 years experience designing, building and implementing complex payments and FX solutions for financial services businesses around the world.

# Why invest in *Identitii* (ASX:ID8)



## Significant market opportunity

Growing pressure from regulators globally, driving investment in better transaction reporting and legacy technology upgrades



## Validated product market fit

Platform already in use with several global financial institutions, with more coming



## Defined go-to-market strategy

Leveraging existing clients, partnerships and SaaS offering to accelerate revenue growth



## Expert team assembled

Strong commercial, payments, technology and risk expertise across the board and executive team to execute the growth strategy



## US patent granted

Investing to expand patent scope, cover further global markets, and generate significant value



## Joint venture with CommBank

Simultaneously commercialising Payble together with x15ventures, to generate additional value

# Corporate overview

## Capital Structure

ASX	ID8
Date listed	19 October 2018
Share price *	\$0.18
Ordinary share on issue	152.6m
Market capitalization *	\$27.374m
Unlisted options	35.4m
Pro forma cash 30 <sup>th</sup> June 2021	\$4.5m

## Share Register Composition

1. KTM Ventures Innovation Fund	4.9%
2. Citicorp Nominees	3.3%
3. HSBC Custody Nominees	2.8%
4. Link Traders Pty Ltd	2.0%
5. Wodi Wodi Pty Ltd	2.0%
Top 20	32.4%
Shareholders	2,279



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# Thank you

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# References

**COMPANY VIDEO URL:** [https://www.youtube.com/watch?v=mt\\_5M1Es7F4](https://www.youtube.com/watch?v=mt_5M1Es7F4)

1. <https://www.bankofengland.co.uk/payment-and-settlement/cross-border-payments>
2. <https://www.fenergo.com/press-releases/global-financial-institution-fines-for-aml-data-privacy-and-mifid-rise-26-in-2020/>
3. <https://www.austrac.gov.au/lists-enforcement-actions-taken>
4. [https://www.fatf-gafi.org/publications/mutualevaluations/?hf=10&b=0&s=desc\(fatf\\_releasedate\)](https://www.fatf-gafi.org/publications/mutualevaluations/?hf=10&b=0&s=desc(fatf_releasedate))
5. Total addressable market calculated (see also right) using reporting entity data from FATF (4.) and Swift (6.) and Identitii's pricing table at <https://identitii.com/pricing/>
6. <https://www.swift.com/about-us/discover-swift/fin-traffic-figures/swift-fin-traffic-document-centre>

**Total Addressable Market** represents opportunity on the basis that 100% of reporting entities in each market use Identitii's platform. This is calculated by taking the total reporting entities in each market (sourced from 4. and 6. left) segmenting them into the tiers on Identitii's pricing table (see 5. left) and multiplying out potential total addressable market.