identitii

FY23

Annual Report

ASX:ID8
Identitii Ltd
ABN: 83 603 107 044

Contents

About Identitii

Identitii is helping companies securely manage and share sensitive financial data.

A letter from our Chairperson

Dear Fellow Shareholders,

As I reflect on the past year, I want to thank you for your patience and support for Identitii.

It has been a challenging 12 months, driven partly by market sentiment and downward pressure on technology companies globally and by revenue growth within our Company that has not met expectations.

The Board, the CEO and the entire team have worked relentlessly to implement our "One Platform" strategy to position our product for a sustainable and profitable future while driving additional demand in a financial services market that has itself focused on reducing cost.

Market Opportunity

The focus of global Regulators on data security (in the wake of significant cyber breaches) and financial crime reporting in the financial services industry has not diminished and, if anything, has become more intense. This presents our business with both an opportunity and a risk.

The opportunity suggests that the industry will be under increasing pressure from regulators to reduce the risks associated with manual analysis, and insecure methods of sharing and reporting critical data both internally and to regulators. This is likely to lead to them investing more in technologies that make it easier to ensure the security of sensitive data both when it is stored or when regulations require it to be shared. This should present additional revenue generation opportunities for the Company, that may also be enhanced by changes to local and international privacy regulations and new companies falling under financial crime regulations, such as Tranche 2 in Australia.

The risk is that this also demands a much higher standard and demonstrable data security standards by service providers, which is likely to result in expanded security assessments and vetting of companies like Identitii who are looking to provide these services to customers. I am confident we can meet these challenges given a significant focus by the entire business on ensuring we adopt the highest information security standards.

Our Team

We have rightsized our team over the past year in terms of numbers and skill sets to ensure that our costs are sustainable, and our skill sets are concentrated on our "One Platform" strategy. As we have evolved our platform and reduced or removed legacy software components, this has positioned us well to take advantage of future opportunities.

The entire team continues to operate at an impressive level and is extraordinarily committed to the company's success. While demand for skilled software engineers in this field is incredibly high, we have consistently been able to retain our talented and capable team.

To my observation, this is mainly due to the quality of our leadership, the clarity and importance of our purpose, and our people's "get stuff done" culture.

Over the past year, our new CTO, Tim Dickinson, has developed an impressive and exciting product roadmap that not only builds on our history but also positions us very well to expand our product offering in the near future. With this roadmap, we expect to increase our sector sales without the need for extensive platform revisions.

Our new Head of Operations, Ben Jackson, has successfully established unparalleled information security standards, resulting in impeccable information security audit outcomes. With his unwavering passion and extensive knowledge, he has dramatically reduced our risk of compromise and secured our reputation as a highly reliable business entity in the eyes of our current and prospective customers.

During the year, we also secured the services of CFO Rebecca Shooter-Dodd, who significantly improved our financial management and provided long-term fiscal guidance to support sustainable product development.

Cost Management

We have also continued to look for opportunities to reduce operating costs responsibly to ensure we extend our cash runway without limiting our ability to meet our client's expectations or restrain our ability to enhance our platform in areas that we believe will create new market and revenue opportunities. It is a constantly evolving balance that requires commitment and agility from everyone in the business.

Focus on Shareholder Value

Our focus on creating increased shareholder value is uncompromising.

We truly value your support and are determined to deliver long-term value.

Our "One Platform" strategy is the key to our future success, and we are committed to achieving sustained growth and development, aligned with fiscal responsibility. By implementing these strategies, we aim to drive higher revenue growth, increase customer usage, and improve our operating margins.

We look forward to a rewarding year ahead, and I am confident of a much more positive report in 12 months' time.

Tim Phillipps
Board Chairperson

A letter from our CEO

Dear shareholders and friends,

Thank you for your continued support and interest in Identitii and the exciting opportunity the Company is pursuing in an ever-changing global marketplace. FY23 was a year of significant change for Identitii, and I am pleased to report that the Company made strong progress in several key areas that are already positively impacting our ability to deliver sustainable growth in the coming year/s.

We delivered our One Platform Strategy to resolve legacy complexity, by focusing on only one platform, one cloud environment, one product roadmap and one future. As a result, we reduced technology costs, and increased research and development and innovation activities.

We right-sized our team and recognised the need for key leaders with direct experience in scaling early-stage ventures like Identitii. As a result, we hired a new CTO, CFO and Head of Operations, who have all had tremendous impacts since joining.

We sunsetted the DART product as part of the One Platform Strategy, exiting the contract with HSBC Hong Kong. As a result, not only did we lower operating costs, but we created significant capacity that was reinvested towards developing our product roadmap.

Growing global opportunity ahead

Identitii is pursuing a global opportunity to help the financial services industry collect and share sensitive data. Today our platform is being used by more than 160 teams around the world, helping our customers reduce the operational, technical, and regulatory burden of managing sensitive data, to accelerate cross border payments, manage the exchange of customer data, reduce manual exceptions, and streamline and automate regulatory reporting. Our customers include traditional institutions like HSBC, Mastercard and Rabobank, and newer fintechs like Novatti and Monoova. Incredibly, traditional institutions and newer fintech's still use forms of communication which lack the secure data requirements needed to protect personal information, relying on people, emails and spreadsheets, to collect and share sensitive data both within and between organisations.

Steady forward commercial progress

The Company has been steadily building brand recognition within the financial services industry in Australia and other key global markets and is well-positioned for future commercial success. Our renewed focus this year on faster-moving fintech companies and partnerships that will enable rapid scale is yet to provide boosts to revenue, but we have seen increases in the total number of sales pipeline opportunities, and are simultaneously progressing existing prospects with a growing number of new prospects. Breaking new ground and being the first-to-market with a technology solution to a manual problem, as Identitii is, takes time and requires consistent forward momentum. Early success is very difficult to come by, but the disparate nature of new contracts does not mean we are pursuing the wrong opportunity. We are right to continue.

Continued product & technology development

Throughout the year, led by our new CTO, the team has been hard at work developing our product and our research and development initiatives, in the wake of our One Platform strategy. Our team has been exploring new technologies and solutions that have not only bolstered our core offerings but have opened up new avenues for problem solving. We saw significant product progress this year, launching new SMR reporting capability ahead of looming Tranche 2 reforms, being among the first to submit ISO 20022 reports to AUSTRAC, extending our automated FinCrime Reporting data platform into New Zealand, and growing our Patent Portfolio with a newly awarded patent in Singapore. These developments will all contribute to our ability to attract and win new business, ensuring that investments in innovation will continue to be a cornerstone of our long-term strategy.

Our investment in Payble

Payble, Identitii's joint venture with CommBank's x15ventures, is modernising household billing and payments, overlaying existing ERP systems and payment processors with their SaaS platform, enabling large billers to bridge the gap between their internal capabilities and consumer expectations, without any complex technology integration or changes. The company grew its portfolio of customers during the year, ending the year with ten customers on SaaS contracts, eight of them local governments. During the year Payble received a further $1.2m investment from x15ventures, with Identitii also exercising its right to convert outstanding intellectual property licence fees into further equity. Under the leadership of founder Elliott Donazzan, Payble has continued to grow revenue, built out a strong and experienced team, and is on-track to break-even by the end of FY24.

Summarising the year

Operating an early-stage technology company in the current economic environment is a challenging task and operating a public one even more so. By many measures our Company is in its strongest position since first listing in late 2018. Activity on our platform is growing, we implemented several material reductions in operating costs that will fully materialise in FY24, the number of prospective customers engaged with us is the highest it has ever been, and our pipeline of opportunities is growing faster than ever. As we look to the future, we are increasingly optimistic. We believe our unwavering commitment to continuous innovation, financial prudence, and customer needs will be key drivers of our success. The momentum we've quietly built over the past year positions us well for many years of growth.

Thank you for your continued support of the Board, the Executive Staff and our Team.

Regards,
John Rayment
Chief Executive Officer

FY23 highlights

H1

- New patent awarded in Singapore, increases patent portfolio
- Automated FinCrime Reporting data platform extended into New Zealand
- Former Assembly Payments co-CEO, Tim Dickinson joins as CTO
- x15ventures invested further $1.2 million in Payble, jointly owned by Identitii
- New investor hub launched

H2

- Monoova signed licence agreement to use Identitii's platform for AUSTRAC reporting
- Rabobank starts reporting to AUSTRAC using the Identitii platform
- Industry roundtable series launched to accelerate new business acquisition
- Identitii commended during finals of the Pitch! RegTech event in Singapore
- SMR reporting capability launched, ahead of looming Tranche 2 reforms
- Identitii among the first to submit ISO 20022 reports to AUSTRAC
- Partnership with the Financial Integrity Hub to increase awareness

Directors Report

The Directors present their report together with the consolidated financial statements of the Group comprising of Identitii Limited (the Company) and its subsidiaries for the year ended 30 June 2023 and the auditor's report thereon.

Directors

The Directors of the Company at any time during the year ended 30 June 2023 and up to the date of this report are:

Name, qualification and independence status	Experience, special responsibilities and other directorships
Executive	
Mr. John Rayment *Dip Proj Mgt, Dip Bus Mgmt., Dip Bus Mktg* *Executive Director*	John brings a wealth of experience to Identitii, having supported many early-stage ventures through sharp periods of growth. He has held board and executive roles at Travelex across the globe and has proven success in helping businesses to scale in line with rapidly expanding customer demand. John is the Chief Executive Officer/Managing Director of the Company.
Non-Executive	
Mr. Timothy Phillipps *Dip Arts* *Independent Non-Executive Director* *Chairperson*	Tim is a Financial Crime and RegTech expert with 45 years of industry experience, most recently at Deloitte, where he held Global and Asia-Pacific roles in financial crime compliance and analytics, and prior to that with ASIC as Director of Enforcement. Member of the Audit and Risk Committee and member of the Nomination and Remuneration Committee.
Ms. Rhyll Gardner *B. Comm, B. Econ, M. Applied Finance, MBA (Exec), F FIN, GAICD* *Independent Non-Executive Director*	Rhyll is an active and experienced Non-Executive Director, building on 35 years of senior executive experience in banking and finance with ASX listed banks including St. George, Westpac, BOQ and Suncorp. She also brings to the Company over 15 years of board and committee experience across multiple sectors. Chair of the Audit and Risk Committee.
Mr. Simon Griffin *BA (Economics)* *Independent Non-Executive Director*	Simon brings over 14 years' experience in global financial services, having worked in senior and executive roles in companies including Macquarie Bank, OFX, HiFX and XE.com. He also brings significant expertise in scaling technology businesses including Propsa and Car Next Door. Chair of the Nomination and Remuneration Committee.

Company secretary

Elissa Hansen has over 20 years' experience advising boards and management on corporate governance, compliance, investor relations and other corporate related issues. She has worked with boards and management on a range of ASX listed companies including assisting companies through the IPO process. Elissa is a Chartered Secretary who brings best practice governance advice, ensuring compliance with the Listing Rules, Corporations Act and other relevant legislation.

Directors' meetings

The number of Directors' meetings and number of meetings attended by each of the Directors of the Company during the financial year are:

	Board of Directors		Audit and Risk Committee		Nomination and Remuneration Committee	
	A	B	A	B	A	B
Timothy Phillipps	6	6	3	3	2	2
John Rayment	6	6	-	-	-	-
Rhyll Gardner	6	6	3	3	-	-
Simon Griffin	6	6	-	-	2	2

A Eligible to attend
B Attended

Principal activities

Identitii is a regulatory technology (RegTech) company that helps financial services businesses and other regulated entities gain visibility into, and control over, the data needed to meet financial crime reporting obligations both in Australia and around the world.

The Company's cloud platform was built to make reporting to regulators, including AUSTRAC in Australia, easy and automated, and to give Boards and management teams complete confidence in their compliance. It is also helping its customers build trust, credibility and confidence within the industry and with regulators as they work together to combat increasing financial crime.

The strategic highlights for the year ended 30 June 2023 are noted below.

Review of operations

During the year ended 30 June 2023, the Group achieved the following:

- On 29 August 2022, Identitii was granted approval of a Singapore Patent for the same invention as they currently hold a U.S. Patent for.
- On 27 October 2022, the Company announced a 1 for 2 Non-Renounceable Rights Issue to raise up to $4 million, with the rights issue shares to be issued at $0.04 per share, together with 1 free attaching option for every 2 shares applied for and issued. The options are exercisable at $0.08 with a two-year expiry.
- On 8 December 2022, the Company launched its automated Financial Crime reporting to New Zealand's Financial Intelligence Unit (Z FIU) via its anti-money laundering and counter terrorism financing (AML/CTF) reporting platform.
- On 14 December 2022, the Company announced that it has agreed to end its agreement with HSBC Hong Kong, under which it provides support for HSBC's Digital Accounts Receivables Tool (HSBC DART), which was built on Identitii technology. Ending this agreement resulted in cost savings for the Group.
- On 28 December 2022, the Company closed its Non-Renounceable Rights Issue on 20 December 2022, and raised $416,868 before costs, with a shortfall balance of $3,607,320. On 29 December 2022, 10,421,706 shares were issued, along with 5,210,853 options.

- On 30 January 2023, the Company announced that it had hired a new Chief Technology Officer - Tim Dickinson, and new Chief Financial Officer - Rebecca Shooter-Dodd.
- On 15 March 2023, the Company announced that it has signed a new software license agreement with leading Australian B2B payments provider Monoova Global Payments Pty Ltd. Monoova will use Identitii's cloud-hosted reporting platform to help further automate and improve auditability of their reporting obligations to AUSTRAC.
- On 4 April 2023, the Company announced that it is among the first to successfully report ISO 20022 transactions to AUSTRAC 2.0, the regulator's updated reporting system designed specifically to accept the new data rich ISO 20022 format.
- On 20 June 2023, the Company announced that it has made it easier for financial services businesses to submit Suspicious Matter Reports (SMR) to AUSTRAC via its regulatory reporting platform, ahead of the proposed Tranche 2 reforms to the Australian AML/CTF Act.

Review of financial conditions

The Group reported revenue from contracts with customers of $1,363,063 for the year ended 30 June 2023 (30 June 2022: $1,457,627), a decrease of 6% from the prior year. The Group reported a net loss after tax of $5,997,504 for the year ended 30 June 2023 (30 June 2022: $4,997,031) which was substantially driven by salary and employee benefit expenses and expenditure on research and development (R&D) related activities.

The Group had a positive net current asset balance of $855,569 (30 June 2022: $5,635,074) and a positive overall net asset balance of $2,324,906 (30 June 2022: $7,432,594) at 30 June 2023.

The Group had $1,287,005 of cash and cash equivalents on hand at 30 June 2023 (30 June 2022: $5,074,133) and reported a net cash outflow from operating activities of $5,203,726 during the year ended 30 June 2023 (30 June 2022: $6,014,695).

Significant changes in the state of affairs

In the opinion of the Directors there were no significant changes in the state of affairs of the Group that occurred during the year ended 30 June 2023.

Dividends

No dividends were declared or paid by the Company during the financial year ended 30 June 2023 (30 June 2022: Nil).

Events subsequent to reporting date

On 5 September 2023, the Company announced that its Rights Issue closed on 30 August 2023, and raised $1,338,160 before costs, with a shortfall balance of $789,735. The Rights Issue was a pro-rata non-renounceable entitlement issue to eligible shareholders of one (1) New Share for every one (1) Existing Share held by eligible shareholders on the Record Date, at an issue price of $0.01 per New Share. 133,816,609 New Shares were issued and allotted on 5 September 2023.

On 21 September 2023, the Company announced that it had successfully completed the Shortfall Offer, raising a further $789,735 via the issue of shortfall shares at the issue price of $0.01 per Share, bringing the total capital raised under the Rights Issue to $2,127,895 before costs.

On 28 September 2023, the Company announced $1.0M in annualised cost savings, to further extend its cash runway. The operational changes to realise $1.0M in annualised cost savings have all been put into effect, and the Company expects to see the resulting decreases in cash outflows materialise in the coming quarters. Savings have been realised in cloud infrastructure (consolidating multiple suppliers), legal costs (finalising patent strategy work), operational costs (office downsizing and licence cancellations) and headcount (including some reallocations to offshore roles). Additionally, all three Non-Executive Directors on our Board have elected to reduce the cash component of their remuneration by 25%, substituting the reduced cash component for ordinary shares in the Company, subject to shareholder approval.

Other than the matters discussed above, there has not arisen in the interval between the end of the year and the date of this report any item, transaction, or event of a material and unusual nature likely, in the opinion of the Directors, to affect significantly in future financial years the operations of the Group, the results of those operations, or the state of affairs of the Group.

Likely developments

The Group will continue to develop the Identitii platform whilst continuing to serve existing customers, sign new customers and grow its pipeline of partners. This will require further investment in product and business development and marketing.

Further information about likely developments in the operations of the Group and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would likely result in unreasonable prejudice to the Group.

Environmental regulation

The Group's operations are not regulated by any significant law of the Commonwealth or of a State or Territory relating to the environment.

Directors' interests

The relevant interest of each Director in the shares and options over shares issued by the companies within the Group, as notified by the Directors to the ASX in accordance with S205G(1) of the Corporations Act 2001, at the date of this report is as follows:

	Ordinary shares	Options over ordinary shares
Timothy Phillipps	2,538,464	211,538
John Rayment (1)	4,771,824	8,397,652
Rhyll Gardner	-	-
Simon Griffin	-	-

(1) Shares held by Elorey Pty Ltd, of which John Rayment is a beneficiary.

Shares issued on exercise of options

During or since the end of the financial year, no ordinary shares of the Company were issued by the Group as a result of the exercise of options.

Indemnification and insurance of officers and auditors

The Company has entered into a director protection deed with each Director. Under these deeds, the Company indemnifies the Directors against all liabilities to another person that may arise from their position as Director of the Company and its controlled entities.

The Company has not indemnified or made a relevant agreement for indemnifying against a liability to any person who is or has been an auditor of the Group.

The Group paid insurance premiums in respect of Directors' and Officers' liability and legal expenses insurance contracts for the year ended 30 June 2023 and subsequent to the year end. Such insurance contracts insure against certain liability (subject to specific exclusions), persons who are or have been Directors or Executive Officers of the Group.

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in Note 19 to the financial statements.

The Board are satisfied that the provision of non-audit services during the financial year, by the auditor, is compatible with, and did not compromise, the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed by the Board to ensure they do not impact integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in the APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

Officers of the Company who are former partners of RSM

There are no officers of the Company who are former partners of RSM.

Proceedings on behalf of the Group

No person has applied for leave of court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings.

The Group was not a party to any such proceedings during the year.

Auditor’s independence declaration

A copy of the auditor’s independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 18 and forms part of the Directors’ report for the year ended 30 June 2023.

Rounding of amounts to the nearest dollar

In accordance with ASIC Corporations (Rounding of Financial/Directors’ Reports) Instrument 2016/191, the amounts in the Directors’ Report and consolidated financial statements have been rounded to the nearest dollar.

Audited Remuneration Report

The Directors present the Remuneration Report (the Report) for the Company and its subsidiaries (the Group) for the year ended 30 June 2023. This Report forms part of the Directors' Report and has been audited in accordance with Section 300A of the Corporations Act 2001. The Report details the remuneration arrangements for the Group's Key Management Personnel (KMP):

- Executive Directors and other KMP
- Non-Executive Directors

KMP are those persons who, directly or indirectly, have authority and responsibility for planning, directing and controlling the major activities of the Group.

1. Principles of remuneration

The performance of the Group depends upon the quality and commitment of the Directors and Executives. The philosophy of the Directors in determining remuneration levels is to:

- set competitive remuneration packages to attract and retain high calibre employees;
- link executive rewards to shareholder value creation; and
- establish appropriate hurdles for variable executive remuneration.

The Nomination and Remuneration Committee reviews and make recommendations to the Board on the Group's remuneration policies, procedures and practices. It also defines the individual packages offered to Executive Directors and KMP, for recommendation to the Board.

The Board may consider engaging an independent remuneration consultant to advise the Board on appropriate levels of remuneration relative to its industry peer group.

In accordance with Corporate Governance best practice (Recommendation 8.2), the structure of Non-Executive Director and Executive remuneration is separate and distinct as follows:

a) *Non-Executive Directors*

Fixed and variable remuneration

The Board seeks to set Non-Executive Directors' remuneration at a level that provides the Group with the ability to attract and retain Directors of a high calibre whilst incurring a cost that is acceptable to shareholders.

The ASX Listing Rules specify that the aggregate remuneration of Non-Executive Directors shall be determined from time to time by a general meeting. This amount has been fixed by the Company at $250,000. The amount of aggregate remuneration and the manner in which it is apportioned amongst directors is reviewed annually. The Board considers advice from shareholders and takes into account the fees paid to Non-Executive Directors of comparable companies when undertaking the annual review process.

Non-Executive Directors' base fees cover all main board activities and membership of all committees; however, they do not receive performance-related compensation and are not provided with retirement benefits apart from statutory superannuation. Non-executive Directors are entitled to participate in the Equity Incentive Plan.

Year ended to	**30 June 2023 $**	**30 June 2022 $**
Chairman's fee	75,000	75,000
Non-Executive Directors fee	50,000	50,000

b) *Executives and Executive Director remuneration*

Remuneration for Executives and Executive Directors consists of fixed and variable remuneration only.

Fixed remuneration

Fixed remuneration is reviewed annually by the Directors. The process consists of a review of relevant comparative remuneration in the employment market and within the Group. The Group may engage an independent remuneration consultant to advise the Board on appropriate levels of remuneration for the Group's Executive Directors relative to its industry peer group.

Variable remuneration

Variable remuneration is provided in the form of share options under the Group Equity Incentive Plan (EIP). Under the EIP, one share option entitles the holder to one share in the Company subject to vesting conditions. Executives and Executive Directors vesting conditions are linked to continued years of service and may be linked to performance hurdles. The Board have the discretion to settle share options with a cash equivalent payment. Participants in the EIP will not pay any consideration for the grant of the share option unless determined otherwise. Share options will not be listed and may not be transferred, assigned or otherwise dealt with unless approved by the Directors. If the executive's employment terminates before the share options have vested, the share options will lapse, unless approved otherwise by the Board.

2. Details of remuneration

Details of the remuneration of the KMP as defined in *AASB 124 Related Party Disclosures* are set out in Table 1 which follows.

The KMP of the Group have authority and responsibility for planning, directing and controlling the activities of the Group. The KMP make or participate in making decisions that affect the whole, or a substantial part, of the business or who have the capacity to affect significantly the Group's financial standing.

The KMP of the Group are the Executive and Non-Executive Directors and the Chief Financial Officer.

Details of the nature and amount of each major element of remuneration of each Director of the Company, and other KMP of the Group are:

Table 1	Short-term benefits	Post-employment	Other long-term benefits	Termination benefits	Share-based payments	Total	% Share-based payments
	Salary	**Superannuation**	**(A)**		**Share options (B)**		**(variable)**
Year ended 30 June 2023	**$**	**$**	**$**	**$**	**$**	**$**	
Executive Directors							
John Rayment	310,000	32,550	20,159	-	162,568	**525,277**	31%
Non-Executive Directors							
Timothy Phillipps	75,000	-	-	-	-	**75,000**	-
Rhyll Gardner	50,000	-	-	-	-	**50,000**	-
Simon Griffin	53,978	5,668	-	-	-	**59,646**	-
Other KMP							
Catherine Lin (1)	48,710	5,115	-	-	-	**53,825**	-
Rebecca Shooter-Dodd (2)	59,750	-	-	-	-	**59,750**	-
Total	**597,438**	**43,333**	**20,159**	**-**	**162,568**	**823,498**	

(1) Resigned 8 January 2023.
(2) Appointed 8 January 2023. Remuneration invoiced via Traverse Accountants Pty Ltd of which Rebecca Shooter-Dodd is a beneficiary. This includes remuneration for CFO related services only.

(A) In accordance with AASB 119 Employee Benefits, annual leave is classified as other long-term employee benefits.
(B) The fair value of share options is calculated at the grant date using an option-pricing model and allocated to each reporting period from grant date to vesting date depending on the vesting conditions attached to the options. The value disclosed is the portion of the fair value of the options recognised as an expense in the reporting period.

Table 1	Short-term benefits	Post-employment	Other long-term benefits	Termination benefits	Share-based payments	Total	% share-based payments
	Salary	**Superannuation**	**(A)**		**Share options (B)**		**(variable)**
Year ended 30 June 2022	**$**	**$**	**$**	**$**	**$**	**$**	
Executive Directors							
John Rayment [(1)]	285,000	28,500	19,107	-	201,616	**534,223**	38%
Non-Executive Directors							
Timothy Phillipps	50,000	-	-	-	-	**50,000**	-
Rhyll Gardner [(2)]	4,030	-	-	-	-	**4,030**	-
Simon Griffin [(2)]	4,030	-	-	-	-	**4,030**	-
Steven James [(3)]	69,165	-	-	-	16,084	**85,249**	19%
Nicholas Armstrong [(4)]	12,266	1,227	-	-	-	**13,493**	-
Other KMP							
Catherine Lin [(5)]	12,500	1,250	962	-	-	**14,712**	-
Trent Jerome [(6)]	95,833	9,583	-	12,974	(26,267)	**92,123**	-
Total	**532,824**	**40,560**	**20,069**	**12,974**	**191,433**	**797,860**	

(1) Salary increased from $260,000 to $310,000 per annum effective 1 January 2022.
(2) Appointed 2 June 2022.
(3) Remuneration invoiced via Aston Consulting Pty Ltd of which Steven James is a beneficiary. Resigned 2 June 2022.
(4) Resigned 7 October 2021.
(5) Appointed 15 June 2022.
(6) Resigned 30 November 2021.

(A) In accordance with AASB 119 Employee Benefits, annual leave is classified as other long-term employee benefits.
(B) The fair value of share options is calculated at the grant date using an option-pricing model and allocated to each reporting period from grant date to vesting date depending on the vesting conditions attached to the options. The value disclosed is the portion of the fair value of the options recognised as an expense in the reporting period.

3. Service agreements

The following is a summary of the current major provisions of the agreement relating to remuneration of the Executive Director.

John Rayment – Chief Executive Officer

John Rayment is the Chief Executive Officer of the Group and is considered a key member of the Group's management team.

John receives a base salary of $310,000 per annum plus superannuation and holds 8,000,000 share options with attached service and performance vesting conditions.

During the year ended 30 June 2023, no bonuses were paid to John Rayment.

Employment Conditions

Commencement date: 19 March 2020

Term: Ongoing until notice is given by either party

Review: Annually

Notice period required on termination: 3 months by either party

Termination benefits: None

Independent Review

To ensure the Group complies with industry best practice in relation to the remuneration of its Executive Director, the Non-Executive Directors of the Group will consider engaging the services of a remuneration consultant to conduct an independent assessment of the remuneration packages negotiated with its Executive Director.

The following is a summary of the current major provisions of the agreement relating to remuneration of Executive KMP:

Catherine Lin – Chief Financial Officer

Catherine Lin was the Chief Financial Officer of the Group up to her resignation effective 8 January 2023.

Catherine received a base salary of $275,000 per annum plus superannuation.

4. Equity instruments

All share options refer to options over ordinary shares of Identitii Limited, which are exercisable on a one-for-one basis under the Equity Incentive Plan (EIP).

a) *Options over equity instruments granted as compensation*

All options expire on the earlier of their expiry date or termination of the individual's employment. Vesting is conditional on the individual remaining in employment during the vesting period unless determined by the Board otherwise.

Share options were granted to KMP as compensation during the year ended 30 June 2023 as noted in the table below.

b) *Analysis of movements in equity instruments*

The movement during the year in the number of options over ordinary shares in Identitii Limited held, directly, indirectly or beneficially, by each KMP, including their related parties, is as follows:

	Held at 1 July 2023	Granted/ (forfeited) during the year	Held at 30 June 2023	Vested during the year	Vested at 30 June 2023	Exercisable at 30 June 2023
Timothy Phillipps	-	211,538	**211,538**	-	-	-
John Rayment	8,000,000	397,652	**8,397,652**	500,000	1,000,000	1,000,000
Rhyll Gardner	-	-	**-**	-	-	-
Simon Griffin	-	-	**-**	-	-	-
Catherine Lin	-	-	**-**	-	-	-
Rebecca Shooter-Dodd	-	-	**-**	-	-	-

5. KMP transactions

a) *Loans from KMP and their related parties*

There were no loans outstanding at the end of the year from KMP and their related parties, where the individual's aggregate loan balance exceeded $100,000 in the reporting period.

b) *Other transactions with KMP*

A number of KMP, or their related parties, hold positions in other entities that result in them having control, or joint control, over the financial or operating policies of that entity.

Terms and conditions of transactions with KMP and their related parties are no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-KMP related entities on an arm's length basis.

5. KMP transactions (continued)

c) *Movement in shares*

The movement during the year in the number of ordinary shares in Identitii Limited held, directly, indirectly or beneficially, by each KMP, including their related parties, is as follows:

	Held at 1 July 2022	Acquired	Held at 30 June 2023
Timothy Phillipps	846,155	423,078	**1,269,233**
John Rayment	1,590,608	795,304	**2,385,912**
Rhyll Gardner	-	-	**-**
Simon Griffin	-	-	**-**
Catherine Lin	-	-	**-**
Rebecca Shooter-Dodd	-	-	**-**

This Directors' Report is signed in accordance with a resolution of the Board of Directors:

Timothy Phillipps
Chairperson

Sydney

29 September 2023

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Identitii Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

RSM

RSM AUSTRALIA PARTNERS

GNS

Gary Sherwood
Partner

Sydney NSW
Dated: 29 September 2023

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Note	30 June 2023 $	30 June 2022 $
Revenue from contracts with customers	2	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**
Expenses			
Salaries and employee benefit expenses		2,179,630	3,109,750
Share based payments	14	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	22	430,866	267,246
Total expenses		**8,908,068**	**9,549,204**

	Note	30 June 2023 $	30 June 2022 $
Loss before income tax		**(5,997,504)**	**(4,997,031)**
Income tax expense	3	-	-
Loss for the year		**(5,997,504)**	**(4,997,031)**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		(19,528)	(73,375)
Total comprehensive loss for the year		**(6,017,032)**	**(5,070,406)**
Loss for the year attributable to:			
Owners of Identitii Limited		(5,997,504)	(4,833,962)
Non-controlling interests	15	-	(163,069)
		(5,997,504)	**(4,997,031)**
Comprehensive loss for the year attributable to:			
Owners of Identitii Limited		(6,017,032)	(4,907,337)
Non-controlling interests	15	-	(163,069)
		(6,017,032)	**(5,070,406)**
Basic and diluted loss per share (cents)	4	(2.90)	(2.64)

Consolidated Statement of Financial Position

	Note	30 June 2023 $	30 June 2022 $
Assets			
Cash and cash equivalents	6	1,287,005	5,074,133
Research and development tax incentive receivable		1,490,084	1,193,963
Trade and other receivables	7	211,708	512,390
Contract assets	2	-	120,250
Loans to equity-accounted investees	9	-	120,000
Current assets		**2,988,797**	**7,020,736**
Property, plant and equipment		49,860	88,052
Investment in equity-accounted investees	8	1,392,307	903,154
Loans to equity-accounted investees	9	-	779,144
Other non-current assets		27,170	27,170
Non-current assets		**1,469,337**	**1,797,520**
Total assets		**4,458,134**	**8,818,256**
Liabilities			
Trade and other payables	10	583,029	644,317
Employee provisions	11	251,820	481,633
Contract liabilities	2	318,379	259,712
Borrowings	12	980,000	-
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	13	33,438,200	32,934,833
Share options reserve	14	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**

Consolidated Statement of Changes in Equity

	Note	Share capital $	Share option reserve $	Foreign currency translation reserve $	Retained losses $	Total equity $
Balance at 1 July 2022		**32,934,833**	**3,900,514**	**(358)**	**(29,402,395)**	**7,432,594**
Loss after tax		-	-	-	(5,997,504)	(5,997,504)
Other comprehensive income		-	-	(19,528)	-	(19,528)
Total comprehensive loss		-	-	(19,528)	(5,997,504)	(6,017,032)
Issue of ordinary share capital	13	541,976	-	-	-	541,976
Costs of equity raising	13	(38,609)	-	-	-	(38,609)
Equity-settled share-based payments	14	-	405,977	-	-	405,977
Balance at 30 June 2023		**33,438,200**	**4,306,491**	**(19,886)**	**(35,399,899)**	**2,324,906**

	Note	Share capital $	Share option reserve $	Foreign currency translation reserve $	Other reserves $	Retained losses $	Total $	Non-controlling interest $	Total equity $
Balance at 1 July 2021		**25,775,278**	**4,517,002**	**73,017**	**688,123**	**(26,414,781)**	**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)
Loss of control of subsidiary		-	-	-	(688,123)	688,123	-	(200,416)	(200,416)
Issue of ordinary share capital	13	7,761,986	-	-	-	-	7,761,986	-	7,761,986
Costs of equity raising	13	(602,431)	-	-	-	-	(602,431)	-	(602,431)
Equity-settled share-based payments	14	-	541,737	-	-	-	541,737	-	541,737
Transfer share-based payments reserve to retained earnings	14	-	(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 Cash Flows

	Note	30 June 2023 $	30 June 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)**
Receipts from government grants and tax incentives		1,240,015	945,340
Interest received		987	498
Interest and other costs of finance paid		(73,823)	-
Total cash flows used in operating activities	16	**(5,203,726)**	**(6,014,695)**
Cash flows from investing activities			
Acquisition of 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		-	(547,423)
Other investing cash flows		-	(27,000)
Total cash flows from/(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	12	980,000	-
Lease payments		-	(13,039)
Transaction costs related to borrowings and leases		-	(67)
Total cash flows from financing activities		**1,360,759**	**7,063,067**
Net (decrease)/increase in cash held		**(3,830,581)**	**480,923**
Opening cash balance		5,074,133	4,489,311
Effect of movement in exchange rates		43,453	103,899
Closing cash balance	6	**1,287,005**	**5,074,133**

Notes to the Consolidated Financial Statements

1. Significant Accounting Policies

The principal accounting policies adopted in the preparation of the consolidated financial statements are set out either in the respective notes or below. These policies have been consistently applied to all the periods presented, unless otherwise stated. The financial statements are for the Group including Identitii Limited and its subsidiary.

Basis of preparation

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB"). The financial statements also comply with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. The financial statements comprise the consolidated financial statements of the Group which is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Historical cost convention

The consolidated financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets, and financial liabilities.

Critical accounting estimates

The preparation of the consolidated financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed throughout the financial statements.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group as at the end of the reporting period. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income, and expenses of a subsidiary acquired or disposed of during the year are included in the statement of profit and loss and other comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-Group assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Going concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the Group incurred a loss for the year ended 30 June 2023 of $5,997,504 (30 June 2022: $4,997,031) and total cash outflows from operating activities of $5,203,726 (30 June 2022: $6,014,695). As at that date, the Group had net current assets of $855,569 (30 June 2022: $5,635,074) and net assets of $2,324,906 (30 June 2022: $7,432,594). As such the Group needs to raise additional capital to support its operating activities.

These factors indicate a material uncertainty which may cast significant doubt as to whether the Group will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The Directors believe there are reasonable grounds that the Group will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after considering the following:

- The Group has $1,287,005 in cash and cash equivalents as at the balance date;
- The Group successfully raised $980,000 in debt funding during the year and is evaluating plans to secure additional debt funding later in the calendar year;
- The Group successfully raised equity funding of $378,278 during the financial year;
- On 5 September 2023, the Group announced that its Rights Issue closed on 30 August 2023, and raised $1,338,160 before costs, with a shortfall balance of $789,735. The Rights Issue was a pro-rata non-renounceable entitlement issue to eligible shareholders of one (1) New Share for every one (1) Existing Share held by eligible shareholders on the Record Date, at an issue price of $0.01 per New Share. 133,816,609 New Shares were issued and allotted on 5 September 2023, and the Company expects the shortfall to be placed shortly.
- On 21 September 2023, the Company announced that it had successfully completed the Shortfall Offer, raising a further $789,735 via the issue of shortfall shares at the issue price of $0.01 per Share, bringing the total capital raised under the Rights Issue to $2,127,895 before costs.
- On 28 September 2023, the Company announced $1.0M in annualised cost savings, to further extend its cash runway.
- The Group has the ability to further scale back a significant portion of its expenditure if required; and

Accordingly, the Directors believe that the Group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the Group does not continue as a going concern.

Functional and presentation currency

These consolidated financial statements are presented in Australian dollars which is the Group's functional currency. The Group is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and in accordance with that instrument, amounts in the consolidated financial statements and directors' report have been rounded off to the nearest Australian dollar, unless otherwise stated.

Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Group at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss and presented within general expenses.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is current when it is expected to be realized or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realized within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is current when it is expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Research and development tax incentive

The R&D tax incentive encourages companies to engage in R&D benefiting Australia, by providing a tax offset (or a cash refund if in a tax loss position) for eligible R&D activities. The Group recognises the R&D tax incentive in profit or loss when the Group incurs the eligible R&D expenditure. The R&D tax incentive income is presented on a gross basis and is not netted off against the R&D costs to which it relates.

Goods and services tax (GST)

Revenues, expenses, and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

New, revised or amended accounting standards adopted

The Group has retrospectively adopted, as at the date of incorporation, all of the new, revised or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the International Financial Reporting Interpretations Committee (IFRIC) that are relevant to its operations and effective for the year commencing 1 July 2022. There was no material impact on the group's financial statements on the adoption of these Standards and Interpretations.

Revised or amending Accounting Standards or Interpretations that are not yet mandatory for the year ended 30 June 2023 have not been early adopted.

2. Revenue

The Group generates revenue primarily from the licensing of software and the provision of professional and maintenance services to its customers. During the period the Group also generated revenue from its new Software-as-a-Service (SaaS) platform.

a) Disaggregation of revenue

In the following table, revenue is disaggregated by nature of product and service and is done so in conjunction with the Group's reporting segment.

For the year ended 30 June	2023 $	2022 $
Nature of product and service		
Licence and usage fees	645,703	598,682
Maintenance fees	21,827	27,551
Professional services	635,533	808,144
SaaS fees	60,000	23,250
Revenue from contracts with customers	**1,363,063**	**1,457,627**

2. Revenue *(continued)*

b) *Timing of revenue recognition*

The following table, revenue is disaggregated by timing of revenue recognition

For the year ended 30 June	**2023 $**	**2022 $**
Services transferred at a point in time	635,533	808,144
Services transferred over time	727,530	649,483

c) *Contract balances*

The following table provides information about trade receivables, contract assets and contract liabilities from contracts with customers.

	30 June 2023 $	**30 June 2022 $**
Trade receivables	17,049	264,302
Contract assets	-	120,250
Contract liabilities	(318,379)	(259,712)

Reconciliation of the written down values of contract assets and contract liabilities at the beginning and end of the current and prior financial year are set out below:

Contract assets	**30 June 2023 $**	**30 June 2022 $**
Opening balance 1 July	120,250	26,400
Additions	-	240,250
Transfer to trade receivables	(120,250)	(146,400)
Closing balance 30 June	**-**	**120,250**

Contract liabilities	**30 June 2023 $**	**30 June 2022 $**
Opening balance 1 July	259,712	179,650
Payments received in advance	603,424	504,873
Transfer to revenue – in opening balance	(259,712)	(179,650)
Transfer to revenue – other balances	(285,045)	(245,161)
Closing balance 30 June	**318,379**	**259,712**

No information has been provided about remaining performance obligations at 30 June 2023 that have an original expected duration of one year or less, as allowed by AASB 15.

2. Revenue *(continued)*

Accounting Policy - Revenue

Under its contracts, the Group grants a licence to the customer for the use of its software. The contract will specify the term of the licence, the jurisdictions in which the licence may be utilised and protocols to be followed to extend the licence beyond the agreed licence term.

The contracts also facilitate the provision of certain software, training, maintenance, customisation and configuration or other services from the Group in consideration for the payment of fees. The customer is granted, for the term of each contract, a non-exclusive, perpetual, irrevocable and royalty-free licence to use the software in a specific use case. The Group retains all rights, title and interest in the intellectual property of the software.

The Group is currently recognising revenue under these enterprise level and SaaS contracts for licence fees, maintenance fees, usage fees and professional services, each regarded as a separate performance obligation. Revenue is measured based on the consideration specified in the contract and is recognised when the Group transfers control over the product or service to the customer. Charges are determined by a number of factors including transaction volume, customisation requirements, ongoing support and maintenance and new feature releases. Pricing changes for each renewal term are to be mutually agreed in writing.

The following table provides information about the nature and timing of the satisfaction of performance obligations in its contracts with customers including the related revenue recognition policies.

Product and services	Nature and timing of satisfaction of performance obligations
Licence fees	The contracts require the Group to undertake maintenance and software enhancement activities throughout the licence period that significantly affects the intellectual property (IP) to which the customers have rights. The nature of the Group's performance obligation in granting a licence is regarded as a right to access the IP and thus the Group recognises licence fee revenue over time. Licence fee revenue is recognised in equal monthly instalments from the date the licence is first transferred and for the term of the contract. The licence fee is a fixed annual fee as specified in the contract.
Maintenance fees	Maintenance (software, equipment and hosted services maintenance) is to be provided to customers on an ongoing basis from the date the licence is first transferred and throughout the term of the contract. The maintenance fee is a fixed annual fee as specified in the contract. Under AASB 15, the performance obligation to provide maintenance services is first met upon transfer of the licence and is ongoing throughout the term of the contract. The total maintenance fee revenue to be billed under the contract is recognised in equal monthly instalments over time from the date the licence is first transferred.
Usage fees	Usage fee revenue is determined by the number of successful transactions (as defined in the contract) and is based on information provided to the Group by the customer. Usage fees are recognised only when the later of the usage occurs and the licence fee obligation has been satisfied. Usage fees are variable fees and may be subject to an annual cap as specified in the contract. The Group recognises usage fee revenue over time based on when the usage occurs.
Professional services (Including setup, training, and other support costs)	Professional services include setup, training, and support costs as well as individual customisation projects that are separate and distinct performance obligations. The Group recognises revenue at a point in time based on time and materials incurred in delivering the product and services to its customers as per the terms and prices specified in the contract. Invoices are generated on confirmation of product and service delivery and revenue is recognised at that point in time.

2. Revenue *(continued)*

Accounting Policy - Revenue *(continued)*

Where revenue is billed in advance, a contract liability is recognised and amortised over the period of the invoice. Where revenue is billed in arrears, a contract asset is recognised at the time of revenue recognition and transferred to trade receivables when the invoice is generated.

Warranties, returns and refunds

The warranty period will run from the licence start date and over a specified period of time. Under the warranty period the Group undertakes that the product and services supplied are of satisfactory quality and fit for purpose, free from defects in design, operate in accordance with the contract and that appropriate master copies are maintained by the Group.

In the event of an unresolved third-party intellectual property rights claim, customers may elect to return all deliverables under the contract and be refunded in full for all charges paid by the customer to date. Revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Due to the absence of any third-party intellectual property rights claims during the current and prior period, no adjustment has been made to revenue recognised during the period for expected returns.

Customers may terminate or partially terminate the contract by written notice to the Group. Due to the absence of any such written notices to the Group during the current and prior period, no adjustment has been made to revenue recognised during the period for expected refunds on termination.

Accounting policy - Contract assets

Contract assets are recognised when the Group has transferred goods or services to the customer but where the Group is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

Accounting policy - Contract liabilities

Contract liabilities represent the Group's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Group recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Group has transferred the goods or services to the customer.

3. Income tax expense

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity.

a) *Amounts recognised in profit or loss*

	30 June 2023 $	**30 June 2022 $**
Current tax expense	-	-
Deferred tax expense	-	-
Aggregate income tax expense	**-**	**-**

3. Income tax expense *(continued)*

b) *Reconciliation of accounting loss to taxable loss*

	30 June 2023 $	30 June 2022 $
Loss before tax	(5,997,504)	(4,997,031)
Adjustments to accounting loss		
Non-deductible expenses	4,066,247	3,196,755
Tax exempt income	(1,566,921)	(3,250,429)
Taxable loss	**(3,498,178)**	**(5,050,705)**
Income tax expense	-	**-**

The Group is in a net tax loss position and does not recognise a deferred tax asset.

c) *Unrecognised deferred tax assets*

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the Group can use the benefits therefrom.

	30 June 2023		30 June 2022	
	Gross amount $	Tax effect $	Gross amount $	Tax effect $
Tax losses	19,472,746	4,868,187	16,951,800	4,237,950

Accounting Policy - Income Tax Expense

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to incomes taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax liability arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and
- temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

3. Income tax expense *(continued)*

Deferred tax assets are recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, the future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that is has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

4. Loss per share

The calculation of basic and diluted loss per share has been based on the following loss attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.

	30 June 2023 $	**30 June 2022 $**
Loss for the year attributable to owners of Identitii Limited	(5,997,504)	(4,833,962)
Weighted-average number of ordinary shares		
Issued ordinary shares at 1 July	200,809,923	151,791,071
Effect of shares issued during the year	6,041,066	31,333,234
Weighted-average number of ordinary shares at 30 June	206,850,989	183,124,305
Basic and diluted loss per share (cents)	**(2.90)**	**(2.64)**

Share based payment options have not been included in the calculation of diluted loss per share as these are considered anti-dilutive as at 30 June 2023 and 30 June 2022.

5. Operating segments

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.

5. Operating segments *(continued)*

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

	Software Development and Licensing	
For the year ended 30 June	**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
Unallocated revenue:		
Interest revenue	21,114	498
Total revenue and other income	**2,910,564**	**4,552,173**

	Software Development and Licensing	
For the year ended 30 June	**2023** **$**	**2022** **$**
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 year	**(5,997,504)**	**(4,997,031)**
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, with majority of its revenue being derived in Asia.

Revenue from contracts with customers	**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. Refer to Note 2 for further detail on major customers, products, and services.

5. Operating segments *(continued)*

Location of current assets	**30 June 2023 $**	**30 June 2022 $**
Australia	2,988,797	7,020,736
	2,988,797	**7,020,736**

Location of non-current assets	**30 June 2023 $**	**30 June 2022 $**
Australia	1,469,337	1,797,520
	1,469,337	**1,797,520**

Non-current assets include intangibles, property, plant and equipment, investment in and loans to equity-accounted investees.

Location of current liabilities	**30 June 2023 $**	**30 June 2022 $**
Australia	2,133,228	1,385,662
	2,133,228	**1,385,662**

6. Cash and cash equivalents

	30 June 2023 $	**30 June 2022 $**
Bank balances	1,287,005	5,000,288
Term deposits	-	73,845
	1,287,005	**5,074,133**

Accounting Policy - Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

7. Trade and other receivables

	30 June 2023 $	**30 June 2022 $**
Trade receivables	17,046	264,302
Prepayments	145,012	192,541
Other receivables	49,650	55,547
	211,708	**512,390**

7. Trade and other receivables *(continued)*

Accounting Policy - Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables generally have 30-to-45-day payment terms.

Collectability of trade receivables is reviewed on an ongoing basis in accordance with the expected credit loss ("ECL") model. Credit losses are measured at the present value of all cash shortfalls (i.e., the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

The ECL assessment completed by the Group as at 30 June 2023 has resulted in an immaterial credit loss and no impairment allowance has been recognised by the Group (30 June 2022: $Nil).

Critical accounting judgements, estimates and assumptions

The provision for impairment of receivables and the ECL calculation assessment requires a degree of estimation and judgment. The level of provision is assessed by considering the recent sales experience, the ageing of receivables, historical collection rates and specific knowledge of the individual debtor's financial position.

8. Equity-accounted investees

	30 June 2023 $	30 June 2022 $
Investment in associates - Payble	**1,392,307**	**903,154**

On 15 November 2021, x15ventures invested $0.7 million into Payble, diluting Identitii's shareholding in Payble from 60.1% to 44.2%. On this date it was determined that Identitii no longer retained control of Payble and, as a result, Payble went from being a subsidiary to an investment in associate. Refer to Note 22 for further information on investment in associates.

On 22 December 2022, x15ventures invested a further $1.2 million in Payble. During the funding round, Identitii exercised its right to convert the outstanding intellectual property license fee, payable to the Company over three years, into additional equity. As of 30 June 2023, Identitii's investment in Payble was 32.8%. See Note 9 for loans to equity-accounted investees.

9. Loans to equity-accounted investees

	30 June 2023 $	30 June 2022 $
Current	-	120,000
Non-current	-	779,144
Loan to Payble Pty Ltd	**-**	**899,144**

10. Trade and other payables

	30 June 2023 $	30 June 2022 $
Trade payables	399,014	299,212
Other payables and accruals	184,015	345,105
	583,029	**644,317**

Accounting Policy - Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature, they are measured at amortized cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

11. Employee provisions

	30 June 2023 $	30 June 2022 $
Provision for annual leave	184,538	222,468
Superannuation payable	67,282	96,690
Employee taxes withheld	-	156,646
Other	-	5,829
	251,820	**481,633**

Amounts not expected to be settled within the next 12 months

The provision for annual leave includes all unconditional entitlements where employees have completed the required period of service and also where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current, since the Group does not have an unconditional right to defer settlement. However, based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

Accounting Policy - Employee Provisions

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Re-measurements are recognised in profit or loss in the period in which they arise.

Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, they are discounted.

12. Borrowings

	30 June 2023 $	30 June 2022 $
Current		
R&D Loan Facility	980,000	-
	980,000	**-**

R&D Loan Facility

On 8th March 2023, the Company entered into a new term loan facility of $980,000, 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 for the year ended 30 June 2023, with a termination date of 20 October 2023. The facility attracts interest at a rate of 16% p.a., which has been fully paid in advance on the date of draw down.

Accounting Policy - Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest rate method.

13. Share capital

	Ordinary shares			
	30 June 2023		30 June 2022	
	$	Number of shares	$	Number of shares
In issue at beginning of the year	32,934,833	200,809,923	25,775,278	151,791,071
Issued in settlement of Director loan	-	-	20,000	285,714
Issued for cash, net of costs of equity – placement	-	-	5,467,154	37,500,000
Issued for cash, net of costs of equity – rights issue	378,278	10,421,706	1,334,401	8,774,914
Issued not for cash – consideration for marketing services	-	-	30,000	375,000
Issued not for cash – consideration for capital raise management services	-	-	181,000	1,131,250
Issued not for cash – consideration for investor relation services	105,089	1,189,474	127,000	951,974
Issued not for cash - consideration to employee in accordance with employment contract	20,000	377,359	-	-
In issue at end of the year – authorised, fully paid and no par value	**33,438,200**	**212,798,462**	**32,934,833**	**200,809,923**

All ordinary shares rank equally with regard to the Company's residual assets.

Holders of ordinary shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

13. Share capital *(continued)*

Issue of ordinary shares

On 1 September 2022, the Company issued 400,000 shares at a price of $0.095 per share to a consultant as consideration for investor relation services.

On 25 November 2022, the Company issued 394,737 shares at a price of $0.095 per share to a consultant as consideration for investor relation services.

On 25 November 2022, the Company issued 377,359 shares at a price of $0.053 per share to an employee in accordance with their employment contract.

On 29 December 2022, as part of a rights issue to existing shareholders, the Board approved the issue of 10,421,706 ordinary shares in the Company at a price of $0.04 per share. Share issue costs of $38,590 were incurred in relation to this issuance.

On 24 May 2023, the Company issued 394,737 shares at a price of $0.095 per share to a consultant as consideration for investor relation services. Share issue costs of $7,911 were incurred in relation to issuances for investor relation services throughout the year.

Accounting policy - Share capital

Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with AASB 112.

Capital management

The Group's objective is to maintain a strong capital base so as to maintain investor, creditor, and market confidence and to sustain future development of the business.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents. In order to maintain or adjust the capital structure, the Group may issue new shares or sell assets to reduce debt.

14. Share based payment arrangements

For the year ended 30 June 2023, the Group recognised a share-based payment expense of $405,977 in the statement of profit or loss (30 June 2022: $541,737) under the following share-based payment arrangements.

		Share options & performance rights			
		30 June 2023		30 June 2022	
		$	Number of options	$	Number of options
Director options		979,674	12,358,082	817,106	12,358,082
PAC Partners options		79,196	5,000,000	79,196	5,000,000
Equity incentive plan - options		3,188,760	10,728,769	3,004,212	16,241,405
Equity incentive plan - performance rights	(i)	58,861	3,800,000	-	-
Options issued on rights offering	(ii)	-	5,210,834	-	-
On issue at end of year		**4,306,491**	**37,097,685**	**3,900,514**	**33,599,487**

The number and weighted-average exercise price of share options under the share-based payment arrangements noted above were as follows:

14. Share based payment arrangements *(continued)*

	Number of options 2023	Weighted average exercise price 2023	Number of options 2022	Weighted average exercise price 2022
Outstanding at 1 July	33,599,487	$0.26	35,332,499	$0.28
Forfeited during the year	(2,766,344)	$0.15	(3,208,012)	$0.15
Expired during the year	(2,746,292)	$0.75	(6,950,000)	$0.36
Granted during the year	5,210,834	$0.08	8,425,000	$0.23
Outstanding at 30 June	**33,297,685**	**$0.20**	**33,599,487**	**$0.26**

(i) Performance Rights Issued

On 6 March 2023, the Company granted a total of 3,800,000 Performance Rights in the following tranches:

- Tranche 1: 1,650,000 Rights, vesting 1 July 2023, expiring 31 December 2024.
- Tranche 2: 1,650,000 Rights, vesting 1 July 2024, expiring 31 December 2024.
- Tranche 3: 500,000 Rights, vesting on satisfaction of set Milestones, expiring 31 October 2027.

All Rights have nil exercise prices.

The tranches have the following vesting conditions:

- Tranche 1: Maintain continuous employment to 1 July 2023.
- Tranche 2: Maintain continuous employment to 1 July 2024.
- Tranche 3: Maintain continuous employment to 1 July 2024, and Identitii recording revenue of at least $5 million in the preceding 12-month period.

The Rights have no exercise price, and as such have been valued as per the ID8 share price as at the date of acceptance, weighted based on the likelihood of the vesting conditions being met.

(ii) Options Issued on Rights Offering

On 20 December 2022 the Non-Renounceable Rights Offering closed, with 5,210,834 share options granted to participants on 29 December 2022. No expense has been recognised in respect of these options for the period ended 30 June 2023, as they were issued to equity shareholders in their capacity as shareholders. The options have an exercise price of $0.08 and vest over a two-year period.

14. Share based payment arrangements *(continued)*

(iii) Share-based Payment Valuations Year Ending 30 June 2022

The following inputs were used in the measurement of the fair values at grant date of the share-based payment awards granted during the prior financial year.

	Director options		Supplier options
	Nicholas Armstrong	Steven James	PAC Partners
Number of options	**1,000,000**	**1,000,000**	**5,000,000**
Fair value at grant date	$0.0161	$0.0161	$0.0158
Share price at grant date	$0.0920	$0.0920	$0.0950
Exercise price	$0.2500	$0.2500	$0.2400
Expected volatility (1)	75 – 85%	75 – 85%	70 – 80%
Contractual life of options *(years)*	3	3	2
Expected dividends	Nil	Nil	Nil
Risk free rate (2)	0.19%	0.19%	0.78%
Valuation method	Black-Scholes	Black-Scholes	Black-Scholes
Expiry date	8 July 2024	8 July 2024	21 January 2024

Employee Incentive Plan options

Number of options	**75,000**	**75,000**	**75,000**	**150,000**	**150,000**	**187,500**	**375,000**	**187,500**	**150,000**
Fair value at grant date	$0.0457	$0.0594	$0.1110	$0.1045	$0.0603	$.0441	$.0441	$0.0467	$0.0392
Share price at grant date	$0.0910	$0.1100	$0.1750	$0.1600	$0.1050	$0.0790	$0.0790	$0.0790	$0.0720
Exercise price	$0.1500	$0.1500	$0.1500	$0.1500	$0.1500	$0.1500	$0.1500	$0.1500	$0.1500
Expected volatility (1)	80-90%	80-90%	80-90%	80-90%	80-90%	80-90%	80-90%	80-90%	80-90%
Contractual life *(yrs)*	5	5	5	5	5	5	5	5	5
Expected dividends	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Risk free rate (2)	0.77%	0.59%	0.63%	1.44%	1.47%	1.75%	1.75%	1.75%	2.14%
Valuation method	Black-Scholes	Black-Scholes	Black-Scholes	Black-Scholes	Black-Scholes	Black-Scholes	Black-Scholes	Monte Carlo	Black-Scholes
Expiry date	1 Jul 2026	1 Jul 2026	1 Jul 2026	1 Jul 2026	7 Jan 2027	2 Mar 2027	2 Mar 2027	2 Mar 2027	14 Mar 2027
Vesting conditions	(A)	(A)	(A)	(A)	(A)	(B)	(C)	(D)	(A)

(1) Expected volatility - a measure of the amount by which a share price is expected to fluctuate during a period and is based on the historical share price volatility of a group of comparable companies, including Identitii Limited, as at the grant date.

(2) Risk free rate - the yield available on Australian Government bonds with a term comparable to the likely term of the options.

(A) Share options vest in three equal annual tranches, commencing from grant date, subject to continued service with the Company.

(B) Share options vest in four equal annual tranches, commencing from grant date, subject to continued service with the Company.

(C) 187,500 share options vest when the Group records revenue of at least $5 million in the preceding twelve month period and 187,500 share options vest when the Group records revenue of at least $10 million in the preceding twelve month period.

(D) Share options vest when the Company's closing share price on the ASX is at or above $0.46 per share for twenty consecutive trading days.

14.Share based payment arrangements *(continued)*

Accounting Policy - Share-based payments

Equity Incentive Plan (EIP)

On 10 January 2018 the Group established the Equity Incentive Plan (EIP). This is a long-term plan under which share options or performance rights to subscribe for shares may be offered to eligible employees and consultants as selected by the Directors at their discretion. Currently only share options have been awarded under the EIP.

Under the EIP, one share option entitles the holder to one share in the Company subject to vesting conditions such as the satisfaction of performance hurdles and/or continued employment. The Board have the discretion to settle share options with a cash equivalent payment.

Participants in the EIP will not pay any consideration for the grant of the share option unless determined otherwise. Share options will not be listed and may not be transferred, assigned or otherwise dealt with unless approved by the Board.

If the employee's employment terminates before the share options have vested, the share option will lapse, unless approved otherwise by the Board. Eligible employees holding a share option pursuant to the EIP have no rights to dividends and are not entitled to vote at shareholder meetings until that share option is vested and, where required, exercised.

Share based payment arrangements

Equity-settled share-based compensation benefits are provided to employees. Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services.

The cost is measured at fair value on grant date using a suitable option pricing model such as Black Scholes, Binomial or Monte Carlo.

The grant date fair value of equity settled share-based payment arrangements is recognised as an expense, with a corresponding increase in equity over the vesting period of the award. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true up for differences between expected and actual outcomes.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increase the total fair value of the share-based compensation benefit as at the date of modification.

The share-based payment reserve in equity is transferred to retained earnings when the unexercised option expires.

Critical accounting judgements, estimates and adjustments

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black Scholes option pricing model, using the assumptions noted above.

15. Non-controlling interest

The below table summarises the information relating to each of the Group's subsidiaries that have a material non-controlling interest (NCI), after intra-group eliminations.

On 15 November 2021, the Company's ownership interest in Payble further decreased from 60.1% to 44.2% and it was determined the Company no longer retained control of Payble.

15.Non-controlling interest *(continued)*

Reconciliation of NCI	**30 June 2023 $**	**30 June 2022 $**
Balance 1 July	-	363,485
Initial investment in subsidiary	-	-
Loss allocated to NCI	-	(163,069)
NCI acquisition without loss of control	-	-
Loss of control of subsidiary	-	(200,416)
Balance 30 June	**-**	**-**

16. Reconciliation of cash flows from operating activities

	30 June 2023 $	**30 June 2022 $**
Loss for the year	**(5,997,504)**	**(4,997,031)**
Adjustments for:		
Equity settled share-based payment transactions	405,977	541,737
Annual leave provision	-	8,259
Depreciation and amortisation	37,054	116,222
Loss on disposal of asset	257	12,469
Gain on loss of control of subsidiary	-	(1,860,064)
Bank revaluation and unrealised FX gains and losses	(62,033)	(105,815)
Interest (income)/expense and other finance costs	(21,129)	67
Bad and doubtful debts	(749)	(1,825)
Equity settled consulting fees	123,750	67,000
Share of equity-accounted investee loss	430,866	267,246
Other non-cash generating expenses	(12,592)	(9,329)
	(5,096,103)	(5,961,064)
Changes in:		
Trade and other receivables	300,682	(131,139)
R&D tax receivable	(296,121)	(288,644)
Contract assets	120,250	(93,850)
Trade and other payables	(61,288)	373,208
Employee provisions	(229,813)	6,732
Contract liabilities	58,667	80,062
Net cash from operating activities	**(5,203,726)**	**(6,014,695)**

17. Financial instruments – fair values and risk management

i. Accounting classifications and fair values

The carrying amount of the Group's financial assets and financial liabilities is a reasonable approximation of fair value due to their short-term nature.

ii. Financial risk management

The Group has exposure to the following risks arising from financial instruments:
- credit risk (see ii (b))
- liquidity risk (see ii (c))
- foreign currency risk (see ii (d))

a) *Risk management framework*

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board of Directors has established the Audit and Risk Committee, which is responsible for developing and monitoring the Group's risk management policies.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies are reviewed regularly to reflect changes in market conditions and the Group's activities.

b) *Credit risk*

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers. The carrying amount of financial assets and contract assets represents the maximum credit exposure. Impairment losses on financial assets and contract assets recognised in profit or loss are as follows:

	30 June 2023 $	30 June 2022 $
Decrease in impairment loss on trade receivables and contract assets arising from contracts with customers	(749)	(1,825)

Trade receivables and contract assets

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Management also considers the factors that may influence the credit risk of its customer base including the default risk associated with the industry and country in which the customers operate.

The Group limits its exposure to credit risk from trade receivables by establishing a maximum payment period of 45 days for corporate customers.

Expected credit loss assessment for corporate customers

The Group uses a provision matrix to measure ECLs of trade receivables from corporate customers, which comprise of a small number of large balances.

The Group is still in its early stages of revenue generation with a small customer base and therefore doesn't have extensive historical information on which to base its loss rates. Its loss rates are management's best estimate based on industry comparatives and will be updated at every reporting period to reflect current and forecast credit conditions including other business, financial and economic factors. To date no customer balances have been written off or credit impaired at the reporting date.

For the year ending 30 June 2023, an ECL of nil (2022: Nil) has been assessed as the closing trade receivables balance of $17,046 is considered immaterial.

17. Financial instruments – fair values and risk management *(continued)*

Cash and cash equivalents and other receivables

The Group held cash and cash equivalents of $1,287,005 at 30 June 2023 (30 June 2022: $5,074,133). The majority of cash and cash equivalents are held with financial institution counterparties, which are rated A- to AA, based on credit agency ratings. The Group considers its cash and cash equivalents to have low credit risk based on the external credit ratings of the counterparties.

The Group held other receivables of $194,662 at 30 June 2023 (30 June 2022: $248,088). The Group considers its other receivables to have low credit risk based on historical data available, the reputation of the counterparties and the systematic ease with which the receivables are recoverable.

The Group did not recognise an impairment allowance for cash and cash equivalents and other receivables during the current and prior year under review.

Movements in the allowance for impairment in respect of trade receivables, contract assets and other financial assets

The movement in the allowance for impairment in respect of trade receivables, contract assets and other financial assets during the year was as follows.

	30 June 2023 $	30 June 2022 $
Balance at 1 July	749	2,574
Net remeasurement of loss allowance	(749)	(1,825)
Balance at 30 June	**-**	**749**

c) <u>*Liquidity risk*</u>

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate, but manageable, borrowing facilities are maintained. The Group also monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables.

Exposure to liquidity risk

The following are the contractual maturities of financial liabilities at the reporting date. The amounts are gross, undiscounted and include contractual interest payments where applicable.

			Contractual cash flows		
30 June 2023	**Carrying amount $**	**Total $**	**2 months or less $**	**2-12 months $**	**12 months or more $**
Trade and other payables	583,029	583,029	583,029	-	-
Borrowings	980,000	980,000	-	980,000	-
	1,563,029	**1,563,029**	**583,029**	**980,000**	**-**

17. Financial instruments – fair values and risk management *(continued)*

		Contractual cash flows			
30 June 2022	Carrying amount $	Total $	2 months or less $	2-12 months $	12 months or more $
Trade and other payables	644,317	644,317	644,317	-	-
	644,317	**644,317**	**644,317**	**-**	**-**

d) *Foreign currency risk*

The Group is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which sales, purchases, receivables, and borrowings are denominated and the respective functional currencies of the Group companies. The Group's exposure to foreign currency risk is concentrated primarily in cash and trade receivables as some customers are invoiced in United States Dollars (USD). The Group reduces this foreign currency risk by using the USD from customer sales to pay expenses that are incurred in USD. Other foreign currency risk is not material at present.

Exposure to foreign currency risk

The following is the summary quantitative data about the Group's exposure to currency risk as reported to the management of the Group:

	30 June 2023 USD	30 June 2022 USD
Cash and cash equivalents	588,140	1,065,395
Trade receivables	-	36,366
Trade payables	(60,219)	(4,495)
Net statement of financial position exposure	**527,921**	**1,097,266**

Sensitivity analysis

If foreign exchange rates were to increase / decrease by 10 per cent from rates used to determine fair values as at the end of the reporting period, assuming all other variables that might impact fair value remain constant, then the impact on profit or loss for the year would be as follows:

Impact on profit after tax	30 June 2023 $	30 June 2022 $
10% increase in USD/AUD exchange rate	22,311	159,283
10% decrease in USD/AUD exchange rate	(10,993)	(144,803)

There has been no change in assumptions or method used to determine foreign currency sensitivity from the prior year.

18. Commitments

The Group has no commitments or contingencies.

19. Auditors' remuneration

During the financial year the following fees were paid or payable for services provided by RSM, the auditor of the Company, its network firms and unrelated firms:

	30 June 2023 $	30 June 2022 $
Audit and review services		
RSM (Australia)		
Audit and review of financial statements	63,750	68,420
RSM (Hong Kong)		
Audit and review of financial statements	5,685	5,299
	69,435	**73,719**

20. Related parties

Parent and ultimate controlling party

Identitii Limited is the parent and ultimate controlling party of the Group.

Transactions with Key Management Personnel (KMP)

a) *KMP compensation*

KMP compensation comprised the following:

Compensation by category	30 June 2023 $	30 June 2022 $
Short-term employment benefits	597,438	532,824
Post-employment benefits	43,333	40,560
Other long-term employment benefits	20,159	20,069
Termination benefits	-	12,974
Share-based payments	162,568	191,433
	823,498	**797,860**

Compensation of the Group's KMP includes salaries, non-cash benefits and mandatory contributions to post-employment superannuation and provident funds. Certain Directors as well as senior employees of the Group are entitled to participate in the Equity Incentive Plan.

b) *KMP transactions*

KMP of the Company control approximately 1% of the voting shares of the Company as at 30 June 2023.

Terms and conditions of transactions with KMP and their related parties are no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-KMP related entities on an arm's length basis. The aggregate value of transactions and outstanding balances related to KMP and entities over which they have control or significant influence were as follows:

	Transaction values for year ended 30 June		Balance outstanding as at 30 June	
Transactions	2023 $	2022 $	2023 $	2022 $
Loan from Director – John Rayment	-	20,000	-	-

21. List of subsidiaries

The table below lists the controlled entities of the Group as at 30 June 2023.

Name	Principal place of business	Ownership interest	
		30 June 2023	30 June 2022
Identitii Hong Kong Limited	Hong Kong	100%	100%

The Company provided $6,152 (30 June 2022: $79,966) of financial support during the year to Identitii Hong Kong Limited to assist with the payment of current and ongoing general operating costs mostly in relation to salaries and employee benefit expenses.

22. Investment in associates

Investment in associates is accounted for using the equity method of accounting. Information relating to associates that are material to the Group are set out below:

Name	Principal place of business	Ownership interest	
		30 June 2023	30 June 2022
Payble Pty Ltd	Australia	32.8%	44%

The following table summarises the financial information of Payble, as included in its own financial statements, and reconciles it to the carrying amount of the Group's interest in Payble.

The information presented in the 30 June 2022 table includes the results of Payble for the period from 15 November – 30 June 2022 when Payble was an equity-accounted investee.

	Payble Pty Ltd	
	30 June 2023 $	30 June 2022 $
Summarised statement of financial position		
Current assets	679,891	604,228
Non-current assets	1,017,908	982,777
Total assets	**1,697,799**	**1,587,005**
Current liabilities	348,248	223,955
Non-current liabilities	-	779,144
Total liabilities	**348,248**	**1,003,099**
Net assets	**1,349,551**	**583,906**
Summarised statement of profit or loss and other comprehensive income		
Loss after tax	1,312,416	604,628
Total comprehensive loss	**1,312,416**	**604,628**
Reconciliation of the carrying amount in associate		
Opening carrying amount	903,154	-
Fair value on date control was lost	-	1,170,400
Forgiveness of loan in exchange for shares	920,019	-
Share of associate loss after tax	(430,866)	(267,246)
Closing carrying amount	**1,392,307**	**903,154**

22. Investment in associates *(continued)*

Accounting Policy - Associates

Associates are entities over which the Group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method. Under the equity method, the share of the profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in associates are carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Dividends received or receivable from associates reduce the carrying amount of the investment.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The Group discontinues the use of the equity method upon the loss of significant influence over the associate and recognises any retained investment at its fair value. Any difference between the associate's carrying amount, fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

23. Parent entity disclosures

As at, and throughout, the financial year ended 30 June 2023, the parent entity of the Group was Identitii Limited.

	30 June 2023 $	30 June 2022 $
Results of parent entity		
Total comprehensive loss for the year	(5,983,799)	(6,191,579)
Financial position for the parent entity		
Current assets	4,023,778	8,050,015
Total assets	**5,493.114**	**8,944,678**
Current liabilities	2,121,151	1,373,686
Total liabilities	**2,121,151**	**1,373,686**
Total equity of the parent entity		
Share capital	33,438,181	32,934,833
Reserves	4,292,785	3,900,514
Retained losses	(34,359,003)	(29,264,355)
Total equity	**3,371,963**	**7,570,992**

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2023 and 30 June 2022.

Capital commitments

The parent entity had no capital commitments for property, plant, and equipment as at 30 June 2023 and 30 June 2022.

24. Fair value measurements

The carrying amount of the Group's financial assets and financial liabilities is a reasonable approximation of fair value.

25. Subsequent events

On 5 September 2023, the Company announced that its Rights Issue closed on 30 August 2023, and raised $1,338,160 before costs, with a shortfall balance of $789,735. The Rights Issue was a pro-rata non-renounceable entitlement issue to eligible shareholders of one (1) New Share for every one (1) Existing Share held by eligible shareholders on the Record Date, at an issue price of $0.01 per New Share. 133,816,609 New Shares were issued and allotted on 5 September 2023, and the Company expects the shortfall to be placed shortly.

On 21 September 2023, the Company announced that it had successfully completed the Shortfall Offer, raising a further $789,735 via the issue of shortfall shares at the issue price of $0.01 per Share, bringing the total capital raised under the Rights Issue to $2,127,895 before costs.

On 28 September 2023, the Company announced $1.0M in annualised cost savings, to further extend its cash runway. The operational changes to realise $1.0M in annualised cost savings have all been put into effect, and the Company expects to see the resulting decreases in cash outflows materialise in the coming quarters. Savings have been realised in cloud infrastructure (consolidating multiple suppliers), legal costs (finalising patent strategy work), operational costs (office downsizing and licence cancellations) and headcount (including some reallocations to offshore roles). Additionally, all three Non-Executive Directors on our Board have elected to reduce the cash component of their remuneration by 25%, substituting the reduced cash component for ordinary shares in the Company, subject to shareholder approval.

Other than the matters discussed above, there has not arisen in the interval between the end of the year and the date of this report any item, transaction, or event of a material and unusual nature likely, in the opinion of the Directors, to affect significantly in future financial years the operations of the Group, the results of those operations, or the state of affairs of the Group.

Directors' Declaration

1. In the opinion of the Directors of Identitii Limited ('the Company'):
    a. the consolidated financial statements and notes that are set out on pages 20 to 51 are in accordance with the *Corporations Act 2001*, including:
        i. giving a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and
        ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
    b. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. The Directors draw attention to Note 1 to the financial statements, which includes a statement of compliance with International Financial Reporting Standards.

3. The Directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2023.

Signed in accordance with a resolution of the Board of Directors:

Timothy Phillipps
Chairperson

Sydney
29 September 2023

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INDEPENDENT AUDITOR'S REPORT
To the Members of Identitii Limited

Opinion

We have audited the financial report of Identitii Limited (the Company) and its controlled entity (the Group), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of the Group is in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Group, would be on the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the financial report, which indicates that the Group incurred a net loss of $5,997,504 during the year ended 30 June 2023. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

RSM

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed this matter
Equity method of accounting for investments with significant influence Refer to Note 8 and Note 22 in the financial statements.	
Investments in associates are carried at a value of \$1,392,307 after the conversion to equity of \$920,019 loans to the associate and accounting for the company shares of losses of \$430,866. It was determined in FY22 that the Company no longer retained control of Payble and, as a result, Payble went from being a subsidiary to an investment in associate. During the FY23 financial year, the Company exercised its right to convert the outstanding intellectual property license fee, amounting to \$0.9m payable by the associate to Identitii into additional equity. As of 30 June 2023, the Company's investment in Payble was 32.8%. We consider this to be a key risk due to the following reasons: • The variability of the Company's interest for the period as a result of conversion of the loan and x15venture's further investment. • Accounting for investments in associates is non-routine and can be technically complex in nature.	Our audit procedures included the following: • Obtained and reviewed the Subscription and Set-off Deed signed between the Company and Payable. • Obtained and reviewed managements' calculation for the loan conversion including agreements to the Subscription and Set-off Deed. • Obtained and reviewed the application of equity method of accounting to the Company's share of equity-accounted investee losses. • Obtained the financial statements for Payble and recalculated the share of associate loss after tax. • Verified that the amounts and disclosures in Note 22 of the financial statements were consistent with the financial statements of Payble. • Critically evaluated managements assessment of whether the asset was impaired. • Assessing the compliance of the financial presentation and disclosures with the requirements of Australian Accounting Standards.

<table>
<tr><th>Key Audit Matter</th><th>How our audit addressed this matter</th></tr>
<tr><td colspan="2">Share-based payments – Refer to Note 14 in the financial statements.</td></tr>
<tr><td>The Group recognised a share-based payment expense of $405,977 in the statement of profit or loss for the year ended 30 June 2023 under various share-based payment arrangements.

Management has accounted for these arrangements in accordance with AASB 2 Share-Based Payments.

Accounting for share-based payments and the share option reserve are considered key audit matters due to the following:
Accounting for share-based payments is non-routine and complex.
There is significant judgement in relation to the inputs into the valuation models, including the likelihood of vesting conditions and performance hurdles being met, and the appropriate valuation methodology to apply.
Management engaged a third-party expert for the valuation process.</td><td>Our audit procedures in relation to the share-based payments included the following:
Making enquiries of management about the nature of, and the rationale behind, the instruments issued.
Reviewing the terms and conditions of the instruments issued.
Reviewing managements expert's valuation report, giving due consideration to their independence and capability.
Reviewing the valuation methodology to ensure it is in compliance with AASB 2.
Verifying the mathematical accuracy of the underlying model.
Reviewing the inputs to the valuation model for reasonableness.
Critically evaluating the key assumptions used, considering the market, the grant date share price and current date share price, the expected volatility in the share price, the vesting period, and the number of instruments expected to vest.
Recalculating the value of the share-based payment expense to be recognised and the reserve balance, for accuracy, factoring in any cancellations, modifications, expiry, or vesting.
Reviewing the adequacy of the relevant disclosures, including the disclosures in respect of judgements made, in the financial statements.</td></tr>
</table>

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2023 but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Group are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/auditors_responsibilities/ar2.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 12 to 18 of the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Identitii Limited, for the year ended 30 June 2023, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Group are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

RSM

RSM AUSTRALIA PARTNERS

GNS

G N Sherwood
Partner

Sydney, NSW
Dated: 29 September 2023

Additional ASX Information

In accordance with ASX Listing Rule 4.10, the Directors provide the following information as at 25 September 2023.

Securities on Issue

Identitii has the following securities on issue as at 25 September 2023:

Type	Security	Number of securities	Number of security holders
ASX Listed	Fully paid ordinary shares (ID8)	425,588,014	2,110
ASX Listed	Options exercisable at $0.08 and expiring 29 December 2024 (ID8O)	5,210,834	136
Unlisted	Options	22,457,685	31
Unlisted	Performance Rights	3,800,000	11

Voting rights

Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

Distribution schedule of the number of holders of ordinary shares

Holdings Ranges	Holders	Total Units	%
1-1,000	57	16,839	0.000
1,001-5,000	371	1,210,047	0.280
5,001-10,000	386	2,961,570	0.700
10,001-100,000	912	34,231,518	8.040
100,001-9,999,999,999	384	387,168,040	90.970
Totals	**2,110**	**425,588,014**	**100.000**

Marketable Parcels

Identitii has 1,421 shareholders holding less than a marketable parcel 41,666 shares each (i.e., less than $500 per parcel of shares) based on the closing price of AUD 0.012 on 22 September 2023 representing a total of 425,588,014 shares.

On-Market Buy-Back

Identitii is not undertaking an on-market buy-back.

Restricted securities

Identitii does not have any restricted securities on issue.

Twenty largest shareholders

	Shareholder	Number of shares held	% of issued capital
1	BEAUVAIS CAPITAL PTY LTD <THE REGINALD HECTOR A/C>	70,668,757	16.605%
2	LINK TRADERS (AUST) PTY LTD	20,822,412	4.893%
3	MR FREDERICK BART	19,631,740	4.613%
4	O'DWYER TECHNOLOGY TRAINING PTY LIMITED <O'DWYER INVEST A/C>	18,000,000	4.229%
5	MR CAMERON BEAVIS <THE SCHINDLER S/F A/C>	14,025,030	3.295%
6	BART SUPERANNUATION PTY LIMITED <4F INVESTMENTS SUPERFUND A/C>	11,608,500	2.728%
7	MR EVAN PHILIP CLUCAS & MS LEANNE JANE WESTON <KURANGA NURSERY SUPER A/C>	8,976,000	2.109%
8	PAT PROPERTY PTY LTD <PAT A/C>	6,829,837	1.605%
9	CITICORP NOMINEES PTY LIMITED	5,991,064	1.408%
10	FANE LEVY INVESTMENTS PTY LTD <FANE LEVY INVESTMENT A/C>	5,937,500	1.395%
11	ELOREY PTY LTD <RAMILLIES A/C>	4,771,824	1.121%
12	MR SURESHKUMAR RAJALINGAM	4,463,702	1.049%
13	JAMBER INVESTMENTS PTY LTD <THE AMBER SCHWARZ FAM A/C>	3,250,000	0.764%
14	BANNABY INVESTMENTS PTY LIMITED <BANNABY SUPER FUND A/C>	3,149,193	0.740%
15	MISS MICHELLE JOHANNE SEAGROTT	3,027,493	0.711%
16	MR STEVEN ROBERT HEATH <HEATH FAMILY S/F A/C>	3,000,000	0.705%
17	PINTIA PTY LTD <PETER CURRY SUPER FUND A/C>	2,973,754	0.699%
18	THIRD PARTY NOMINEES PTY LTD <ACCUMULATION A/C>	2,904,725	0.683%
19	MR HANS RICHARD EBERSTALLER	2,800,000	0.658%
20	SUPAROSE PTY LTD <MCLARAN SUPER FUND A/C>	2,588,762	0.608%
Total Securities of Top 20 Holdings		215,420,293	50.617%
Total Securities		**425,588,014**	

Substantial shareholders

The following shareholders have disclosed a substantial holding:

Holder Name	**Number of Shares**	**% Voting Power**
Cameron Beavis	84,693,787	19.90%
Fred Bart	31,240,240	9.0%
Link Traders (Aust) Pty Ltd	21,002,412	6.06%
O’Dwyer Technology Training Pty Limited <O’Dwyer Invest A/C>	18,000,000	5.19%

Corporate Directory

Directors
Timothy Phillipps, Chairperson
John Rayment
Rhyll Gardner
Simon Griffin

Company Secretary
Elissa Hansen

Registered Office
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NSW 2000
Telephone: (02) 9056 4160

ABN 83 603 107 044

Company Website
https://identitii.com/

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Level 13
60 Castlereagh Street
Sydney
NSW 2000

Solicitors
Law Squared
Level 13
50 Carrington St
Sydney
NSW 2000

Securities Exchange Listing
Identitii Limited shares are
Listed on the Australian
Securities Exchange.
ASX Code: ID8

Share Registry
Boardroom Pty Limited
Level 12
225 George Street
Sydney
NSW 2000

Telephone: (02) 9290 9600

ASX:ID8
Identitii Ltd
ABN: 83 603 107 044