

Appendix 4E Preliminary Final Report For the Year Ended 30 June 2024

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

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

1. Reporting Period

Year ended (reporting period) 30 June 2024
Year ended (previous reporting period) 30 June 2023

2. Results for Announcement to the Market

	30 June 2024 \$	30 June 2023 \$	% change to prior year	
2.1 Revenue from ordinary activities	748,292	1,363,063	down	45%
2.2 Loss after tax attributable to members	(3,543,516)	(5,997,504)	down	41%
2.4 Dividends	Amount per security		Franked amount per security	
Final dividend	Nil		N/A	
Interim dividend	Nil		N/A	
2.5 Record date for determining entitlements to the dividends	N/A			

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

Revenue from ordinary activities decreased by 45% to \$748,292, primarily due to a change in sales focus. During the financial year the Company implemented its One Platform rationalisation strategy to reduce legacy technology complexity that is holding back growth. The Company consolidated multiple software products, projects, and platforms, to one single Software as a Service (SaaS) platform hosted by a single cloud services provider. As a result of this, legacy contracts have been terminated, leading to a decline in revenues whilst uptake of the new platform increases.

Despite the decrease in revenue, the Group's loss after tax attributable to members decreased by \$2,453,988 or 41% to \$3,543,516, primarily due to:

- A gain of \$114,435 recorded for the sale of the Company's investment in Payble Pty Ltd upon the partial sell down of its shares.
- A \$694,918 gain recorded on the revaluation of the Company's remaining investment in Payable Pty Ltd post the partial sell down of its shares.
- A \$2,768,988 (31%) decrease in operating expenses for the financial year due to the Company's ongoing company-wide cost reduction program.



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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR YEAR ENDED 30 JUNE 2024

	2024	2023
	\$	\$
Revenue from contracts with customers	748,292	1,363,063
Research and development tax incentive	996,640	1,490,084
Government grants	36,600	36,303
Interest income	4,679	21,114
Gain on sale of investment	114,435	-
Gain on revaluation of financial assets	694,918	-
Total revenue and other income	2,595,564	2,910,564
Salaries and employee benefit expense	(1,747,861)	(2,179,630)
Share-based payments	(235,849)	(405,977)
Consultants' fees	(308,926)	(564,062)
Advertising and marketing	(7,571)	(148,983)
Depreciation and amortisation	(12,940)	(13,875)
General expenses	(670,068)	(738,465)
Interest expense	(75,181)	(52,694)
Legal expenses	(106,021)	(163,532)
Office expenses	(405,640)	(537,878)
Travel and accommodation	(122,374)	(191,926)
Short-term lease payments	(37,166)	(55,449)
Reversal of impairment on trade receivables	-	749
Research and development expenses	(2,291,125)	(3,425,480)
Share of equity-accounted investee loss	(118,358)	(430,866)
Total expenses	(6,139,080)	(8,908,068)
Loss before income tax	(3,543,516)	(5,997,504)
Income tax expense	-	-
Loss for the year	(3,543,516)	(5,997,504)
Other comprehensive income		
<i>Items that will be reclassified subsequently to profit or loss:</i>		
Exchange differences on translating foreign operations	(163)	(19,528)
Total comprehensive loss for the year	(3,543,679)	(6,017,032)
Basic and diluted loss per share (cents)	(0.92)	(2.90)



4. Consolidated Statement of Financial Position

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

	2024	2023
	\$	\$
Assets		
Cash and cash equivalents	643,761	1,287,005
Research and development tax incentive receivable	996,640	1,490,084
Trade receivables	22,000	17,049
Other receivables	314,905	194,659
Total Current Assets	1,977,306	2,988,797
Property, plant, and equipment	16,142	49,860
Investment in equity-accounted investees	-	1,392,307
Financial assets	1,083,318	-
Other non-current assets	770	27,170
Total Non-Current Assets	1,100,230	1,469,337
Total Assets	3,077,536	4,458,134
Liabilities		
Trade and other payables	434,884	583,029
Employee liabilities and provisions	332,212	251,820
Contract liabilities	241,886	318,379
Borrowings	888,815	980,000
Total Current Liabilities	1,897,797	2,133,228
Total Liabilities	1,897,797	2,133,228
Net Assets	1,179,739	2,324,906
Equity		
Share capital	35,646,913	33,438,200
Share options reserve	4,417,290	4,306,491
Foreign currency translation reserve	(20,049)	(19,886)
Retained losses	(38,864,415)	(35,399,899)
Total equity	1,179,739	2,324,906



5. Consolidated Statement of Cash Flows

CONSOLIDATED STATEMENT OF CASH FLOWS FOR YEAR ENDED 30 JUNE 2023

	2024	2023
	\$	\$
Cash flows from operating activities		
Receipts from customers	692,247	1,847,455
Payments to suppliers and employees	(5,856,251)	(8,218,360)
Cash flows utilised in operations	(5,164,004)	(6,370,905)
Receipt from government grants and tax incentives	1,526,684	1,240,015
Interest received	4,679	987
Interest paid	(96,083)	(73,823)
Net cash used in operating activities	(3,728,724)	(5,203,726)
Cash flows from investing activities		
Cash flows from loans to equity-accounted investees	-	12,386
Sale of investments in associates	999,985	-
Net cash provided by/(used in) investing activities	999,985	12,386
Cash flows from financing activities		
Proceeds from the issue of shares	2,158,741	416,868
Transaction costs related to the issue of shares	(54,768)	(36,109)
Proceeds from borrowings	888,824	980,000
Repayment of borrowings	(980,000)	-
Transaction costs related to borrowings and leases	(16,500)	-
Net cash provided by financing activities	1,996,297	1,360,759
Net (decrease)/increase in cash held	(732,442)	(3,830,581)
Cash and cash equivalents at beginning of financial year	1,287,005	5,074,133
Effects of foreign currency exchange	89,198	43,453
Cash and cash equivalents at end of financial year	643,761	1,287,005



6. Consolidated Statement of Changes in Equity

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED 30 JUNE 2024

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



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED 30 JUNE 2024 (CONTINUED)

	Share capital	Share option reserve	FCTR	Retained losses	Total equity
	\$	\$	\$	\$	\$
Balance at 1 July 2023	33,438,200	4,306,491	(19,886)	(35,399,899)	2,324,906
Loss for the year	-	-	-	(3,543,516)	(3,543,516)
Other comprehensive income	-	-	(163)	-	(163)
Total comprehensive income (loss) for the year	-	-	(163)	(3,543,516)	(3,543,679)
Transactions with equity holders in their capacity as owners					
Issue of ordinary share capital	2,207,896	-	-	-	2,207,896
Costs of equity raising	(45,233)	-	-	-	(45,233)
Exercise of performance rights	46,050	(46,050)			-
Equity-settled share-based payments	-	235,849	-	-	235,849
Expired options and performance rights		(79,000)		79,000	-
Balance at 30 June 2024	35,646,913	4,417,290	(20,049)	(38,864,415)	1,179,739



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

Date dividend is payable

N/A

+Record date to determine entitlements to the dividend

N/A

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

N/A

Amount per security

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

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

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

8. Dividend or distribution plans in operation

N/A

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

N/A

9. Net tangible assets per security

	Current Period 2024 (cents)	Prior Period 2023 (cents)
Net tangible asset backing per ordinary share	0.27	1.09



10. Control gained or lost over entities

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

11. Details of associates and joint venture entities

Name	Principal place of business	Ownership Interest	
		30 June 2024	30 June 2023
Payble Pty Ltd	Australia	11%	33%

12. Significant information

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

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

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

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

14. Commentary on the results for the period

14.1 Earnings per security (EPS)

	Current Period 2024 (cents)	Prior Period 2023 (cents)
Basic and diluted loss per share	0.92	2.90

14.2 Returns to shareholders (Including distributions and buy backs)

	Current Period 2024 \$	Current Period 2023 \$
Ordinary securities	-	-
Preference securities	-	-
Other equity instruments	-	-
Total	-	-



14.3 Significant features of operating performance

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

14.4 Segment information

An operating segment is a component of the Group:

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

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

	Software Development and Licensing	
	2024	2023
	\$	\$
Sales to external customers	748,292	1,363,063
Other revenue and income	1,033,240	1,526,387
Total segment revenue and income	1,781,532	2,889,450
<i>Unallocated revenue:</i>		
Interest income	4,679	21,114
Gain on sale of investment	114,435	-
Gain on revaluation of financial assets	694,918	-
Total revenue and other income	2,595,564	2,910,564
EBITDA	(4,269,427)	(5,952,049)
Depreciation and amortisation	(12,940)	(13,875)
Interest income	4,679	21,114
Gain on sale of investment	114,435	-
Gain on revaluation of financial assets	694,918	-
Interest expense	(75,181)	(52,694)
Loss before income tax	(3,543,516)	(5,997,504)
Income tax expense	-	-
Loss for the period	(3,543,516)	(5,997,504)



	Software Development and Licensing	
	2024	2023
	\$	\$
Segment assets	3,077,536	4,458,134
Segment liabilities	1,897,797	2,133,228

Geographic information

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

<i>Revenue from contracts with customers</i>	30 June 2024	30 June 2023
	\$	\$
Asia	-	292,493
Australia	241,988	623,988
United States of America	506,304	446,582
	748,292	1,363,063

Revenue is based on the location of the customer.

<i>Location of non-current assets</i>	30 June 2024	30 June 2023
	\$	\$
Australia	1,100,230	1,469,337
	1,100,230	1,469,337

14.5 Report on trends in performance

Consolidated Statement of Profit or Loss and Other Comprehensive Income

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

Statement of Financial Position

As at 30 June 2024 Identitii's Net Assets decreased to \$1,179,739 (2023: \$2,324,906). The decrease was largely due to:

- A decrease in the closing cash position to \$643,761 (2023: \$1,287,005). See detailed commentary below on the movements in cash for the financial year.
- A reduction of \$493,444 in research and development tax incentive receivables to \$996,640 (2023: \$1,490,084), due to lower expenditure of R&D related activities in line with the Company's ongoing overall cost reduction program.
- A \$369,107 reduction in non-current assets to \$1,100,230 (2023: 1,469,337), primarily due to the partial sell down of the Company's shares in Payble Pty Ltd.

Consolidated Statement of Cash Flows

- Net cash used in operating activities decreased to \$3,728,724 (2023: \$5,203,726). This was primarily as a result of a decrease of \$2,362,109 in payments to suppliers and employees as a result of cost-saving measures implemented across the business during the financial year. Additionally, there was an increase of \$286,669 compared to the prior year for the Research and Development Tax Incentive ("R&DTI") refund received.
- Net cash provided by investing activities for the year was \$999,985 (2023: \$12,386), all of which related to proceeds from the sale of the Company's shares in Payble Pty Ltd.
- Net cash provided by financing activities increased to \$1,996,297 (2023: \$1,360,759) as a result of the successful completion of an equity raising via an entitlements offer during the year.

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

N/A



15. Compliance statement

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

(Tick one)

- | | | | |
|-------------------------------------|--|--------------------------|---|
| ☐ | The accounts have been audited. | ☐ | The accounts have been subject to review. |
| ☒ | The accounts are in the process of being audited or subject to review. | ☐ | The accounts have not yet been audited or reviewed. |

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

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

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

N/A

Compliance statement

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

John Rayment
Chief Executive Officer

29 August 2024
Sydney



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

About Identitii

Identitii's mission is to seamlessly connect the world's payment data. Current data sharing methods are manual and unstructured, exposing organisations to inefficiencies and elevated risk. Our platform is being used by more than 200 teams across the world, to structure and automate information sharing, improving the security and control of sensitive data as it moves within and between payments organisations. We fundamentally believe that the future of digital commerce will be enabled by greater access to, and sharing of, payments data within and across the boundaries of geography, residency and technology.

For more information visit: www.identitii.com

Visit Identitii's interactive Investor Hub: If you have any questions about this announcement or any past Identitii announcements, or would like to see video summaries on important announcements, please visit our investor hub at: <https://investorhub.identitii.com/>

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