

## Quarterly Activity Report and Appendix 4C for the period ending 31 December 2024

### Highlights

- Reece O'Connell appointed as Non-Executive Director
- US market-entry progresses with acceptance into Investment NSW Program
- Commenced reporting New Zealand transactions to the NZ regulator
- Commenced SOC 2 information security compliance for US market-entry
- Sales activities momentum in Q2-25 remained strong
- Renamed the Identitii platform BNDRY and launched new website
- \$1.8M raised in well supported placement
- Payments to suppliers and employees of \$1.22M, stable q/o/q
- After quarter end:
  - \$0.5M annual licence fee received from Mastercard
  - \$1.0M R&D tax incentive rebate issued by the ATO
  - FY24 R&D loan repaid to and renewed for FY25

**30 January 2025** - [Identitii \(ASX:ID8\)](#) ('Identitii', 'the Company') (ASX:ID8) is pleased to release its Appendix 4C for the three months ending 31 December 2024 and provides an update on its progress during the period.

### New Director Appointment

In December 2024, the Company announced the appointment of Reece O'Connell, an experienced fund manager, as Non-Executive Director, bringing capital markets and investor relations skills, experience and network connections to the Identitii Board. Reece specialises in recognising and funding early-stage technology companies, including Arovella Therapeutics (ASX:ALA), Dimerix (ASX:DXB), Neurizon Therapeutics (ASX:NUZ,



formerly PharmAust ASX:PAA), Orthocell (ASX:OCC), Race Oncology (ASX:RAC) and Respiri (ASX:RSH).

## Patent Infringement Claim Update

The Company's claim for patent infringement against JP Morgan Chase (JPMC), filed in October 2023, remains pending in the United States District Court for the District of Delaware. There is currently a motion to dismiss the case in front of the court that has not yet been ruled upon. The Company hopes to receive a ruling soon.

The Company's claim has already passed its first significant milestone, with the U.S. Patent & Trademark Office (USPTO) denying a petition from JPMC to invalidate Identitii's patent in August last year. That outcome is significant in the context of how many petitions are successful in invalidating a patent, with 68% of all petitions received by the USPTO successful in the 12 months to September last year.

## 2024 Operational Update

As with previous Quarterly Activity Reports, the following **four primary focus areas** form the framework for the Company goals and initiatives.

### **1. Move towards profitability**

#### What it means:

Driving towards profitability by focusing on opportunities to grow revenue, and utilising existing resources to contain costs, remains our primary objective going forward.

#### Progress made:

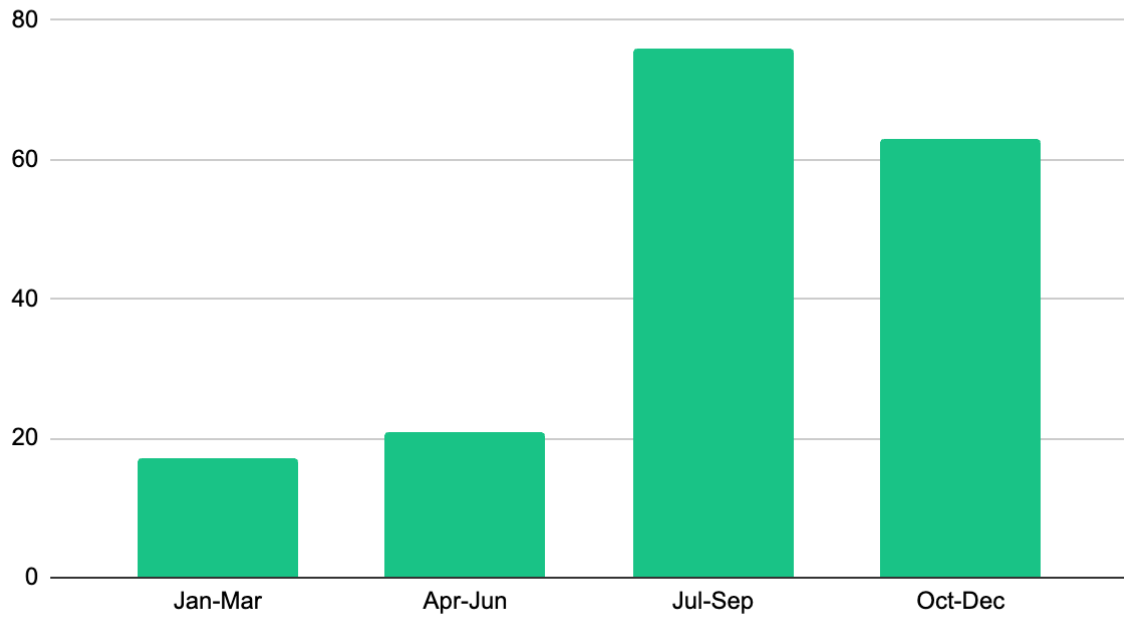
Further progress was made towards unlocking the United States market. Identitii was accepted into the FinTech to the USA program, part of the Investment NSW Going Global Export Program designed to support high-potential NSW FinTech companies ready to enter the US market. The program features market intelligence briefings, go-to-market strategy support, potential client and capital introductions, PR and marketing support, and attendance at the New York FinTech Week under the Investment NSW banner.

Sales activities that progress genuine new customer opportunities, including in-person meetings, platform demos, technical workshops and contracting activities, as expected declined slightly on the previous quarter, given the Christmas shut down and normal change-freeze periods. That said, as the chart below shows, Q2-25 activity is still up significantly on Q3 and Q4-24 and will continue in the coming quarters.



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## Sales Activity Jan-Dec 2024



## 2. Be known for data sharing

### What it means:

Being globally recognised as a Company that enables greater access to, and sharing of, data within and across the boundaries of geography, residency and technology.

### Progress made:

The Company has rebranded the Identitii platform to BNDRY, launching a new website at [bndry.net](https://bndry.net) and re-positioning Identitii as the parent company which owns BNDRY, plus 10% of Payble, and valuable patents in the US and Singapore. The shift aligns the BNDRY brand with the right market opportunities, and has already resulted in a marked increase in pre-sales engagement, which is expected to have a positive impact on revenue growth moving forward.



Historically, the Company has invested time and capital into sales opportunities where prospects mistakenly believed Identitii operated in the Know-Your-Customer (KYC) market, helping solve customer and business identity verification challenges.

### **3. Be easy to work with**

#### What it means:

Making it as easy as possible for prospective customers to experience the Identitii platform, by simplifying both the sales process, and the customer onboarding process.

#### Progress made:

The Company recently processed its first series of New Zealand transactions, successfully submitting Prescribed Transaction Reports (PTRs) on behalf of a customer to the New Zealand regulator, the NZ FIU. PTRs make certain money laundering and terrorist financing activities even more difficult to hide, improving the detection, and therefore disruption, of organised crime, fraud and tax evasion.

The milestone is significant for the Company as it increases the addressable market opportunities, with more prospective customers now able to experience Identitii's BNDRY platform. There are also several existing customers interested in adopting NZ reporting capability, now it has been proven. This additional functionality is expected to further increase revenue.

### **4. Build for the future**

#### What it means:

Building the right foundations that enable our platform to achieve essential scalability, availability and security metrics today, and as volumes grow in the future.

#### Progress made:

The Company commenced a program to further increase its information security posture, by complying with SOC 2 standards necessary for SaaS companies serving the US market. SOC 2 (Systems and Organisation Controls 2) is a security framework developed by The American Institute of Certified Public Accountants (AICPA) that specifies how organisations should protect customer data from unauthorised access, security incidents, and other vulnerabilities.



At its core, the AICPA designed SOC 2 to establish trust between service providers and their customers. The program is expected to be completed and compliance externally audited next quarter.

## **Financial Update**

### **Q2 FY25 cash flow update**

Payments to employees and suppliers for Q2 FY25 were \$1.22M (Q1 FY25: \$1.28M), showing the reduced operating expenditure has now stabilised and is being carefully managed. Management continues to review operating expenditure closely, seeking to make additional savings where possible. Payments to related parties included payments to Non-Executive Directors, and payments of the CEO salary.

During the quarter, the Company successfully closed a placement, raising total funds of \$1.80M before costs. Net of costs, cash from financing activities were \$1.67M.

The Company closed the quarter with a cash balance of \$2.10M (Q1 FY25: \$1.56M), an increase of \$540K.

### **R&D Tax Incentive funding update**

On 8th January 2025, the ATO issued a refund in respect of the R&D tax incentive claim for the year ended 30 June 2024 of \$1.0M, which fully discharged the term loan from Mitchell Asset Management, with \$0.1M excess refund being returned to the Company.

On 30th January 2025, the Company renewed the term loan facility with Mitchell Asset Management of \$0.8M, on the same terms as noted above. The facility is now due for repayment on 15 January 2026.

Ends

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



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## 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](http://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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## Appendix 4C

### Quarterly cash flow report for entities subject to Listing Rule 4.7B

**Name of entity**

Identitii Limited

**ABN**

83 603 107 044

**Quarter ended ("current quarter")**

31 December 2024

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	96	187
1.2 Payments for		
(a) research and development	(433)	(860)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(22)	(52)
(d) leased assets	-	-
(e) staff costs	(307)	(747)
(f) administration and corporate costs	(471)	(854)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,137)</b>	<b>(2,326)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>-</b>	<b>-</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,800	3,951
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(122)	(173)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>1,678</b>	<b>3,778</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	1,556	644
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,137)	(2,326)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,678	3,778
4.5	Effect of movement in exchange rates on cash held	1	2
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>2,098</b>	<b>2,098</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	2,098	1,556
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>2,098</b>	<b>1,556</b>

**6. Payments to related parties of the entity and their associates**

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to/(receipts from) related parties and their associates included in item 2

**Current quarter  
\$A'000**

123

-

Payment of CEO salary and bonus, along with payments to Non-Executive Directors for their services as Directors.

**7. Financing facilities**

Note: the term "facility" includes all forms of financing arrangements available to the entity.

Add notes as necessary for an understanding of the sources of finance available to the entity.

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	889	889
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
<b>7.4 Total financing facilities</b>	<b>889</b>	<b>889</b>

7.5 **Unused financing facilities available at quarter end** -

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

*Mitchell Asset Management R&D Loan*

On 6<sup>th</sup> June 2024, the Company entered into a new term loan facility of \$888,824, secured against future R&D refunds to be received by the Company. The facility is a prepayment of the forecasted R&D tax incentive claim (R&DTI claim) for the year ended 30 June 2024. The facility attracts interest at a rate of 18% p.a., which has been fully paid in advance on the date of draw down.

On 8<sup>th</sup> January 2025, the ATO issued a refund in respect of the R&D tax incentive claim for the year ended 30 June 2024 of \$981,989, which fully discharged the term loan from Mitchell Asset Management, with the excess refund being returned to the Company.

On 30<sup>th</sup> January 2025, the Company renewed the term loan facility with Mitchell Asset Management of \$800,000, on the same terms as noted above. The facility is now due for repayment on 15 January 2026.

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (Item 1.9)	(1,137)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	2,098
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	2,098
8.5 <b>Estimated quarters of funding available (Item 8.4 divided by Item 8.1)</b>	1.85

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

- Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

No. The Company does not believe that it will continue to have the current level of net operating cash flows in future quarters as a result of a significant increase in customer receipts in Q3 FY25 as a result of customer contract renewals - with \$0.5M already received subsequent to quarter end.

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

Subsequent to quarter end, on 30<sup>th</sup> January 2025, the Company renewed the facility with Mitchell Asset Management of \$800,000.

The Company does not propose to take any steps to raise further cash at this time in light of this, along with the significant increase in customer receipts in Q3 FY25 as noted above.

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Yes. The Directors believe that the Company will be able to continue its operations and meet its business objectives in light of the increase in customer receipts, along with the receipt of the \$800,000 R&DTI loan subsequent to quarter end.

### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 January 2025

Authorised by: John Rayment, Chief Executive Officer  
(Name of body or officer authorising release – see note 4)

### Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been

prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.