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Investor Presentation

October 2018



Know Your Transaction

Identitii Ltd
ASX: ID8

Identitii enables banks and corporate customers to move beyond Know Your Customer, to have more trust in each and every transaction

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Identitii (ASX : ID8)

- Australian FinTech founded in 2014
- Identitii has developed a proprietary platform enabling the secure overlay of transaction level detail on top of financial messages. It's platform, Overlay+ is powered by a private blockchain and makes it possible for banks and corporates to securely share verified information about a transaction in real-time
- All research conducted and software developed by in-house engineers with one patent pending
- Publicly listed on the Australian Securities Exchange (ASX:ID8) in October 2018
- A\$11.0 million raised will support the Expenditure Program to achieve key technical and strategic milestones
- Contract with a tier one bank customer, HSBC, since 2017

The industry challenge

Legacy infrastructure makes it hard for financial institutions to keep pace with regulatory changes and adapt to demands from corporate customers

Growing regulatory pressure

- To support the increased regulatory requirements around payments, banks must increasingly share more information internally and with counterparties
- This includes purpose of payment (Know Your Transaction), Know Your Customer and account information

Changing demands from corporate customers

- In an increasingly 'just-in-time' world, corporate customers demand faster and more reliable transactions, more closely integrated into their own enterprise systems
- They also require more contextual information to improve the end-to-end customer experience

Current technology infrastructure limits the contextual information that can be shared, resulting in delays and manual handling of sensitive documents and requiring requests for information to be processed, often multiple times. These payment reconciliations and investigations, complicated by lack of information, cost the industry up to US\$120 million daily¹

1. A survey of seven banks conducted by Identitii in 2016 as part of the SWIFT POC

Legacy technology restrictions

Combined, 11,000² banks in the SWIFT network send around 25 million² financial messages each day

Legacy technology limits the amount of information that can accompany a message

Up to 8%³ of messages are held up as there isn't enough information to reconcile them

Each delayed message costs US\$50³ to fix

Processing delayed messages currently requires manual investigation, repeat requests for information and documents to be sent over unsecure email

This introduces time delays and risk, and results in a negative customer experience

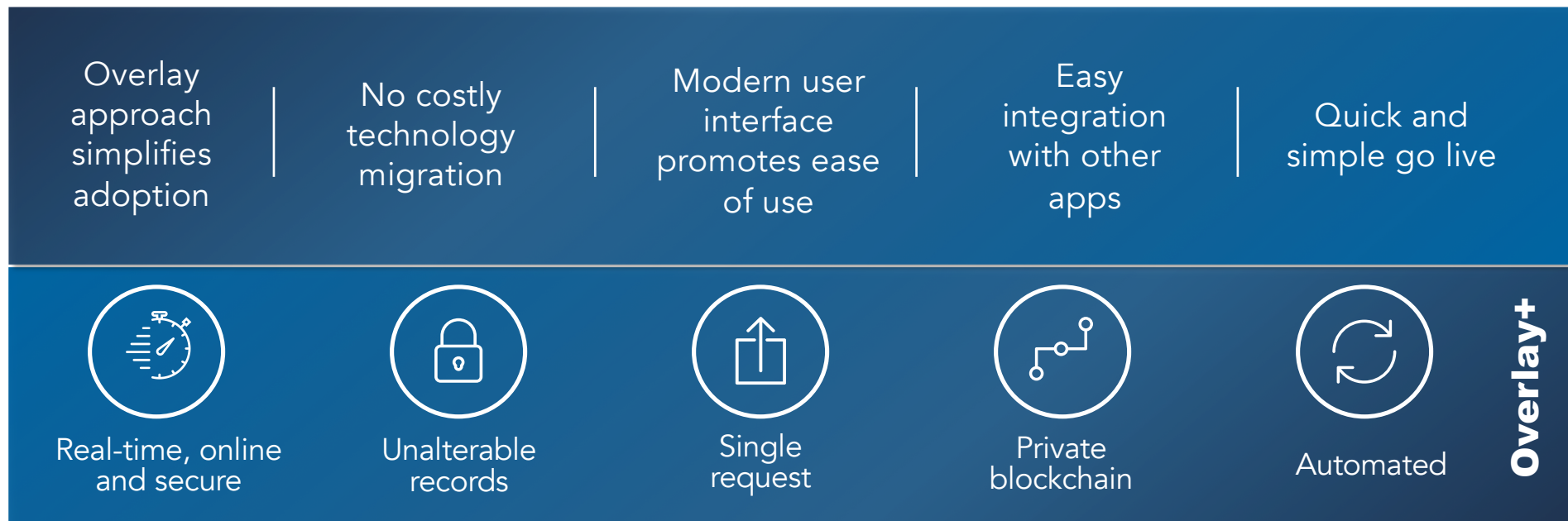
2. www.swift.com

3. Data from Identitii proof of concept with SWIFT in 2016

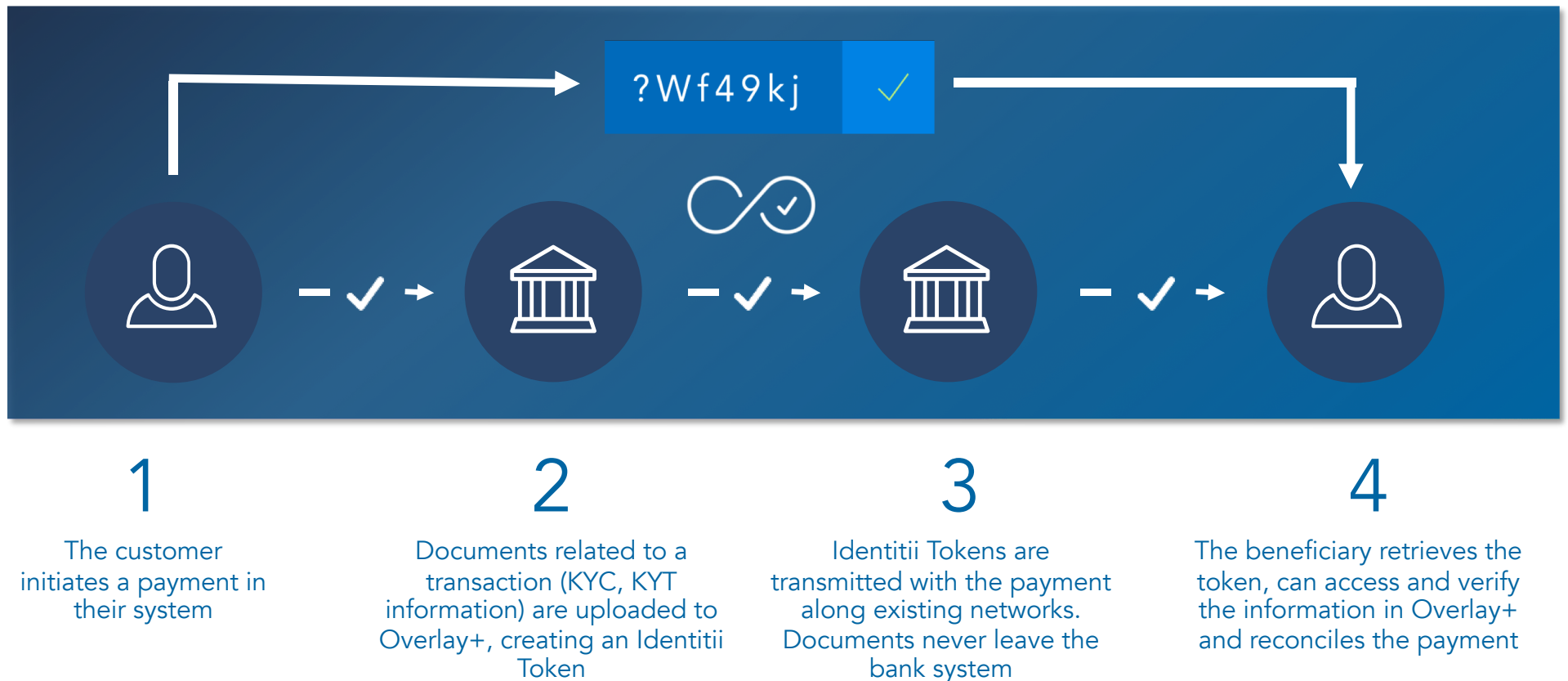
Identitii's overlay approach

OVERLAY+

Identitii uses innovative technology – a private blockchain and tokenisation – to **overlay** existing and emerging payment networks with **rich information**. This **overlay** approach leverages the **established** global membership of and **trust** in these networks, whilst solving their inherent limitations.

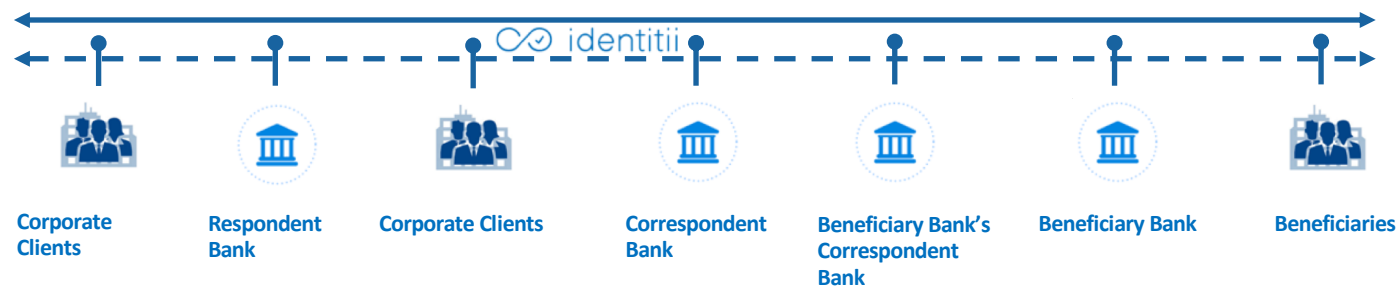


Enhancing existing and emerging infrastructure **OVERLAY+**



Three implementation scenarios

Identitii's Overlay+ platform can be used to enrich payments transacted either within a bank, between banks or between banks and their corporate customers. This enables them to securely share documents and information between each participant in a transaction, reducing manual processing and minimising risk and delays to processing of payments.



Why implement Overlay+

Overlay+ helps banks and corporates

- Comply with Know Your Customer and Anti-Money Laundering regulations
- Minimise repeat requests for information from customers
- Reduce manual investigations, payment rejections and false positives
- Keep more accurate records
- Maintain auditability and data integrity
- Create trusted, unalterable transaction records
- Simplify sanctions checks

Whilst leveraging investments in existing systems and networks

Leading to

- Robust regulatory compliance
- Improved cost efficiency
- Improved customer experience
- Opportunity for increased revenue

Our customers

BANKS AND CORPORATES

Our target buyers are responsible for:

Payments

Financial crime compliance

Transaction banking

Trade finance

Treasury and cash management

Accounts receivable

Innovation and digital

Corporate treasury

The market opportunity

11,000+

SWIFT member financial institutions globally⁴



Simple implementation approach attracts banks looking to avoid costly technology migrations



Open Banking⁵ makes building technology to integrate with internal bank systems easier



US \$321 billion⁷ in sanctions and anti-money laundering fines in the past 10 years

US \$2 TRILLION

Predicted global payments revenue by 2020⁶



Blockchain is a proven solution for banks' transparency and auditability requirements

4. www.swift.com, based on SWIFT member figures

5. Open Banking refers to the opening of internal bank data and processes to external parties via digital channels. These might be customers, trusted partners or authorised third parties acting on behalf of customers. <https://www.pwc.com/au/banking-capital-markets/banking-matters/demystifying-open-banking.html>

6. McKinsey Global Payments Report 2017:

<https://www.mckinsey.com/industries/financial-services/our-insights/global-payments-2017-amid-rapid-change-an-upward-trajectory>

7. Boston Consulting Group: <https://www.reuters.com/article/us-banks-fines/banks-paid-321-billion-in-fines-since-financial-crisis-bcq-idUSKBN1692Y2>

Identitii go-to-market strategy

- Client account management and scale based discounting to drive organic growth with existing customers
- Engage new customers via relationships, marketing and sales
- Maximise indirect opportunities via a strong partnership program
- Establish advisory board and client councils to engage new customers and support product roadmap decisions
- Drive brand awareness at industry events and conferences
- Structured proof of value to quickly engage prospects

Partners expand our reach

The Identitii partner program is a global network of best-in class partners

PARTNER TYPES:



Why and how we partner

Enterprise software companies realise around 70% of their revenue from indirect sales⁸

BluePrism

- 100% partner based sales model
- Strong financial services customer base including top ten banks
- Joint sales and marketing partnership

SWIFT

- 11,000 financial institutions in its network
- Completed POC which led to Identitii's first customer
- Ongoing marketing activities that target SWIFT member banks include Sibos⁹, SWIFT's annual conference which attracts over 6,000 bankers each year

Microsoft One Commercial Partner

- Opens up joint marketing and sales opportunities with Microsoft globally
- Added benefits of scaling existing customers onto the cloud
- Microsoft Outlook integration launched in October 2018

If existing partners introduce us to 10% of their client base, we have a very strong pipeline for growth

8. Accenture "Improving the ROI of Indirect Channel Incentives," 2015: <https://accentu.re/2Sxm4lX>

9. Sibos 2018: www.sibos.com

Five pillar pricing strategy

IDENTITII HAS ESTABLISHED FIVE REVENUE STREAMS

80% of revenue will come from license, usage and support fees



Professional services
One-off charge



Ongoing support and maintenance
Ongoing revenue, percentage of the license fee



Usage charges
Recurring, per transaction fee for each Identitii Token



Software License
Monthly or annual recurring revenue



Site Licences
Recurring revenue from new modules of Overlay+

Customer pipeline

Identitii has a strong global pipeline of banks and corporates

+

Expand existing HSBC relationship into new geographies

+

Between 30 - 40 open opportunities in the pipeline at any one time

+

Currently three opportunities are at an advanced stage (close / contract negotiation)

+

Sales opportunities can take between 6-24 months from qualify to customer on-boarding

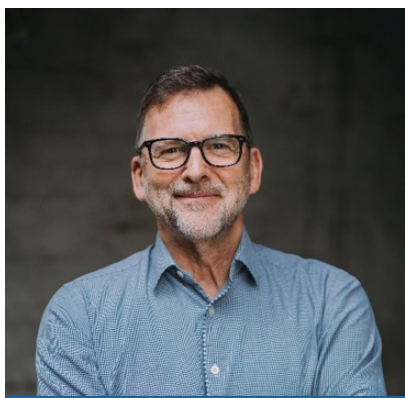
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Current opportunities are focused in APAC and Africa

Company timeline

Angel	Seed Investment	Pre-Series A	Proof of Value	Proof of Value	Serra Debut	Production deployment
November 2014	November 2015	June 2016	November 2016	March 2017	September 2017	March 2018
Sparro established.	Sparro pivots to using tokens to solve transaction banking problems. Sparro launches Proof of Concept One.	identitii launches Proof of Concept Two.	identitii launches Proof of Value with SWIFT.	identitii successfully concludes Proof of Value with SWIFT.	identitii debuts Serra at Finnovate Fall New York.	identitii completes production deployment with Tier 1 Bank
Concept Development	Product Development	Proof of Concept	Product			
Pre-Seed Investment	Rebranding	Global Fintech Emerging Star	Pilot	Peer Choice Award	Microsoft Partnership	
September 2015	March 2016	October 2016	February 2017	June 2017	October 2017	
Sparro completes Accenture Fintech Innovation Lab.	Sparro rebranded to identitii.	identitii recognised as 2016 KPMG Global Fintech 100 – Emerging Star.	identitii initiates pilot on transaction documentation module.	identitii wins Peer Choice Award at Citi Tech for Integrity Challenge.	identitii launches distribution and integration partnership with Microsoft at Sibos 2017.	

Global commercial and technical expertise



Michael Aston
Independent
Non-Executive Chairman



Martin Rogers
Non-Executive
Director



Nicholas Armstrong
Executive Director
CEO

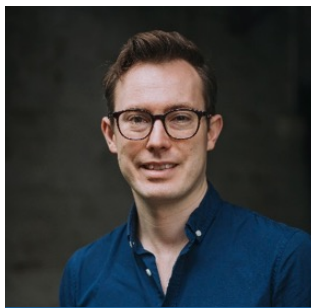


Peter Lloyd
Independent
Non-Executive Director

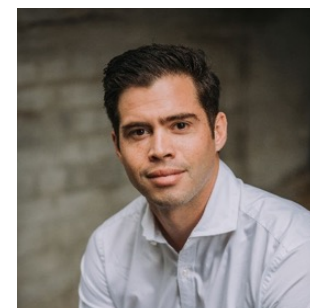
Key management



Margarita Claringbold
Chief Financial Officer



James Andrew-Smith
Chief Information Officer



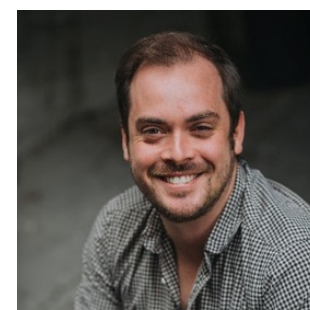
Ben Buckingham
Chief Operating Officer



Mark Garvie
Chief Commercial Officer



Clare Rhodes
Chief Marketing Officer



Elliott Shepherd
Chief Technology Officer

Capital structure and shareholders

Capital structure¹⁰

ASX code	ID8
Fully diluted capitalisation	A\$48.5m
Ordinary shares on issue	54.5m
Unlisted options	10.2m
Price of offer	A\$0.75 per share
Pro forma cash at 31 Dec 2017	A\$12.0m
Debt	A\$0.4m
Enterprise value	A\$39m

Substantial shareholders

Existing owners	73.1%
New shareholders	26.9%

10. Figures correct at IPO on 17 October 2018.

Key takeaways



Large addressable market

Combined, the 11,000+ institutions in the SWIFT network send more than 25m financial messages each day



Existing Tier One Customer

HSBC in production since 2017



\$15 million¹¹

Demonstrated potential for annual savings per institution using Identitii software



Technology That Delivers Real Value

Private Identitii blockchain enables banks to provide a better payment and cash management service to their customers



Patent protection

Patent pending tokenisation approach allows the secure real-time communication of rich information and documentation between internal and external customers



Strong growth pipeline

Expansion of existing contract and new customer engagements.
45 prospects at various stages of the pipeline



Strong Partnership Program

Growing list of Leading global technology, infrastructure and services partners



Successfully raised A\$11m at \$0.75

October 17, 2018 ASX IPO provides a fully diluted market capitalisation of approximately A\$48.5m

11. Data from Identitii proof of concept with SWIFT in 2016.

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Appendix



Identitii overview: use cases

OVERLAY+

Enhanced financial crime compliance

Financial institutions are required to complete anti-money laundering (AML) and sanctions checks on outbound and incoming payments. With Identitii, financial institutions can access additional information for a transaction, including KYC information and purpose of payment (KYT) information. Financial institutions can use this information to expedite payment investigations, reduce processing costs and improve service levels.

ISO20022 interoperability

Adoption of ISO20022 for international payments is low. With Identitii, information that does not fit into a SWIFT MT103 message can be stored by the sending bank in a permissioned data store. Using Identitii, overflow information can be accessed by the beneficiary bank and provided to the beneficiary, improving payment reconciliation & payment processing.

Receivables reconciliation

Reconciling payments with the purpose of a payment causes operational challenges and a poor customer experience for corporate banking customers. Via a user friendly interface, Identitii collects remittance information from a payor before a payment is sent. Identitii provides the payor with an Identitii token that can be included in the payment message. Once the payment is received by the payee, information associated with the transaction can be retrieved and used to facilitate automatic reconciliation of the payment.

Request for information

Processing of digital documents requires the ability to share documents with multiple systems. Identitii can collect and manage the complex web of documentation required to support a commercial transaction, including bills of exchange, commercial invoices, order forms, certificates of origin and insurance policies. All parties to the transaction can share permissioned documentation and add additional details required to complete the transaction. Identitii can store an audit log of all information that has been collected.

Blockchain overview

The Identitii private blockchain

A blockchain is a growing list of records, called blocks, which are linked using cryptography. Each block contains a cryptographic hash (a mathematical representation of a piece of data) of the previous block, a timestamp and data specific to the latest activity being recorded. There is no central owner of or authority over the records. The blockchain is recorded across many computers so that a record cannot be altered retroactively without the alteration of all subsequent blocks and the consensus of the network.

It is this that makes blockchains tamper evident and tamper resistant and ensures that under normal operation of the blockchain network, no transaction can be changed once published.

Types of blockchain:

- Public blockchains are networks where anyone can read and write to the blockchain without authorisation. Minors run the network and in exchange, are paid in cryptocurrencies.
- Private blockchain networks limit participation to specific people or organisations and allow permissioned access and controls. They act like an internal network or intranet, where proof of authority is required to access the blockchain. It has no relationship to cryptocurrency, and is used purely as an unalterable way to record transactions and activities.

Blockchain and Overlay+

OVERLAY+

Overlay+ and Identitii Tokens

Identitii uses a private blockchain based on Ethereum to ensure permissioned access to the Identitii system, create an unalterable and auditable record of a transaction and its associated documents and to create Identitii Tokens.

Identitii Tokens are cryptographic unique identifiers that represent a specific set of data related to a transaction. They are created to be sent alongside a financial message, overcoming the data limits currently set by payment networks. When a receiver is sent an Identitii Token, it gives them secure, permissioned access to the Identitii network, where they can access and view the underlying information and documents related to that transaction.

It is this process of tokenisation that enables the accurate retention and sharing of all of the information about a transaction, without compromising its security or sending it via email or other less secure systems.

Competitive landscape - Authentication & timestamping



Real-time validation and an audit trail for the digital society

Description

Industrial blockchain that ensures data integrity and proves time of existence

Use cases

- Enterprise security
- Automated verification of compliance
- Cloud traceability & accountability

How Identitii is different

Guardtime provides a technology stack that adapts to internal systems. Identitii provides a plug & play solution with low-touch integration



A single permanent document catalogue for legal audits

Description

A layer above Bitcoin blockchain, allowing data to be committed to the blockchain in real-time

Use cases

- Document digitisation and authentication
- Regulatory auditing and litigation
- ID document chain

How Identitii is different

Factom lacks industry focus, providing a generic solution. Identitii focuses on the financial services market



Verification of official documents plus blockchain anchoring of data

Description

Two products:

- Proof: An independent data validator
- Chainpoint: Blockchain to anchor data

Use cases

- Audit trail for businesses
- Regulatory compliance
- Document timestamping

How Identitii is different

Identitii's permission scheme allows for exchange of information with low-touch interaction between databases

Competitive landscape – Market infrastructure

J.P.Morgan

J.P. Morgan’s Interbank Information Network uses blockchain to minimise friction in processing global payments

Description

DLT-based information network providing rich & fast exchange of information

Use cases

- Cross border interbank payment
- Real time sanctions screening
- Encrypted bank communications

How Identitii is different

J.P. Morgan being the sole developer of IIN is a clear conflict of interest to competitor banks. Identitii is an independent organisation

SWIFT



Existing networks are improving the payments process rails

Description

SWIFT and Ripple are competing for payments business, but SWIFT has a significant majority.

Use cases

- Transaction processing
- Payment track and trace
- Financial message networks

How Identitii is different

Identitii works on top of any existing or emerging networks to enable secure exchange of information and documents about purpose and origin of payment. Identitii enables end-to-end information sharing



R3’s Corda aspires to be the go-to DLT platform for financial institutions

Description

An open source distributed ledger designed for the financial industry

Use cases

- Real-time international payments
- Identity authentication
- Interest rate swaps

How Identitii is different

R3 provides infrastructure, not applications. Identitii is pursuing market adoption, R3 is waiting on market adoption

Michael Aston – Independent Non-executive Chairman



Michael Aston
Independent
Non-Executive
Chairman

Appointed June 2018

Michael Aston is an experienced senior executive and FinTech entrepreneur with an international career in building and leading global technology businesses.

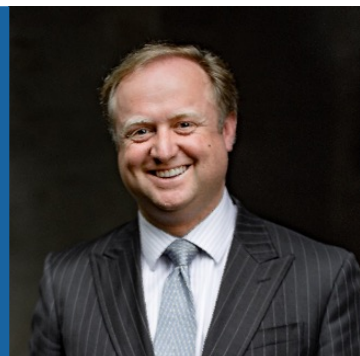
In 2013, Michael was appointed Business Executive Advisor to Accenture to help implement its strategy and advisory for addressing the transforming payments landscape for financial services businesses. He works with a number of start-up technology companies in a range of roles. Michael has been involved in a number of major national payments initiatives including the United Kingdom's Faster Payments, Singapore's FAST, Australia's New Payments Platform and Thailand's National ePayments. Michael also advises financial services businesses on new developments in payments such as open banking, micro- services and blockchain technologies. He presents to central banks, regulators and global and national banks on disruption in the payments industry and the potential implications for the international and domestic payments markets.

As Chief Executive Officer, Chairman and co-founder of Distra Pty Limited, Michael oversaw its growth from 2001 to become one of the leading next generation payments platforms used by the largest payments processors. Under his leadership, Distra was acquired in September 2012, by ACI Worldwide, a US based global leader in payments applications.

During his career, Michael has operated throughout Europe, North America and the Asia-Pacific region and across a range of sectors including government, finance, IT&T and transport, overseeing the development, sale and implementation of "mission critical" solutions to sophisticated government and blue chip corporate clients.

Michael has held a number of executive and board positions with large global corporates including UK defence company GEC Marconi, Serco Systems Limited, a global systems engineering group and CAE Incorporated, the world's leading supplier of flight simulators. An engineering and business graduate, Michael is a member of the Australian Institute of Directors and received a NSW Pearcey Award for entrepreneurship in 2013.

Martin Rogers – Non-executive Director



Martin Rogers
Non-Executive
Director

Appointed January 2018

Martin is a start-up investor and company director and has a depth of experience in incubating companies and publicly listed organisations. Martin has experience in many aspects of financial, strategic and operational management. Martin has been both an investor and senior executive in a private funded advisory business in the technology, science and life sciences sectors, where he has been instrumental in enhancing the value of those investments.

Martin is the Chief Investment Officer of KTM Ventures Innovation Fund LP, an early stage venture capital limited partnership. Currently Martin is also director of Independent Reserve, a leading Australian institutional cryptocurrency exchange.

Martin was previously chairman of ASX listed entities Actinogen Medical Ltd, OncoSil Medical Ltd, Rhinomed Ltd and non-executive director of Cellmid Ltd and Chief Executive Officer and managing director of ASX/NASDAQ listed Prima Biomed Ltd.

Martin has Chemical Engineering and Computer Science degrees.

Nicholas Armstrong – Executive Director and CEO



Nicholas Armstrong
Executive Director
CEO

Appointed November 2014

Nicholas is an entrepreneur, with 13 years' experience in building and scaling technology businesses. Nicholas co-founded Identitii in 2014 with Eric Knight and is also the CEO.

From 2007 to 2014 Nicholas was founder and CEO of EnergyLink (formerly COzero Holdings Ltd) and led the company through multiple rounds of funding to Series B in late 2013, when a Japanese strategic investor took a majority stake in the company. EnergyLink is an energy technology company with several products including EnergyLink.io (AI powered energy management software) and MarketLink (OTC trading software). COzero was the fastest growing company in Australia in 2011 according to BRW. From 2005 to 2006 Nicholas was founder and CEO of Greentricity, an online renewable energy retail company. Greentricity was acquired in late 2006 by Australian Power & Gas, a subsidiary of AGL Energy Limited.

Nicholas holds a Bachelor of Science (Psychology, Human Geography) from the University of Sydney.

Peter Lloyd – Non-executive Director



Peter Lloyd
Independent
Non-Executive
Director

Appointed September 2018

Peter Lloyd has over 40 years' experience in computing technology, having worked for both computer hardware and software providers. For the past 25 years, he has been specifically involved in the provision of payments solutions for banks and financial institutions.

Peter is currently the proprietor of The Grayrock Group Pty Ltd, a management consultancy company focusing on the payments industry and is a non-executive director of Taggle Pty Ltd. He has a successful record in Australia and abroad, in executive and non-executive roles for public companies including those listed on the ASX.

Having worked extensively in Australia, the US and Asia Pacific, Peter has previously held roles as Chief Operating Officer for payments switching platform provider, Dista Pty Ltd, Asia Pacific Regional Manager for Faster payments provider VocaLink Inc, Asia Pacific Regional Director of Efunds International Inc, and Senior Vice President (Americas) for Dynasty Technologies.

Currently, Peter is a non-executive director of ASX listed entities Integrated Research Limited (since July 2010) which is a global provider of scalable, customisable solutions designed to manage continuity-critical IT infrastructure, payments and ecosystems, and Flamingo AI Limited (Since April 2018) which is an Australian SaaS company based in Sydney and New York, providing Cognitive Virtual Assistant (AI) platforms designed for enterprises selling and servicing complex products online.