



Identitii Limited

ACN 603 107 044

Prospectus

For the offer of up to 13,629,698 fully paid ordinary shares in Identitii Limited ACN 603 107 044 (**Shares**) at an issue price of \$0.24 per Share to raise gross proceeds of up to approximately \$3.27 million (**Offer**).

No Shares will be issued under this Prospectus if the Company is unable to raise a minimum of \$2.0 million under the Offer (**Minimum Subscription**).

Important Notice: This Prospectus is a transaction specific prospectus prepared in accordance with the requirements of section 713 of the *Corporations Act 2001* (Cth). This is an important document that should be read in its entirety. Please read the instructions in this Prospectus and on the accompanying Application Form carefully if you wish to apply for Shares under the Prospectus. If you do not understand this document or you are unsure whether to apply for Shares you should consult your stockbroker, lawyer, accountant or other professional adviser without delay. The Shares being offered under this Prospectus should be regarded as a highly speculative investment.

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Important information

1. General

This prospectus (**Prospectus**) relates to the offer of up to 13,629,698 fully paid ordinary shares (**Shares**) in Identitii Limited ACN 603 107 044 (**Company** or **Identitii**) at an issue price of \$0.24 per Share (**Issue Price**) to raise gross proceeds of up to approximately \$3.27 million (**Offer**).

2. Transaction specific Prospectus

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the *Corporations Act 2001* (Cth) (**Corporations Act**)) and has been prepared and issued by the Company in accordance with the requirements of section 713 of the Corporations Act.

3. Lodgment and Official Quotation

This Prospectus is dated 21 February 2020 and a copy of this Prospectus was lodged with the Australian Securities and Investments Commission (**ASIC**) on that date. The Company will apply to ASX Limited (**ASX**) for Quotation of the Shares the subject of the Offer within 7 days after the date of the Prospectus.

4. Expiry date

This Prospectus expires on 21 March 2021, being the date which is 13 months after the date of the Prospectus. No Shares will be offered under this Prospectus after 21 March 2021.

5. No responsibility

Neither ASIC nor ASX (or either of their respective officers) take any responsibility for the contents of this Prospectus or the merits of the investment to which the Prospectus relates. Furthermore, none of the Company, Peloton Capital Pty Ltd ACN 149 540 018 (**Corporate Adviser**) or Boardroom Pty Ltd ACN 003 209 836 (**Share Registry**) (or any of their respective officers, employees, directors, agents or advisers) accept any responsibility, whether in negligence or otherwise, to persons who deal in Shares before receiving their holding statements.

6. Prospectus availability

During the Offer Period, a paper copy of this Prospectus will be available to Eligible Investors free of charge to by contacting the Corporate Adviser or by calling the Company's Company Secretary, Ms Elissa Hansen on 0411 764 556. In addition to issuing the Prospectus in printed form, a read-only version of the Prospectus will also be available on the Company's website at www.identitii.com. Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must, subject to a limited number of exceptions, be an Australian resident and must only access the Prospectus from within Australia. The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered electronic version of this Prospectus.

7. Publicly available information

Information about the Company is publicly available and can be obtained from ASIC and ASX (including ASX's website at www.asx.com.au). The contents of any website or ASIC or ASX filing by the Company is not incorporated into this Prospectus and do not constitute part of the Offer. This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX. Eligible Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision on whether or not to invest in the Company.

8. Financial Information

Section 3.4 sets out the Financial Information referred to in the Prospectus. The basis of preparation of the Financial Information is set out in Section 3.4. All dollar values are in Australian dollars (\$ or A\$), rounded to the nearest \$0.1 million and financial data is presented as at or for the half year ended 31 December 2019 (unless stated otherwise). Any discrepancies between totals and sums of components in tables contained in this Prospectus are due to rounding.

9. Risk factors

The information contained in this Prospectus is not investment or financial product advice and does not take into account your investment objectives, financial circumstances, tax position or particular needs. This Prospectus should not be construed as financial, taxation, legal or other advice. It is important that you read this Prospectus carefully and in its entirety before deciding whether to invest in the Company (i.e. by applying for Shares under this Prospectus). There are considerable risks associated with an investment in the Shares and as such an investment in the Shares being offered pursuant to the Offer should be regarded as a highly speculative investment.

In particular, you should consider the risk factors that could affect the performance of the Company and other information in this Prospectus. You should carefully consider these risks in the light of your personal circumstances (including your investment objectives, financial circumstances and tax position) and seek professional guidance from your stockbroker, accountant, lawyer or other professional adviser before deciding to apply for Shares under the Offer. Some of the key risk factors that should be considered by prospective investors are set out in Section 4. There may be risk factors in addition to the risks in Section 4 that should also be considered in the light of your personal circumstances.

You should also consider the assumptions underlying the Financial Information and the risk factors that could affect the Company's business, financial condition and results of operations. No person named in this Prospectus, nor any other person, warrants or guarantees the performance of the Company or the repayment of capital by the Company or any return on any investment made pursuant to this Prospectus. This Prospectus includes information regarding the past performance of the Company. Investors should be aware that past performance is not indicative of future performance.

10. Forward looking statements

This Prospectus contains forward looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'expects', 'intends', 'considers' and includes statements of current intentions, statements of opinion and predictions as to future events as well as other similar words that involve known or unknown risks and uncertainties. You should be aware that such statements are not statements of fact and as such there can be no certainty of outcome in relation to the matters to which those forward looking statements relate.

Forward looking statements involve known and unknown risks, uncertainties, assumptions and other important factors that could cause actual events, performance or outcomes to differ materially from the events, performance or outcomes expressed or anticipated in these statements, many of which are beyond the control of the Company and the Directors. Such forward looking statements are based on an assessment of present economic and operating conditions and a number of best estimate assumptions regarding future events and actions that, at the date of the Prospectus, are expected to take place. The forward looking statements should be read in conjunction with, and are qualified by reference to, the risk factors as set out in Section 4 and other information contained in this Prospectus.

The Directors cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward looking statements contained in this Prospectus will actually occur and Eligible Investors are therefore cautioned not to place undue reliance on such forward looking statements. Except where required by law, the Company does not intend to update or revise any forward looking statement, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus.

11. Photographs and diagrams

Photographs and diagrams used in this Prospectus that do not have descriptions are for illustration purposes only and should not be interpreted to mean that any person shown in them endorses this Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the date of this Prospectus.

12. Offer restrictions

This Prospectus does not constitute an offer or invitation to apply for Shares in any place in which, or to any person to whom, it would not be lawful to make such offer or invitation. No action has been taken to register or qualify the Shares or the Offer, or to otherwise permit a public offering of the Shares, in any jurisdiction other than Australia. The distribution of this Prospectus outside of Australia may be restricted by law and persons who come into possession of this Prospectus outside of Australia should seek advice and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

This Prospectus has been prepared in accordance with the relevant corporate laws of Australia and may not be distributed to, or relied upon by, any person in the United States. The Shares have not been, and will not be, registered under the United States Securities Act of 1933, as amended (**US Securities Act**), or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold, directly or indirectly, in the United States or to, or for the account or benefit of a US person, unless an exemption from the registration requirements of the US Securities Act (and, if applicable, US state securities laws) is available.

13. Privacy

By completing an Application Form to apply for Shares under the Offer you are providing personal information to the Company through the Share Registry, which is contracted by the Company to manage the Application process. The Company, and the Share Registry on its behalf, may collect, hold and use that personal information in order to process your Application, service your needs as an investor, provide facilities and services that you request and carry out appropriate administration. If you do not provide the information requested in the Application Form, the Company and the Share Registry may not be able to process or accept your Application.

Your personal information may also be provided to the Company's members, agents and service providers on the basis that they deal with such information in accordance with the Company's privacy policy. The members, agents and service providers of the Company may be located outside Australia where your personal information may not receive the same level of protection as that afforded under Australian law. The types of agents and service providers that may be provided with your personal information and the circumstances in which your personal information may be shared are:

- the Share Registry for ongoing administration of the register of members;
- printers and other companies for the purpose of preparation and distribution of statements and for handling mail;
- market research companies for the purpose of analysing the Shareholder base and for product development and planning; and
- legal and accounting firms, auditors, contractors, consultants and other advisers for the purpose of administering, and advising on, the Company's issued securities and for associated actions.

The information contained in the Company's register of members must remain there even if a person ceases to be a Shareholder. Information contained in the Company's register of members is also used to facilitate dividend payments (if applicable) and corporate communications (including financial results, annual reports and other information that the Company may wish to communicate to its Shareholders) and compliance by the Company with legal and regulatory requirements. An Applicant has the right to access and correct the information that the Company and the Share Registry hold about that person, subject to certain exemptions under law.

14. Representations

No person is authorised to give any information or to make any representation in relation to the Offer which is not contained in this Prospectus. Any information or representation not so contained may not be relied upon as having been authorised by the Company or the Company's directors (**Directors**) in relation to the Offer.

15. Interpretation

Unless otherwise defined in the body of this Prospectus, capitalised terms used in this Prospectus have the meanings given to them in Section 7. All references to time in this Prospectus relate to the time in Sydney, New South Wales.

Key Offer information

Indicative timetable

Event	Date
Prospectus lodged with ASIC	Friday, 21 February 2020
Offer Opening Date	Friday, 21 February 2020
Offer Closing Date	5pm on Tuesday, 3 March 2020
Existing Shares reinstated to Official Quotation	Wednesday, 4 March 2020
Offer Issue Date	Friday, 6 March 2020
Commencement of Quotation of new Shares	Monday, 9 March 2020
Despatch of holding statements in relation to new Shares	Tuesday, 10 March 2020

Notes:

1. The dates referred to above are indicative only and may change. The Company (in consultation with the Corporate Adviser) reserves the right to vary the date of the Offer, including, subject to the ASX Listing Rules, the Corporations Act and other applicable laws, to close the Offer early, to extend the Offer, to accept late Applications (either generally or in particular circumstances) or to withdraw the Offer before completion of the Offer without notice.
2. If the Offer is withdrawn before the issue of the Shares the subject of Offer, all Application Monies received in respect of the Offer will be refunded in full (without interest) as soon as practical in accordance with the requirements of the Corporations Act. Eligible Investors are encouraged to submit their completed Application Form (and pay their Application Monies) as soon as possible after the Offer opens. No cooling-off rights apply to the Offer.
3. The commencement of Quotation for the new Shares the subject of the Offer, as well as the reinstatement of the Company's existing Shares to Official Quotation is subject to confirmation from ASX.

Key Offer statistics

Item	Detail
Issue Price	\$0.24 per Share
Discount to 15 day VWAP ¹	24.21%
Number of Shares offered under the Offer ²	Up to 13,629,698
Gross proceeds of the Offer ³	Up to approximately \$3.27 million
Shares currently Quoted on ASX ⁴	31,839,025
Shares subject to ASX imposed Escrow	22,679,774
Total number of Shares on issue	54,518,799
Shares on issue on completion of the Offer	68,148,497
Shares to be Quoted on completion of the Offer	45,468,723
Total number of Options on issue ⁵	7,780,902

Notes:

1. The **VWAP** is the “volume weighted average price” of Shares calculated over the 15 immediately preceding days in which trades were recorded prior to the imposition of the trading halt in the Company’s existing Shares.
2. The Company is relying on its available ASX Listing Rule 7.1 and 7.1A placement “capacity” in order to issue the Shares the subject of the Offer without Shareholder approval. As at the date of this Prospectus, the Company’s existing placement capacity under ASX Listing Rule 7.1 and 7.1A is 8,177,819 and 5,451,879, respectively.
3. The Company is seeking gross proceeds of up to approximately \$3.27 million under the Offer. However, as the Offer is not underwritten, there is no guarantee that the Company will be able to raise this amount in full or at all. No Shares will be offered under the Prospectus if the Minimum Subscription is not reached.
4. 31,839,025 of the Company’s 54,518,799 Shares are Quoted (with the balance of 22,679,774 subject to ASX-imposed escrow until 17 October 2020). On conclusion of the ASX-imposed escrow period, the Company will apply for Quotation of these 22,679,774 Shares.
5. The Company has also granted a total of 7,780,902 unquoted options (each, an **Option**) to certain key executives, employees, and previous advisers. These options are convertible into Shares at various exercise prices and have a range of expiry dates. 3,700,000 of these Options are also subject to ASX-imposed escrow.

The figures in the above table assume that the Offer is fully subscribed. However, if the Company only raises the Minimum Subscription amount under the Offer, certain of the above noted figures will be reduced accordingly. For example, if the Minimum Subscription amount of \$2.0 million is raised, the Company will issue 8,333,333 new Shares (instead of 13,629,698), resulting in a proportionately lower figure for the total number of Shares on issue on completion of the Offer (which will be 62,852,132) as well as a proportionally lower figure for the total number of Shares that will be Quoted on completion of the Offer (which will be 40,172,358).

Please see Section 3.5 for further detail.

1 Investment and Company overview

The purpose of this Section is to give Eligible Investors an investment overview that seeks to help them make an informed investment decision by highlighting key Company and Offer related information. This Section constitutes an overview of the Company and its business and is not intended to replace the other Sections of this Prospectus which Eligible Investors should read in full.

Topic	Summary	For more information
The Company and its business		
Who is the issuer of the Shares the subject of the Offer?	Identitii Limited ACN 603 107 044	N/A
What is the Company's business and product offering?	<p>Identitii is an Australian financial technology (FinTech) and regulatory technology (RegTech) company based in Sydney, NSW. It provides enterprise software products and services to the financial services industry.</p> <p>Identitii's technology connects financial institutions, businesses and regulators to the information they need to process, reconcile and report on financial transactions. The problem the Company solves is that while money moves around the global financial system, the information needed to process these transactions must travel separately, often over unsecure channels like email or fax. Because detailed data and documents can't travel with funds across legacy systems, buyers, banks and regulators are in the dark or spend hours chasing the information they need to onboard customers or reconcile and report on payments.</p> <p>The Company's Overlay+ platform enhances a customer's existing technology systems, overlaying them with a digital platform that uses tokenisation to create a single source of shared "truth" for each and every transaction, ensuring the information that is needed is accurate, and available when it is needed.</p> <p>The benefits it provides customers include:</p> <ul style="list-style-type: none"> • improved data security as information moves within companies and between organisations; • a single view of information that until now, has been difficult to identify, collect, share and store, reducing the amount of time and money spent finding data; • significantly reduced operational costs, due to reduced manual processing and improved automation; • the ability to continue using existing technology systems, but with new, digital features and functionality that is brought to market quickly and enables them to improve customer experience and remain competitive. Identitii's overlay approach to existing systems is a key competitive differentiator, as replacing legacy systems is a 	N/A

Topic	Summary	For more information
	<p>multi-million dollar exercise, that can often take years; and</p> <ul style="list-style-type: none"> improved regulatory compliance, reducing the risk of reputational damage or large fines, that are the result of non-compliance. <p>Identitii's objective is to continue to commercialise its product, Overlay+, in the financial services industry with the goal of building a global network for information using Corda, R3's distributed ledger technology. This connected ecosystem for information will enable the secure, trusted and auditable exchange of detailed information over any financial network.</p> <p>Overlay+ can be deployed within a single institution, or as a distributed application that enables the secure exchange of information in a permissioned, private and auditable way.</p> <p>Identitii is currently focused on solving 3 core use cases with Overlay+:</p> <ol style="list-style-type: none"> ISO20022 (Structured) information sharing & reconciliation; Regulatory Reporting, including to AUSTRAC; and management of counterparty assurance activities. <p>The Company may develop new use cases for Overlay+ in the future based on customer feedback.</p>	
<p>What market does the Company compete in?</p>	<p>Identitii operates within the FinTech and RegTech sectors of the financial services industry. The rapid growth in FinTech has transformed the industry and has had significant implications for financial institutions and how they operate.</p> <p>Identitii's competitors are predominantly other technology companies and emerging financial networks that provide rich information exchange capabilities. It also competes with technology teams within financial institutions that are trying to build their own solutions.</p> <p>Key drivers of both competition and market share between such providers mainly centre around:</p> <ol style="list-style-type: none"> ability to establish or leverage a network of institutions for information exchange; use of technology to ensure privacy and regulatory compliance; the speed at which they can bring new features and products to market; and cost. 	<p>N/A</p>
<p>Who are the Company's target customers?</p>	<p>Identitii's addressable markets are financial institutions, regulators and businesses located throughout the world. Key customer targets are members of both the SWIFT and R3 networks, which number around 11,500.</p>	<p>N/A</p>

Topic	Summary	For more information
	<p>The profile of Identitii's target financial institution customers are financial institutions involved in the sale of products and services to medium to large businesses, and who process medium to high volumes of cross-border payments.</p> <p>The profile of Identitii's target regulator customers are those regulators like AUSTRAC in Australia, who are tasked with monitoring suspicious transactions such as funds transfers that cross jurisdictional borders, or those that are flagged as potentially involved in money laundering, fraud or terrorist financing.</p>	
<p>What is the Company's strategy and how does it plan to generate revenue?</p>	<p>Identitii's go-to-market (GTM) strategy focuses on both direct and indirect revenue generation.</p> <p>Direct GTM strategy:</p> <ul style="list-style-type: none"> Identitii is marketing directly to key customer personas within target organisations and is pursuing numerous sales opportunities through this approach. Direct sales involve Identitii identifying, engaging and selling to the financial institutions and regulators that are Identitii customers. <p>Indirect GTM strategy:</p> <ul style="list-style-type: none"> Identitii has established a strong partner program, designed to expand its geographic and organisational reach. An indirect approach involves identifying and training strategic partners, such as Microsoft, Symphony and R3, or large consulting or system integrator firms, to market and sell Identitii's technology on its behalf. These partners sell Identitii's technology to their existing customer base and help the Company scale quickly. <p>Identitii's objective is to continue to commercialise its product, Overlay+, and to generate revenue in the following two ways:</p> <ol style="list-style-type: none"> licensing: Identitii's software is available under either a term licence (e.g. three years) or a perpetual licence. The licence fee includes ongoing releases, "bug" fixes, support and maintenance. There is also a volume-based component to Identitii's pricing model where Overlay+ is connected into the Corda Network; and supply of professional services: Identitii provides consulting services relating to the customisation, installation, training and business case preparation of its software. This is charged on a time and materials basis and is typically one-off. <p>Identitii's major costs relate to sales and marketing, corporate operating expenses, research and development and continued product development.</p>	<p>N/A</p>

Topic	Summary	For more information
What are the Company's latest operational developments?	<p>As disclosed in Identitii's Appendix 4C, which was given to ASX on 31 January 2020, Identitii reported cash receipts from customers of \$0.256 million, reflecting 44% quarter-on-quarter growth from the preceding quarter.</p> <p>Identitii has also been advancing multiple commercial opportunities, including:</p> <ul style="list-style-type: none"> • completion of the pilot with United Kingdom-based multinational bank Standard Chartered; • strong interest from multiple global banks to participate in Identitii's ISO 20022 CorDapp trial; • second licence sale to HSBC Australia, which is progressing well and is expected to finish by the end of the financial year, as planned; • strong interest in Identitii's Overlay+ Reporting solution following AUSTRAC's legal action against an Australian bank for alleged regulatory reporting breaches; and • testing of the ACCC's Consumer Data Right ecosystem is progressing well. 	N/A
Is the Company currently generating revenue? If so, how much?	<p>As set out in Identitii's financial statements for the half year ended 31 December 2019, given to ASX on Friday, 21 February 2020, Identitii reported total consolidated revenue and other income of \$1.07 million consisting of \$0.41 million of customer revenue, \$0.64 million from the R&D tax incentive grant and \$0.01 million of interest income.</p> <p>For the full year ending 30 June 2019, total revenue and other income was \$2.05 million consisting of \$0.64 million of customer revenue, \$1.18 million from the R&D tax incentive grant, \$0.17 million in government grants and \$0.05 million of interest income.</p>	N/A
What are the Company's near term objectives?	<p>The primary near-term objective of the Company is to grow revenue by commercialising the 3 key use cases for Overlay+, which are:</p> <ol style="list-style-type: none"> 1. ISO20022 (Structured) information sharing & reconciliation; 2. Regulatory Reporting; and 3. counterparty assurance. <p>In addition, the Company is further developing its partner program to provide a scalable platform for potential global growth. The partner program includes:</p> <ol style="list-style-type: none"> 1. consulting / system integrators; 2. technology integrations (e.g. Trace Financial and Symphony Communications); and 3. channel partners (e.g. Microsoft and R3). <p>The Company has announced a multi-bank CorDapp trial to launch in 2020 in partnership with R3, with the</p>	N/A

Topic	Summary	For more information
	<p>intention of building a global multi-bank information sharing network to support the global financial market's migration to ISO 20022. This represents a low-cost channel to market for the Company, and greatly expands its global reach into R3's membership based of financial institutions.</p> <p>The Company will continue to develop its capital strategy by engaging with potential strategic investors and has a focused investor relations program which will run throughout 2020.</p> <p>As global open banking regulations develop, the Company will continue to explore opportunities as and when they present themselves.</p>	
How much debt does the Company have?	The Company does not have any third-party debt facilities or loans. The Company does, however, have liabilities as at 31 December 2019 of \$1,530,930. This balance comprises of trade and other payables of \$393,719, employee provisions of \$477,735, and lease liabilities of \$659,476.	N/A
Where can Eligible Investors find out more about the Company?	Further information about the Company can be found on the Company's website (www.identitii.com) or by reviewing the Company's periodic and continuous disclosures given to ASX and which are available on ASX's website (www.asx.com.au).	N/A
What is Corda?	<p>Corda is an open source blockchain platform that enables businesses to transact directly and in strict privacy using smart contracts, reducing transaction and record-keeping costs and streamlining business operations.</p> <p>In a world of permission-less blockchain platforms, in which all data is shared with all parties, Corda's strict privacy model allows businesses to transact securely and seamlessly.</p> <p>R3 delivers two interoperable and fully compatible distributions of the Corda platform – "Corda", a free download based on the code; and "Corda Enterprise", a commercial version which offers features and services fine-tuned for modern-day businesses.</p>	N/A
What is the Corda Network?	The Corda Network is a distributed ledger based ecosystem of Corda nodes operated by network participants. Each node is identified by a certificate issued by the network's identity manager service and will also be identifiable on a network map.	N/A
Who is R3?	R3 Limited (R3) is an enterprise blockchain software firm working with a broad ecosystem of more than 300 participants across multiple industries from both the private and public sectors to develop blockchain applications on Corda, an open-source blockchain platform, and Corda Enterprise, a commercial version of Corda for enterprise usage.	N/A

Topic	Summary	For more information
The Offer		
What is the Offer?	The Offer is an offer by the Company of up to 13,629,698 Shares at the Issue Price to Eligible Investors under this Prospectus.	Section 2
What is the Issue Price?	The Issue Price for new Shares being offered under this Prospectus is \$0.24 per Share.	Section 2
How much is the Company seeking to raise under the Offer?	The Company is proposing to raise gross proceeds of up to approximately \$3.27 million under the Offer.	Section 3.2
What will the proceeds of the Offer be used for?	<p>The Company will use the funds raised under the Offer for the following purposes:</p> <ul style="list-style-type: none"> • sales (pre-sales and delivery); • marketing (including CorDapp trial); • continued product development; • corporate operating expenses; and • to pay the costs of the Offer. 	Section 3.2
What is the Minimum Subscription?	<p>While the Company is seeking to raise up to approximately \$3.27 million under the Offer, it will not issue any Shares under the Offer unless it raises a minimum of \$2.0 million.</p> <p>If the Minimum Subscription is not reached, the Company will refund any Application Monies received in accordance with the Corporations Act and will do so without interest being payable to Applicants.</p>	Section 2.3
Is the Offer underwritten?	No. The Offer is not underwritten.	Section 5.6
Who is managing the Offer?	The Offer is being managed by Peloton Capital Pty Ltd ACN 149 540 018 (Corporate Adviser).	Section 5.6
Who is eligible to participate in the Offer?	Prospective investors with a registered address in Australia and certain Exempt Investors outside of Australia (and to whom the Company invites to subscribe for Shares under the Offer) are eligible to participate in the Offer. Any such investor is referred to in this Prospectus as an Eligible Investor .	Section 2.2
How do Eligible Investors apply for Shares under the Offer?	<p>In order to apply for Shares under the Offer, please complete the hardcopy Application Form attached to or accompanying this Prospectus in accordance with the instructions set out on that Form.</p> <p>Alternatively, Eligible Investors may apply for Shares under the Offer by completing the electronic version of the Application Form in accordance with the instructions set out on that Form.</p>	Section 2.4

Topic	Summary	For more information
	The online version of the Application Form is available by clicking on the following link: www.identitii.com/investors .	
How do Eligible Investors pay their Application Monies?	<p>Applicants under the Offer may pay their Application Monies by BPAY® (in accordance with the instructions set out on the online Application Form) or by cheque or bank draft.</p> <p>When completing your BPAY® payment, please ensure that you use the specific Biller Code and Customer Reference Number (CRN) generated on the online Application Form.</p> <p>Applicants wishing to pay by BPAY® must complete the online Application Form.</p>	Section 2.4
What are the rights and liabilities attaching to the Shares?	The Shares being offered under the Prospectus are in the same class and will rank equally in all respects with the Shares on issue from the Issue Date.	Section 5.5
What is the expected effect of the Offer on the Company?	The effect of the Offer on the financial position of the Company is detailed in Section 3.4. The impact of the Offer the Company's capital structure is set out in Section 3.5. The Offer is not expected to have a material effect on the control of the Company.	Section 3
Summary of the key risks		
What are the key risks associated with an investment in the Company?	<p>An investment in the Shares or the Company are subject to risks. The key risks relating to the Company include:</p> <ul style="list-style-type: none"> • Sufficiency of funding: At the date of this Prospectus, Identitii is not cash flow positive, meaning that Identitii is reliant on raising funds from investors in order to continue its operations. Although the Directors consider that Identitii will, on completion of the Offer, have enough working capital to carry out its stated objectives, there can be no assurance that such objectives can be met without further funding. • Limited financial resources: Identitii has limited financial resources and may need to raise additional funds from time to time to finance the complete development and commercialisation of its products and services and meet its other longer term objectives. Identitii may never achieve profitability and its ability to raise additional funds will be subject to, among other things, factors beyond the control of Identitii and its Directors. The Directors can give no assurance that future funds can be raised by Identitii on favourable terms, if at all. • Failure to attract new customers: Identitii may fail to attract new customers for any number of reasons, such as the failure to meet customer expectations or requirements, poor customer 	Section 4

Topic	Summary	For more information
	<p>service, pricing or competition. Identitii's ability to retain and renew existing contracts and win new contracts may also be impacted by broader external factors including a slowdown in economic activity, changes to law or changes to regulation. If Identitii fails to retain its existing customers, attract further business from those existing customers and attract new customers, Identitii's future operating and financial performance may be adversely affected and its reputation may be damaged.</p> <ul style="list-style-type: none"> • Competition: The business of providing enterprise software for the financial services industry in order to solve challenges for international wire transfers is highly competitive and includes companies with significantly greater financial, technical, human, research and development and marketing resources than Identitii. Identitii's competitors may discover and develop products in advance of Identitii and/or products that are more effective than those developed by Identitii. As a consequence, Identitii's current and future technologies and products may become obsolete or uncompetitive resulting in adverse effects on revenue, margins and profitability. • Product disruption: The rapid pace of innovation and development within the industry, together with the high number of competitors mean that there is no guarantee Identitii's products will be effective or economic. There is a risk that competitors' products, services or offerings may render Identitii's products, services or offerings obsolete or uncompetitive. • Inability to retain key staff: Identitii currently employs a number of key management personnel and Identitii's future depends on retaining qualified personnel. The loss of any of these people's services could materially and adversely affect Identitii and may impede the achievement of its product development and commercialisation objectives. Furthermore, the successful development of Identitii will require the services of additional staff. There can be no assurance that Identitii will be able to attract appropriately qualified and experienced additional staff and this may adversely affect Identitii's prospects of success. • Regulatory risk: Identitii operates its business within a complex regulatory environment. In particular, its products encompass regulatory areas such as Know Your Customer (KYC), Anti-Money Laundering (AML) and Counter-Terrorism Financing (CTF) which are contained within a number of federal and state-based regulations in Australia, as well as requirements in other foreign 	

Topic	Summary	For more information
	<p>jurisdictions in which it operates. Those laws and regulations are complex, can change frequently, and have tended to become more stringent over time and subject to judicial interpretation. Changes in these laws and regulations (including interpretation and enforcement) could adversely affect Identitii's financial performance.</p> <ul style="list-style-type: none"> • Security breach risk: An intruder might conceivably breach Identitii's network, compromising the products developed by Identitii, integrity or availability of the Identitii service resulting in loss of customers and damage to the Identitii brand and reputation. • Material contract risk: There are a number of existing contracts which are material to Identitii's business. Further contracts will likely be entered into by Identitii which will also be material to its business. Many of these contracts are, or will be, governed by laws other than laws of Australia. There may be difficulties in enforcing contracts in jurisdictions other than Australia. There may be regulatory or practical considerations which frustrate the enforceability, or enforcement, of such contracts against foreign or foreign-owned counterparties. These matters may have a significant adverse effect on Identitii's ability to enforce its contracts and may have a significant adverse effect more generally on the Company's business and profitability. • Going concern risk: Identitii's audit for FY19 contains a note emphasising uncertainty around Identitii's ability to continue as a 'going concern' in the event Identitii is unable to secure sufficient funding from a capital raising. Notwithstanding the 'going concern' note, the Directors believe that there are reasonable grounds to believe that Identitii will be able to continue as a going concern. However, in the event that the Offer is not completed successfully or is delayed, there is significant uncertainty as to whether Identitii can meet its commitments to its creditors and continue as a going concern, which is likely to have a material adverse effect on Identitii's activities. <p>Further, it should be noted that there are a number of risks associated with any stock market investment. The price at which the new Shares trade on ASX may be affected by the performance of the Company and by numerous external factors over which the Directors and the Company have no control.</p> <p>The above noted risk factors ought not to be taken as an exhaustive list of risks faced by the Company or by investors in the Company's Shares. The above factors, and others not specifically referred to in this Prospectus may in the future materially affect the financial condition or prospects of the Company and therefore the value of the Shares being offered under</p>	

Topic	Summary	For more information
	this Prospectus. The Shares being offered under this Prospectus carry no guarantee with respect to their value or price.	
Miscellaneous		
What are the significant interests and benefits payable to Directors and other persons connected with the Offer?	Detailed information in this regard is set out in Section 5.8 and Section 5.10 of this Prospectus.	Section 5.8 and 5.10

2 Details of the Offer

2.1 The Offer

This Prospectus invites Eligible Investors to apply, under the Offer, for up to 13,629,698 new Shares at an Issue Price of \$0.24 per Share to enable the Company to raise gross proceeds of up to approximately \$3.27 million.

The Issue Price of \$0.24 per Share represents a 24.21% discount to the volume weighted average price of Shares calculated over the 15 preceding days in which trades were recorded prior to the imposition of the Trading Halt.

The Offer under this Prospectus is being managed by the Corporate Adviser.

2.2 Eligible Investors

Only prospective investors with a registered address in Australia and certain Exempt Investors outside of Australia (and to whom the Company may invite to subscribe for Shares under the Offer) are eligible to participate in the Offer.

The Company, in its absolute discretion, reserves the right to determine whether an Applicant is an Eligible Investor and is therefore able to participate in the Offer or an ineligible investors who is unable to participate in the Offer.

2.3 Minimum subscription

No Shares will be issued under this Prospectus if the Company is unable to raise the Minimum Subscription amount of \$2.0 million under the Offer. If the Minimum Subscription is not reached, the Company will refund any Application Monies received in accordance with the Corporations Act and will do so without interest being payable to Applicants.

2.4 Applications

The Offer is open to all Eligible Investors. In order to apply for Shares under the Offer, please complete the hardcopy Application Form attached to or accompanying this Prospectus (and return that completed Application Form to the Share Registry at the address provided below) or complete the online version of the Application Form available at www.identitii.com/investors.

Applicants under the Offer may pay their Application Monies by cheque or by bank draft made payable to "Identitii Limited" and crossed "Not Negotiable". In order to do so, please complete hardcopy version of the Application Form and return that completed Application Form and your cheque or bank draft for the Application Monies to the Share Registry at the address set out below:

Mailing Address:	Hand delivery:
Boardroom Pty Ltd GPO Box 3993 Sydney NSW 2001	Boardroom Pty Ltd Level 12, 225 George Street Sydney NSW 2000

Please note that in addition to being made payable to "**Identitii Limited**" and marked "**Not Negotiable**", all cheques and bank drafts must be in Australian currency and drawn at an Australian branch of an authorised financial institution.

Applicants wishing to pay by BPAY® must complete the online Application Form. When completing your BPAY® payment, please ensure that you use the specific Biller Code and CRN provided in the online Application Form and confirmation email. Application Monies paid by BPAY® must be received by the Share Registry by no later than 5pm (Sydney time) on the Closing Date.

By making an Application and paying your Application Monies (whether by BPAY®, cheque or by bank draft), you declare that you were given access to this Prospectus (and any supplementary or replacement prospectus), together with the Application Form attached to or accompanying this Prospectus. The Corporations Act prohibits any person from passing on the Application Form to another person unless it is accompanied by a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.

The minimum Application under the Offer is \$2,000 worth of Shares. There is no maximum value of Shares that may be applied for under the Offer. The Company and the Corporate Adviser may determine whether a person is eligible to participate in the Offer and may amend or waive the Offer Application procedures (or any of its requirements), in their discretion, subject to applicable law.

The Offer opens on Friday, 21 February 2020 and closes at 5pm (Sydney time) on Tuesday, 3 March 2020. The Company and the Corporate Adviser may elect to extend the Offer, or accept late Applications either generally or in particular cases. The Offer may be closed at any earlier date and time without further notice (subject to the ASX Listing Rules and the Corporations Act).

The Company reserves the right to decline any Application in whole or in part, without giving any reason. Application Monies received from Applicants under the Offer will be held in a special purpose bank account until the Shares the subject of the Offer are issued to successful Applicants. Applicants under the Offer whose Applications are not accepted, or who are allocated a lesser number of Shares than the amount applied for, will receive a refund, as applicable. Interest will not be paid on any monies refunded.

Applicants whose Applications are accepted in full will receive the whole number of Shares calculated by dividing the Application Monies provided by the Issue Price. Where the Issue Price does not divide exactly into the Application Monies provided, the number of Shares to be allocated to the Applicant will be rounded down to the nearest whole Share. No refunds pursuant solely to rounding will be provided. Any interest earned on Application Monies pending the allocation or refund will be retained by the Company.

If the amount of your Application Monies (whether provided by BPAY®, cheque or by bank draft) is less than the amount specified on your Application Form, you will be taken to have applied for such lower dollar amount of Shares or your Application might be rejected.

The Company intends to process Applications received on a “first-in, first-served” basis, subject to the recommendations of the Corporate Adviser. Accordingly, the Company encourages any Eligible Investor who intends to apply for Shares under the Offer to submit the Application Form and provide the Share Registry with the requisite Application Monies as soon as possible.

2.5 Rights and liabilities attaching to Shares

The Shares being offered under the Prospectus are in the same class and will rank equally in all respects with the Shares on issue from the Issue Date. The rights and liabilities attaching to Shares are further described in Section 5.5.

2.6 Overseas investors

No action has been taken to register or qualify the Shares or the Offer, or otherwise to permit a public offering of Shares, in any jurisdiction other than Australia. The distribution of this Prospectus outside of Australia may be restricted by law. This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. Persons into whose possession this Prospectus comes should inform themselves about and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws. This Prospectus does not constitute an offer of Shares in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus. The receipt of a duly completed Application Form will be taken by the Company to constitute a representation and warranty that there has been no breach of any such law and that all necessary approvals and consents have been obtained.

United States

This Prospectus has been prepared in accordance with the relevant corporate laws of Australia and may not be distributed to, or relied upon by, any person in the United States. The Shares have not been, and will not be, registered under the United States Securities Act of 1933, as amended (**US Securities Act**), or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold, directly or indirectly, in the United States or to, or for the account or benefit of a US person, unless an exemption from the registration requirements of the US Securities Act (and, if applicable, US state securities laws) is available.

United Kingdom

In relation to each Member State of the European Economic Area and the United Kingdom (each a **Relevant State**), no Shares have been offered or will be offered pursuant to the Offer to the public in that Relevant State prior to the publication of a prospectus in relation to the Shares which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation, except that offers of Shares may be made to the public in that Relevant State at any time under the following exemptions under the Prospectus Regulation (defined below):

- to any legal entity which is a “qualified investor” as defined under the Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors), subject to obtaining the prior consent of Corporate Adviser for any such offer; or
- in any other circumstances falling within Article 1(4) of the Prospectus Regulation, provided that no such offer of Shares shall require the Company or the Corporate Adviser to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

The expression an “offer to the public” in relation to any Shares in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Shares, and the expression “Prospectus Regulation” means Regulation (EU) 2017/1129.

In addition, in the United Kingdom, this Prospectus is being (or will be) distributed only to, and is directed only at, persons: (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the **Order**), (ii) who are high net worth companies, unincorporated associations and other persons falling within Article 49(2)(a) to (d) of the Order and (iii) to whom it may otherwise lawfully be communicated (any such persons referred to as “relevant persons”).

2.7 CHES and issuer sponsorship

The Company participates in ASX’s Clearing House Electronic Subregister System (**CHES**) and complies with the ASX Listing Rules and ASX Settlement Operating Rules in relation to CHES. CHES is an electronic transfer and settlement system for transactions in Quoted securities under which transactions are effected in electronic form.

Since the Shares Are “Approved Financial Products” (as that term is defined in the ASX Settlement Operating Rules), Shareholdings are registered in one of two subregisters, being either the electronic CHES subregister or the Company’s issuer sponsored subregister. Together, these two registers comprise the Company’s register of Shareholders.

For successful Applicants under the Offer, the Shares of any such Shareholder who is a participant in CHES or is sponsored by a participant in CHES will be registered on the CHES subregister. All other Shares will be registered on the issuer sponsored subregister.

The Company expects that successful Applicants will be sent holding statements (which will evidence the number of Shares allocated to them on the Issue Date) within two Business Days after the Issue Date. Holding statements will be despatched by standard post. Holding statements will also provide details of a Shareholder’s Holder Identification Number (**HIN**) for (CHES holders) or, where applicable, Shareholder Reference Number (**SRN**) for issuer sponsored holders. Shareholders will subsequently receive statements showing any changes to their Shareholding. Share certificates will not be issued by the Company.

2.8 Privacy disclosure

Persons who apply for Shares under this Prospectus are asked to provide personal information to the Company, either directly or through the Share Registry. The Company and the Share Registry collect, hold and use that personal information to assess applications, to provide facilities and services to Shareholders and to carry out various administrative functions. Access to the information collected may be provided to the Company’s agents and service providers and to ASX, ASIC and other regulatory bodies on the basis that they deal with such information in accordance with the relevant privacy laws. If the information requested is not supplied, Applications may not be processed. Information collected in relation to specific Shareholders can be obtained by that Shareholder by contacting the Company or the Share Registry.

2.9 Taxation

It is the responsibility of all Shareholders to satisfy themselves of the particular taxation treatment that applies to them in relation to the Offer by consulting their own professional tax advisers. Neither the Company nor the Directors accept any liability or responsibility in respect of the taxation consequences for Shareholders as a result of the matters referred to in this Prospectus.

2.10 Official Quotation

The Company will apply within 7 days after the date of this Prospectus for Quotation of the Shares the subject of this Prospectus by lodging an Appendix 3B with ASX.

Assuming that the Minimum Subscription amount has been reached, the Company will, by no later than noon on the Issue Date, apply for Quotation of the precise number of new Shares to be issued under the Offer by lodging an Appendix 2A with ASX.

If approval for Quotation of the Shares the subject of the Offer is not granted within 3 months after the date of this Prospectus, the Company will not issue the Shares and will repay all Application Monies without interest as soon as practicable.

It is expected that Quotation and trading in the Shares that will be issued under the Prospectus will commence on ASX on or about Monday, 9 March 2020 (on a normal T+2 settlement basis).

A decision by ASX to grant Quotation of the Shares being offered under the Offer is not to be taken in any way as an indication of ASX's view as to the investment merits of the Company or the Shares to which this Prospectus relates.

2.11 Additional disclosures for the purposes of ASX Listing Rule 7.1A

Up to 5,451,879 of the up to 13,629,698 Shares the Company may issue pursuant to the Offer will be issued under the Company's available ASX Listing Rule 7.1A placement "capacity". These Shares (as well as the up to 8,177,819 Shares which will be issued under the Company's available ASX Listing Rule 7.1 placement "capacity") will be issued at the Issue Price of \$0.24 per Share. The Issue Price represents a 24.21% discount to the "volume weighted average price" of Shares calculated over the 15 preceding days in which trades were recorded before the imposition of the Trading Halt and as such satisfies the pricing requirement in ASX Listing Rule 7.1A.

2.12 No cooling-off

You cannot withdraw your Application once it has been accepted. Cooling-off rights do not apply to an investment in the Shares. The Company reserves the right to withdraw the Offer at any time before the issue of Shares to successful Applicants, in which case, the Company will refund any Application Monies received in accordance with the Corporations Act and will do so without interest being payable to Applicants.

2.13 Enquiries

This Prospectus is important and should be read in its entirety. Persons who are in any doubt as to the course of action to be followed should consult their stockbroker, solicitor, accountant or other professional adviser without delay. Questions relating to the Offer can be directed to the Company's Company Secretary, Ms Elissa Hansen on 0411 764 556.

3 Purpose and Effect of the Offer

3.1 Background

On Monday, 3 February 2020, the Company requested that a trading halt (**Trading Halt**) be applied to its Shares in accordance with ASX Listing Rule 17.1 while it conducted a placement of Shares to Exempt Investors (**Placement**). In accordance with the ASX Listing Rules, the Trading Halt was only able to apply until the commencement of trading on Wednesday, 5 February 2020.

On Wednesday, 5 February 2020 and, after it became apparent to the Company that the Company would not be able to complete the Placement within the permitted duration of the Trading Halt, the Company requested that its existing Shares be suspended from Official Quotation (**Suspension**) in accordance with ASX Listing Rule 17.2.

As the Placement took longer than a further five Trading Days to complete, the Company is now no longer eligible to rely on section 708A of the Corporations Act (in particular, because it cannot satisfy section 708A(5)(b)) to conduct the Placement without disclosure to investors. As a result, the Company withdrew the Placement and is now conducting the Offer under the Prospectus.

It is not expected that the Company's existing Shares will be reinstated to Official Quotation until the Company has raised the Minimum Subscription amount of \$2.0 million. As the Offer is not underwritten, there is no guarantee that this minimum threshold will be reached.

3.2 Use of proceeds

The Company intends to use the gross proceeds raised under the Offer in the following manner:

Use	Minimum Subscription	Full amount
Sales (pre-sales and delivery)	\$0.46m	\$0.79m
Marketing (including CorDapp trial)	\$0.31m	\$0.54m
Continued product development	\$0.60m	\$1.03m
Corporate operating expenses	\$0.27m	\$0.47m
Pay the costs of the Offer	\$0.36m	\$0.44m
Totals	<u>\$2.00m</u>	<u>\$3.27m</u>

Applicants should note that the above estimated expenditures will be subject to modification on an ongoing basis depending on the progress of the Company's activities and the amount actually raised under the Offer. Due to market conditions and/or any number of other factors (including the risks outlined in Section 4), actual expenditure may differ significantly to the above estimates.

3.3 Purpose of the Offer

As noted above, the Company is unable to issue a cleansing notice pursuant to section 708A(5) of the Corporations Act because its Shares have been Suspended for more than five Trading Days over the last 12 months.

As a result of the Company's technical ineligibility to issue a cleansing notice under section 708A of the Corporations Act, the Company withdrew the Placement and is now conducting the Offer under this Prospectus. Conducting the Offer under the Prospectus will ensure that:

- the Company complies with its statutory obligations under the Corporations Act with respect to the offer and issue of the Shares pursuant to the Offer; and
- the Shares issued to successful Applicants under the Offer will not be subject to any on-sale restrictions under section 707(3) of the Corporations Act.

See Section 5.1 for further detail.

3.4 Historical and pro forma financial position

Set out in this Section 3.4 is the Company's:

- consolidated statement of financial position as at 31 December 2019 (reviewed); and
- pro forma financial position as at 31 December 2019, giving effect to the Offer as though this transaction had occurred as at 31 December 2019 (**Pro Forma Balance Sheet**),
together, the **Financial Information**.

The Financial Information is presented in an abbreviated form and does not contain all of the disclosures that are usually provided in the Company's annual report (**Annual Report**) prepared in accordance with the applicable accounting standards and therefore cannot be expected to provide as full an understanding of the financial position of the Company as a statement of financial position in the Annual Report would provide.

The Financial Information as at 31 December 2019 has been derived from the Company's half year financial report given to ASX on 21 February 2020.

The Pro Forma Balance Sheet has not been audited, has been prepared for illustrative purposes only and gives effect of the Offer (i.e. the issuance of 13,629,698 Shares as described in this Prospectus thereby raising net proceeds of \$2.83 million (assuming that the full amount sought under the Offer is raised)) as if it had occurred on 31 December 2019.

As the Offer is not underwritten, there is no certainty that the Company will raise the full amount of approximately \$3.27 million sought under the Offer.

The Pro Forma Balance Sheet set out below is indicative only and is not intended to be a statement of the Company's current financial position.

	Notes	31 Dec 2019 \$'000	Impact of Offer \$'000	Pro-Forma \$'000
ASSETS				
Cash and cash equivalents	(a)(d)	1,108	2,826	3,934
Research and development tax receivable		641		641
Trade receivables		150		150
Other receivables		106		106
Prepayments		154		154
Contract assets		17		17
Total Current Assets		2,176	2,826	5,002
Intangible assets		62		62
Property, plant and equipment		965		965
Other non-current assets		13		13
Total Non-Current Assets		1,040	-	1,040
Total Assets		3,216	2,826	6,042
LIABILITIES				
Trade and other payables		394		394
Employee provisions		478		478
Contract liabilities		0		0
Lease liabilities		120		120
Total Current Liabilities		992	-	992
Lease liabilities		539		539
Total Non-current Liabilities		539	-	539
Total Liabilities		1,531	-	1,531
Net Assets		1,685	2,826	4,511
EQUITY				
Share capital	(b)	16,261	3,185	19,446
Share options reserve		3,065		3,065
Foreign currency translation reserve		6		6
Retained losses	(c)	(17,647)	(359)	(18,006)
Total Equity		1,685	2,826	4,511

Notes to the Pro Forma Balance Sheet:

- (a) Pro forma cash increases by \$2.83 million as a result of the cash proceeds from the offer (\$3.27 million), partially offset by payment of transaction costs associated with the offer (\$0.44 million).
- (b) As a consequence of the Offer, share capital increases by \$3.19 million as a result of \$0.09 million of estimated transaction costs that are able to be offset against contributed equity under AAS.

- (c) Pro forma retained losses increase by \$0.36 million as a result of estimated transaction costs that are not able to be offset against contributed equity under AAS.
- (d) The Pro Forma Balance Sheet assumes that the Offer is fully subscribed. However, if the Company only raises the Minimum Subscription amount under the Offer, certain of the above noted line items/resulting figures will change accordingly. For example, if the Minimum Subscription amount of \$2.0 million is raised the line items titled “Cash and cash equivalents”, “Total Current Assets”, “Total Assets” and “Net Assets” will increase by \$1.56 million rather than by \$2.83 million. The resulting Pro Forma position of the Company for each of these line items will be \$2.66 million, \$3.73 million, \$4.77 million and \$3.24 million (i.e. instead of what is currently shown in the Pro Forma Balance Sheet). Similarly, the line items titled “Share capital” and “Retained losses” will increase by \$1.91 million and \$0.36 million, respectively. The resulting balances for each of these items will therefore be \$18.18 and \$18.01 (retained loss) million.

3.5 Potential effect of the Offer on the Company’s capital structure

The potential impact of the Offer on the capital structure of the Company is set out below:

Capital structure	Opening Date	Issue Date (Minimum Subscription)	Issue Date (Full Subscription)
Total number of Shares on issue	54,518,799	62,852,132	68,148,497
Total number of Quoted Shares on issue	31,839,025	40,172,358	45,468,723
Total number of unquoted Shares on issue	22,679,774	22,679,774	22,679,774
Total number of Options on issue	7,780,902	7,780,902	7,780,902
Total Shares on issue on a fully diluted basis	62,299,701	70,633,034	75,929,399

Notes:

- The Company is relying on its available ASX Listing Rule 7.1 and 7.1A placement capacity in order to issue the Shares the subject of the Offer. As at the date of this Prospectus, the Company’s ASX Listing Rule 7.1 and 7.1A is 8,177,819 and 5,451,879, respectively. See Section 2.11 for further detail.
- As the Offer is not underwritten, there is no certainty that the Company will issue all 13,629,698 Shares the subject of the Offer. The Company will disclose the precise number of Shares that it will issue under the Offer in its Appendix 2A (expected to be given to ASX by noon on the Issue Date).
- 31,839,025 of the Company’s 54,518,799 Shares are Quoted (with the balance of 22,679,774 subject to ASX-imposed escrow until 17 October 2020). On conclusion of the ASX-imposed escrow period, the Company will apply for Quotation of these 22,679,774 Shares. The Company will apply for Quotation of all Shares issued under the Offer.
- The Company has also granted a total of 7,780,902 unquoted options (each, an **Option**) to certain of its key executives, directors and previous advisers. These Options are convertible into Shares at various exercise prices and have a range of expiry dates. 3,700,000 of these Options are also subject to ASX-imposed escrow. It is unlikely that any of these Options will be exercised before the Closing Date.

3.6 Effect on control

The Company does not expect that the Offer will have a material effect on the control of the Company.

4 Risk factors

This Section describes some of the potential risks associated with the Company's business and risks associated with an investment in the Shares. It does not purport to list every risk that may be associated with an investment in the Shares either now or in the future. The occurrence or consequence of some of the risks described in this Section are partially or completely outside of the control of the Company and the Directors.

The selection of risks set out in this Section is based on an assessment of a combination of the probability of the risk occurring, the Company's ability to mitigate that risk and the impact on the Company of the risk if it were to occur. That assessment is based on the knowledge of the Company and the Directors as at the date of the Prospectus. Please note however that there is no guarantee or assurance that the importance of different risks will not change or that other risks will not emerge.

There can be no guarantee that the Company will deliver on its business strategy or that any forward looking statement contained in this Prospectus will be achieved or realised. Investors should note that past performance is not a reliable indicator of future performance.

Before applying for Shares, Eligible Investors should satisfy themselves that they have sufficient understanding of the risks to which the Company and the Shares are subject and should consider whether Shares are a suitable investment for them having regard to their own personal circumstances, investment objectives, financial situation and tax position. If Eligible Investors are unclear in relation to any matter or are uncertain as to whether the Shares represent a suitable investment for them, they should seek professional advice from their solicitor, stockbroker, accountant or other independent and appropriately qualified professional adviser before deciding whether to invest.

4.1 Risks associated with the Company and its business

- **Sufficiency of funding:** At the date of this Prospectus, Identitii is not cash flow positive, meaning that Identitii is reliant on raising funds from investors in order to continue its operations. Although the Directors consider that Identitii will, on completion of the Offer, have enough working capital to carry out its stated objectives, there can be no assurance that such objectives can be met without further funding.
- **Limited financial resources:** Identitii has limited financial resources and may need to raise additional funds from time to time to finance the complete development and commercialisation of its products and services and meet its other longer term objectives. Identitii may never achieve profitability and its ability to raise additional funds will be subject to, among other things, factors beyond the control of Identitii and its Directors, including cyclical factors affecting the economy and the share markets generally. The Directors can give no assurance that future funds can be raised by Identitii on favourable terms, if at all.
- **Failure to attract new customers:** Identitii may fail to attract new customers for a number of reasons, such as the failure to meet customer expectations or requirements, poor customer service, pricing or competition. Identitii's ability to retain and renew existing contracts and win new contracts may also be impacted by broader external factors including a slowdown in economic activity, changes to law or changes to regulation. If Identitii fails to retain its existing customers, attract further business from those existing customers and attract new customers, Identitii's future operating and financial performance may be adversely affected and its reputation may be damaged.
- **Competition:** The business of providing enterprise software for the financial services industry in order to solve challenges for international wire transfers is highly competitive and includes companies with significantly greater financial, technical, human, research and development and marketing resources than Identitii. There is also currently significant interest in adopting blockchain technology for this purpose including among banks, financial intermediaries, financial technology start-ups and others. Identitii's competitors may discover and develop products in advance of Identitii and/or products that are more effective than those developed by Identitii. As a consequence, Identitii's current and future technologies and products may become obsolete or uncompetitive resulting in adverse effects on revenue, margins and profitability.

- **Product disruption:** The rapid pace of innovation and development within the industry, together with the high number of competitors mean that there is no guarantee Identitii's products will be effective or economic. There is a risk that competitors' products, services or offerings may render Identitii's products, services or offerings obsolete or uncompetitive. In particular, the enterprise software market and financial services industry has been rapidly evolving, with both new entrants and established participants operating in specific areas of expertise.
- **Business strategy risk:** Identitii's future growth and financial performance is dependent on Identitii's ability to successfully execute its business strategy. This will be impacted by a number of factors, including Identitii's ability to:
 - expand through new channels and develop within Australian and international financial services markets for its current commercialised products and services;
 - ability to successfully commercialise its current products and services and being able to provide these products and services;
 - innovate and successfully commercialise new products that are appealing to customers; and
 - comply with regulatory requirements (reflecting the sensitive regulatory nature or highly regulated environment in which Identitii's customers operate their business).
- **Dependence on key customers:** Identitii is dependent on its ability to retain its existing customers. A majority of the Identitii's business has historically been and is currently carried out under contract to a single material customer. Changes in spending levels or in Identitii's standing with that financial institution would affect its financial and operating performance. Identitii derives all of its revenue (other than R&DTI income) as at the date of this Prospectus from this contract and it may be terminated at any time without cause, delayed or incur unforeseen costs in performance which may not be recoverable
- **Inability to retain key staff:** Identitii currently employs a number of key management personnel and Identitii's future depends on retaining qualified personnel. The loss of any of these people's services could materially and adversely affect Identitii and may impede the achievement of its product development and commercialisation objectives. Furthermore, the successful development of Identitii will require the services of additional staff. There can be no assurance that Identitii will be able to attract appropriately qualified and experienced additional staff and this may adversely affect Identitii's prospects of success.

4.2 Risks associated with the Company's intellectual property and trade secrets

- **Dependence on technology rights and intellectual property:** Obtaining and protecting intellectual property rights over all the technologies and products connected with Identitii's products, services or offerings will be essential to commercialisation and realising its growth potential. The prospects of Identitii's products, services and offerings generating a profit and increasing in value depend significantly on its ability to obtain interests in all relevant intellectual property, maintain trade secret protection and operating without infringing the proprietary rights of third parties. In this regard, Identitii and its Directors offer no assurance that any intellectual property which it develops or acquires will afford Identitii or the holder commercially significant protection of its products or technologies, or that any of the projects that may arise from technologies will have commercial applications Identitii expects. However, no assurance can be given that any measures taken to protect its interests in intellectual property will be sufficient. There is a risk that as yet unknown third parties may assert intellectual property claims in relation to blockchain, including any of the technologies or services associated with Identitii's block-chain based products, services or offerings. Irrespective of the merit of any rights or claims asserted by third parties, such claims may adversely affect Identitii. There is also a risk that Identitii's investment may be indirectly adversely affected if a third party claim or asserted right reduces confidence in the longer-run viability of the blockchain industry.

- **Patent risk:** Identitii cannot give any assurances that the Identitii Patent Application will be granted. Third parties may also object to the grant of the Identitii Patent Application on grounds which may include alleged infringement of their patents. While Identitii is not aware of its products infringing any third party's patent, Identitii has not undertaken an exhaustive assessment of existing patents to determine any potential infringement. Accordingly, there is a risk that a third party may claim that Identitii's technology (including as set out in the Identitii Patent Application) infringes that third party's patent. There is also no guarantee that grant of a patent under the Identitii Patent Application will provide adequate protection for the intellectual property, or that third parties will not infringe or misappropriate its patents or any other rights. In addition, there can be no assurance that Identitii will not have to pursue litigation against other parties to assert its rights.
- **Infringement of third party IP rights:** If a third party accuses Identitii of infringing its intellectual property rights or if a third party commences litigation against Identitii for the infringement of patent or other intellectual property rights, Identitii may incur significant costs in defending such action, whether or not it ultimately prevails. Costs that Identitii incurs in defending third party infringement actions would also include diversion of management's and technical personnel's time. In addition, parties making claims against Identitii may be able to obtain injunctive or other equitable relief that could prevent Identitii from further developing discoveries or commercialising its products and services. In the event of a successful claim of infringement against Identitii, it may be required to pay damages and obtain one or more licences from the prevailing third party. If it is not able to obtain these licences at a reasonable cost, if at all, it could encounter delays in product and service delivery and loss of substantial resources while it attempts to develop alternative products and services. Defence of any lawsuit or failure to obtain any of these licences could prevent Identitii from commercialising available products and services and could cause it to incur substantial expenditure.
- **Trade secrets risks:** Identitii relies on its trade secrets, which include information relating to the development of its technology and integration with its customers. The protective measures that Identitii employs may not provide adequate protection for its trade secrets. This could erode Identitii's competitive advantage and materially harm its business. Identitii cannot be certain that others will not independently develop the same or similar technologies on their own or gain access to trade secrets or disclose such technology, or that Identitii will be able to meaningfully protect its trade secrets and unpatented know-how and keep them secret.

4.3 General investment risks

- **Price of Shares:** The price of Shares quoted on ASX may rise or fall, and the Shares may trade below or above the Offer Price due to a number of factors, including: general economic conditions, including interest rates, exchange rates, inflation rates and commodity prices. Other factors include:
 - fluctuations in the local and global market for listed stocks;
 - changes to government policy, legislation or regulation;
 - inclusion in or removal from market indices;
 - the nature of markets in which Identitii operates;
 - general and operational business risks; and
 - global hostilities, tensions and acts of terrorism.
- **Force majeure:** Force majeure is a term used to refer to an event beyond the control of a party claiming that the event has occurred. Significant catastrophic events – such as war, acts of terrorism, loss of power, cyber security breaches or global threats – or natural disasters - such as earthquakes, fire or floods or the outbreak of epidemic disease – could disrupt Identitii's operations and impair deployment of its solutions by its customers, interrupt critical functions, reduce demand for Identitii's products, prevent customers from honouring their contractual obligations to Identitii or otherwise harm the business. To the extent that such disruptions or uncertainties result in delays or cancellations of the deployment of Identitii's products and solutions, its business, results of operations and financial condition could be harmed.

- **Equity market fluctuations:** Investors are strongly advised to regard an investment in Identitii as a long-term proposition and to be aware that, as with any equity investment, substantial fluctuations in the value of their investment may occur. This means that the market price of Shares may decrease or increase from time to time. Identitii cannot guarantee its future earnings and cannot provide a guaranteed level of return to investors.
- **Existing shareholders retain a significant stake:** Following the completion of the Offer, existing Shareholders will retain approximately 80% of the issued capital of Identitii (excluding any shares acquired by existing Shareholders under the Offer). Existing Shareholders may be in a position to exert significant influence over matters relating to the Company, including the election of Directors, or the approval of a transaction involving the Company. Any significant sale of Shares, or the perception of a sale of Shares, by existing Shareholders might have adverse effects on the prices of the Shares.
- **Economic conditions:** The operating and financial performance of Identitii is influenced by a variety of general economic and business conditions in the primary markets it operates or plans to operate (including US, Australia and Asia), including the level of inflation, international share markets, interest and currency exchange rates and government fiscal, monetary and regulatory policies. A prolonged deterioration in general economic conditions, including an increase in interest rates or a decrease in consumer and business demand, could be expected to have a material adverse impact on Identitii's business or financial situation including its ability to fund ongoing operations.
- **Changes in tax laws:** New tax laws could be enacted at any time. Those enactments could harm Identitii's business and financial performances. Further, existing tax laws could be interpreted, changed, modified or applied adversely to Identitii.
- **No dividends expected in the foreseeable future:** Identitii does not expect to declare any dividends to holders of the Shares in the foreseeable future. Consequently, investors may need to rely on sales of their Shares after price appreciation (which may never occur) as the only way to realise any future gains on their investment. Investors seeking access to dividends should not purchase the Shares the subject of this Prospectus.
- **Government:** Changes in government, monetary policies, taxation and other laws can have a significant influence on the outlook for companies and investor returns.

4.4 Concluding statement on risks

The above list of risks should not be taken as an exhaustive list of risks faced by the Company or by investors in the Company's Shares. The above risk factors, along with other risks not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares being offered under this Prospectus.

The Shares being offered under this Prospectus carry no guarantee with respect to the payment of dividends, the return of capital, the performance of the Company's underlying operations or the market value of those Shares. Any investment in the Company must be regarded as a highly speculative investment.

5 Additional information

5.1 Nature of this Prospectus

This Prospectus is a prospectus to which the special content rules under section 713 of the Corporations Act apply. Section 713 allows a company to issue of a more concise prospectus for offers of:

- securities in a class which has been continuously quoted by ASX for the three months prior to the date of the prospectus; and
- options over such continuously quoted securities.

Shares in the Company have been continuously quoted by ASX for the three months prior to the date of this Prospectus. The information in this Prospectus principally concerns the terms and conditions of the Offer and the information that investors and their professional advisers would reasonably require to make an informed assessment of:

- the effect of the Offer on the Company; and
- the rights and liabilities attaching to the Shares that are being offered under the Offer.

This Prospectus contains this information only to the extent to which it is reasonable for investors and their professional advisers to expect to find the information in it. It does not include all of the information that would be included in a prospectus for an initial public offering of shares.

The Company has, since listing, provided ASX with a substantial amount of information regarding its activities. That information is publicly available. Eligible Investors should read this Prospectus in conjunction with that publicly available information before making an investment decision.

5.2 Reporting and disclosure obligations

The Company is a disclosing entity for the purposes of the Corporations Act and is therefore subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules. These obligations require ASX to be notified periodically and on a continuous basis of information about specific events and matters as they arise for the purpose of ASX making the information available to the financial market operated by it. In particular, the Company has an obligation under the ASX Listing Rules (subject to certain limited exceptions) to notify ASX immediately of any information concerning the Company, of which it becomes aware, which a reasonable person would expect to have a material effect on the price or value of the Company's securities. The Company is also required to prepare and lodge with ASX both yearly and half-yearly financial statements accompanied by a Directors' declaration and report, and an audit or review report (as applicable).

5.3 Availability of other documents

ASX maintains detailed records of company announcements for all companies listed on ASX. The Company's announcements may be viewed on the ASX website (www.asx.com.au). ASIC also maintains records in respect of documents lodged with it by the Company, and these may be obtained from or inspected at any office of ASIC. The Company will provide a copy of any of the following documents, free of charge, to any person who requests a copy during the period in which the Offer is open:

- the Company's annual financial report lodged with ASIC and given to ASX for the year ended 30 June 2019; and
- any continuous disclosure notice given by the Company to ASX (being any document used to notify ASX of information relating to the Company under the continuous disclosure provisions of the ASX Listing Rules and the Corporations Act) after the date of lodgement with ASIC (and giving to ASX) of the annual financial report referred to above and before lodgement with ASIC of this Prospectus.

Details of the notices referred to above are as follows:

Date	Title of ASX announcement
21/02/2020	Half Yearly Report and Accounts
13/02/2020	Update on Continued Voluntary Suspension
10/02/2020	Update on Continued Voluntary Suspension
05/02/2020	Suspension from Official Quotation
03/02/2020	Investor Presentation
03/02/2020	Trading Halt
31/01/2020	Appendix 4C - Quarterly
20/12/2019	Lapse of Employee Options
17/12/2019	Identitii Operational Update
09/12/2019	Initial Director's Interest Notice
09/12/2019	Board Appointment Strengthens High Calibre Existing Team
06/12/2019	Identitii and R3 to Launch Global Multi-Bank CorDapp Trial
13/11/2019	Symphony and Identitii Partnership
28/10/2019	Appendix 4C - Quarterly
23/10/2019	MicroCap Conference 2019 Presentation
16/10/2019	Change of Director's Interest Notice
10/10/2019	Final Director's Interest Notice
08/10/2019	Results of Meeting
08/10/2019	Chairman's & CEO's Address to Shareholders
02/10/2019	Response to ASX Aware Query
01/10/2019	Letter to Shareholders
26/09/2019	Identitii Selected by ACCC to Test Open Banking Data
06/09/2019	Notice of Annual General Meeting/Proxy Form
04/09/2019	Investor Presentation
29/08/2019	Expiry of Unlisted Options
28/08/2019	Investor Webinar
28/08/2019	Corporate Governance Statement and Appendix 4G
28/08/2019	Appendix 4E and Annual Report

All requests for copies of the above referred documents should be address to the Company's Company Secretary, Ms Elissa Hansen at Level 2, 129 Cathedral Street, Woolloomooloo, New South Wales 2011. Certain of these documents are also available on the Company's website: www.identitii.com.

5.4 Market price of Shares on ASX

The highest and lowest sale price of Shares on ASX during the 3 months preceding the date of this Prospectus, and the sale price on the Trading Day before this Prospectus was lodged with ASIC, are set out below:

3-month high (27/11/2019)	3-month low (18/11/2019)	Last sale price (31/01/2020) ¹
\$0.50	\$0.245	\$0.30

¹ Being the last day the Company's shares have traded and the day before the Company went into trading halt and subsequently suspension.

5.5 Rights and liabilities attaching to the Shares

The rights and liabilities attaching to the ownership of the Shares the subject of this Prospectus arise from a combination of the Company's constitution (**Constitution**), statute, the ASX Listing Rules and general law. A summary of the significant rights, liabilities and obligations attaching to the Shares and a description of other material provisions of the Constitution are set out below. This summary is not exhaustive and nor does it constitute a definitive statement of the rights and liabilities of Shareholders.

Voting at a general meeting

At a general meeting of the Company, every Shareholder present in person or by proxy, representative or attorney has one vote on a show of hands and, on a poll, one vote for each fully paid Share held by the Shareholder.

Meetings of members

Each Shareholder is entitled to receive notice of, attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution, the Corporations Act and the ASX Listing Rules.

Except as permitted by the Corporations Act, general meetings must be called on at least the minimum number of days' notice required by the Corporations Act (which is 28 days) and otherwise in accordance with the procedures set out in the Corporations Act.

Dividends

The Board may by resolution either (i) declare a dividend and fix the amount, the time for and method of payment or (ii) determine a dividend or interim dividend is payable and fix the amount, the time for and method of payment.

Transfer of Shares

Subject to the Constitution, Shares may be transferred by a proper transfer effected in accordance with the ASX Listing Rules or the ASX Settlement Operating Rules. Subject to compliance with the ASX Listing Rules and the ASX Settlement Operating Rules, Shares may be transferred by a written instrument of transfer in any usual form or by any other form approved by the Directors. The Board may, in its absolute discretion, refuse to register a transfer of Shares in any of the circumstances permitted by the ASX Listing Rules. The Board must refuse to register a transfer of Shares when required to do so by the Listing Rules.

Issue of further Shares

Subject to the Corporations Act, the ASX Listing Rules, and the Constitution, the Directors may issue, or dispose of, Shares on terms determined from time to time by the Directors at an issue price that the Directors determine from time to time and to Shareholders whether in proportion to their existing Shareholdings or otherwise, or to such other persons as the Directors may determine from time to time. The Directors' power under the Constitution includes the power to grant Options to acquire Shares and issue Shares: with any preferential, deferred or special rights, privileges or conditions; with any restrictions in regard to dividend, voting, return of capital or otherwise; which are liable to be redeemed or converted; or which are bonus Shares for whose issue no consideration is payable to the Company.

Winding up

Without prejudice to the rights of the holders of Shares issued on special terms and conditions, if the Company is wound up, the liquidator may, with the sanction of a special resolution of the Company, divide among the Shareholders in kind all or any of the Company's assets; and for that purpose, determine how it will carry out the division between the different classes of Shareholders, but the liquidator may not require a Shareholder to accept any Shares or other securities in respect of which there is any liability.

Non-marketable parcels

Where the Company complies with the relevant procedure outlined in the Constitution, the Company may sell the Shares of a Shareholder who holds less than a marketable parcel (as that term is defined in the ASX Listing Rules) of Shares.

Variation of class rights

The rights attached to any class of Share may be varied in accordance with the Corporations Act.

Dividend reinvestment plan

The Directors may establish a plan under which Shareholders may elect to reinvest cash dividends paid or payable by the Company, by acquiring by way of issue or transfer (or both) Shares. The Directors have no current intention to establish a dividend reinvestment plan.

Directors - appointment and rotation

Under the Constitution, the minimum number of Directors that may comprise the Board is 3 and the maximum number of Directors is 10 or such lesser number as determined by the Board in accordance with the Corporations Act. Directors are elected at general meetings of the Company. Retirement will occur on a rotational basis so that no Director (excluding the managing Director) holds office without re-election beyond the third annual general meeting following the meeting at which the Director was last elected or 3 years, whichever is longer. The Directors may also appoint a Director to fill a casual vacancy on the Board or in addition to the existing Directors, who will then hold office until the next annual general meeting of the Company.

Directors - voting

Questions arising at a meeting of the Board will be decided by a majority of votes of the Directors present at the meeting and entitled to vote on the matter. Subject to the Listing Rules, in the case of an equality of votes on a resolution, the chairman of the meeting does not have a casting vote in addition to a deliberative vote.

Directors - remuneration

The Directors, other than an executive Director, will be paid by way of fees for services up to the maximum aggregate sum per annum as may be approved from time to time by the Company in general meeting. The current maximum aggregate sum per annum for fees for non-Executive Directors is \$250,000 with the remuneration of these Directors set out in Section 5.9. Any change to that maximum aggregate sum needs to be approved by Shareholders. Pursuant to the Constitution, non-executive Directors may also be paid all reasonable travelling, hotel and other expenses properly incurred by them in connection with the Company's business.

Indemnities

The Company, to the extent permitted by law, indemnifies every person who is or has been a director or secretary of the Company against any liability incurred by that person as an officer of the Company (or of a subsidiary of the Company), and reasonable legal costs incurred by that person as an officer of the Company (or of a subsidiary of the Company). The Company, to the extent permitted by law, may advance to an officer an amount which it might otherwise be liable to pay to the officer in respect of legal costs under the terms of the indemnity outlined above. The Company, to the extent permitted by law, may pay a premium for a contract insuring a person who is or has been a Director against liability incurred by that person as a Director. The Company has entered into director protection deeds with each Director.

Amendment

The Constitution may be amended only by special resolution passed by at least three-quarters of the Shareholders present (in person or by proxy) and entitled to vote on the resolution at a general meeting of the Company.

5.6 Management of the Offer

On 31 October 2019, the Company entered into an engagement letter with the Corporate Adviser under which the Corporate Adviser has agreed, amongst other things, to co-ordinate and manage the Offer (**Engagement Letter**). In accordance with the Engagement Letter (and as is customary with these types of arrangements):

- the Company has agreed to indemnify and hold harmless the Corporate Adviser, its related bodies corporate and each of their respective directors, officers, employees, advisers and agents against any losses suffered or incurred in connection with the Offer;
- the Company has also have given representations, warranties and undertakings to the Corporate Adviser in connection with (among other things) the conduct of the Offer and the contents of the Prospectus;
- the Company or the Corporate Adviser may terminate the Engagement Letter by giving 30 days prior written notice to the other party and be released from its obligations under the Engagement Letter; and
- if the Company terminates the Engagement Letter, and at any time prior to the expiration of 12 months following the date of termination of the Engagement Letter, the Company enters into an agreement or takes any actions that subsequently results in a transaction that is substantially similar to the fundraising transaction contemplated in the Engagement Letter, the Company is still required to pay the Corporate Adviser the fees as outlined in Section 5.10.

The Corporate Adviser has not authorised or caused the issue of this Prospectus and takes no responsibility for any information in this Prospectus or any action taken by an Eligible Investor on the basis of any such information. To the maximum extent permitted by law, the Corporate Adviser excludes and disclaims all liability, for any expenses, losses, damages or costs incurred by an Eligible Investor as a result of their participation in the Offer and the information in this Prospectus being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise.

5.7 Consents

Each of the parties named below:

- has given and has not, before the lodgement of this Prospectus with ASIC, withdrawn its written consent to be named in this Prospectus in the form and context in which it is named;
- has not made any statement in this Prospectus or any statement on which a statement made in this Prospectus is based, other than as specified below; and
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any statements in, or omissions from, this Prospectus, other than the reference to its name in the form and context in which it appears and any statement included in this Prospectus with its consent, as specified in the table below:

Role	Consenting party	Consent
Australian legal adviser	K&L Gates	Consent to be named
Corporate Adviser	Peloton Capital Pty Ltd	Consent to be named
Share Registry	Boardroom Pty Ltd	Consent to be named

5.8 Interests of Directors, experts and advisors

Other than as set out below or elsewhere in this Prospectus:

- no Director or proposed Director has, or has had in the two years before lodgement of this Prospectus, an interest in:
 - the formation or promotion of the Company;
 - any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
 - the Offer itself.
- no amounts, whether in cash or Shares or otherwise, have been paid or agreed to be paid and no benefits have been given or agreed to be given to any Director either to induce them to become, or to qualify them as, a Director, or otherwise for services rendered by them in connection with:
 - the promotion or formation of the Company; or
 - the Offer.

As at the date of this Prospectus, the Directors have the following interests in issued securities of the Company, either directly or indirectly:

Director	Interest in Shares	Interest in Options
Nicholas Armstrong ¹	9,478,340	1,350,000
Michael Aston ²	323,954	400,000
Peter Lloyd	Nil	Nil
Nathan Lynch	Nil	Nil

Notes:

- Mr Armstrong's Shares and Options are held in 275 Invest 2 Pty Ltd (**Trustee**) ATF the 275 Investment Trust (**Trust**). Mr. Armstrong is a director of the Trustee and beneficiary of the Trust (other than in relation to 80,000 Shares that are held by 275 Invest Pty Ltd, of which Mr. Armstrong is also a beneficiary).
- Mr Aston's Shares and Options are held in M&M Funds Management Pty Limited <Savu Super Fund A/C>. Mr. Aston is a director of the trustee and beneficiary of the Savu Super Fund.

5.9 Directors' remuneration

The tables below set out the Directors remuneration for the two financial years prior to the date of this Prospectus and for the current financial year to 31 December 2019:

6 months to 31 December 2019

6 months to 31 December 2019	Short-term benefits	Post-employment	Other long-term benefits ^(A)	Share-based payments	Total
				Share options ^(B)	
	Salary	Super			
	\$	\$	\$	\$	\$
Executive Directors					
Nicholas Armstrong ⁽¹⁾	80,000	7,600	18,462	85,317	191,379
Non-Executive Directors					
Michael Aston ⁽²⁾	56,511	5,369	-	32,888	94,769
Martin Rogers ⁽³⁾	16,667	-	-	-	16,667
Peter Lloyd ⁽⁴⁾	22,831	2,169	-	-	25,000
Nathan Lynch ⁽⁵⁾	2,940	279	-	-	3,219
Total	178,949	15,417	18,462	118,205	331,033

Year ended 30 June 2019

Year ended 30 June 2019	Short-term benefits	Post-employment	Other long-term benefits ^(A)	Share-based payments	Total
				Share options ^(B)	
	Salary	Super			
	\$	\$	\$	\$	\$
Executive Directors					
Nicholas Armstrong ⁽¹⁾	148,674	14,970	12,308	486,933	662,885
Non-Executive Directors					
Michael Aston ⁽²⁾	75,125	7,137	-	65,776	148,038
Martin Rogers ⁽³⁾	50,000	-	-	-	50,000
Peter Lloyd ⁽⁴⁾	37,862	3,597	-	-	41,459
Total	311,661	25,704	12,308	552,709	902,382

Year ended 30 June 2018

Year ended 30 June 2018	Short-term benefits	Post-employment	Other long-term benefits	Share-based payments	Total
	Salary	Superannuation	(A)	Share options (B)	
	\$	\$	\$	\$	\$
Executive Directors					
Nicholas Armstrong ⁽¹⁾	144,135				144,135

(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 date of grant using the Black Scholes options-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 each reporting period.

(1) Options are held via 275 Invest 2 Pty Ltd of which Nicholas Armstrong is a director and shareholder.

(2) Options are held via M&M Funds Management Pty Ltd ATF <Savu Superannuation Fund> of which Michael Aston is a director of the trustee and beneficiary of the trust.

(3) Remuneration invoiced via Structure Investments Pty Ltd ATF Rogers Family Trust of which Martin Rogers is a director of the trustee and beneficiary of the trust. Mr Rogers resigned 8 October 2019.

(4) Appointed 4 September 2018.

(5) Appointed 9 December 2019.

5.10 Interests of advisers and costs of the Offer

Other than as set out below or elsewhere in this Prospectus, no adviser involved in the preparation of this Prospectus (nor any firm in which any adviser is a partner), has held at any time in the past two years any interest in:

- the formation or promotion of the Company;
- any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- the Offer itself.

In addition, other than as set out below, no amounts (whether in cash or Shares or otherwise) have been paid or agreed to be paid and no benefits have been given or agreed to be given to any adviser (or any firm in which the adviser is a partner) for services rendered by the adviser, or the adviser's firm in connection with the promotion or formation of the Company or in connection with the Offer:

- Peloton Capital Pty Ltd has acted as Corporate Adviser to the Offer. In relation to these services, the Company has agreed to pay the Corporate Adviser an engagement fee of \$15,000 per month (exclusive of GST and disbursements) for the period commencing on the date of the Engagement Letter until completion of the Offer¹ (**Engagement Fee**) and a capital raising fee of 6% of the total amount raised under the Offer (exclusive of GST and disbursements)² (**Capital Raising Fee**); and
- K&L Gates has acted as Australian legal adviser to the Company in relation to this Prospectus and the Offer. In aggregate, the Company has paid or agreed to pay \$50,000 (exclusive of GST and disbursements) for these services to the date of this Prospectus. Further amounts may be paid to K&L Gates in accordance with their usual time based charge out rates.

5.11 Application Form

By completing and returning an Application Form (and providing your Application Monies) you (and each person on whose account you are acting) will be deemed to have:

- acknowledged that you have fully read (and understood) both this Prospectus and the Application Form in their entirety;
- acknowledged the matters and make the warranties and representations and agreements contained in this Prospectus and in the Application Form;
- agreed to be bound by the terms of the Offer, the provisions of this Prospectus and the Constitution;
- authorised the Company to register you as the holder(s) of the new Shares issued to you (if any);
- declared that all details and statements in the Application Form are complete and accurate and not misleading in any material particular;
- declared that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Application Form;
- acknowledged that once the Company receives your Application Form (along with your Application Monies), you may not withdraw your Application or Application Monies except as permitted by law;
- agreed to apply for and be issued up to the number of Shares specified in the Application Form, or for which you have submitted payment of any Application Monies, at the Issue Price;
- authorised the Company, the Corporate Adviser and the Share Registry and their respective officers or agents to do anything on your behalf necessary or desirable for Shares to be issued

¹ Half of the Engagement Fee paid (or to be paid) by the Company to the Corporate Adviser will be offset against the Capital Raising Fee.

² The Capital Raising Fee of 6% (which is payable by the Company to the Corporate Adviser on completion of the Offer) is comprised of a 3% "management fee" and a 3% "selling fee".

- to you, including to act on instructions of the Share Registry upon using the contact details set out in your Application Form;
- acknowledged that the information contained in this Prospectus and on the Application Form is not investment advice or financial product advice and those documents have been prepared without taking into account your investment objectives, financial circumstances or particular needs or circumstances;
 - acknowledged that neither this Prospectus and the Application Form (nor anything contained in either of those documents) is a recommendation that an investment in Shares is suitable for you given your investment objectives, financial situation or particular needs;
 - acknowledged that you have read and understood the statement of risks in Section 4 of this Prospectus and that any investment in the Company (including pursuant to an investment in Shares the subject of this Prospectus) is subject to a high degree of risk;
 - acknowledged that none of the Company, the Corporate Adviser, or their respective related bodies corporate, affiliates or respective directors, officers, partners, employees, representatives, agents, consultants or advisers, guarantee the performance of the Company, and nor do they guarantee the repayment of capital;
 - authorised the Company to correct any errors in your Application Form or other form provided by you;
 - represented and warranted that the law of any place does not prohibit you from being given this Prospectus and the Application Form, nor does it prohibit you from submitting an Application; and
 - represented and warranted that your acceptance of the Offer does not breach any laws in a jurisdiction outside of Australia.

By completing and returning an Application Form (and providing your Application Monies) , you will also be deemed to have acknowledged, represented and warranted on your own behalf and on behalf of each person on whose account you are acting that you are an Eligible Investor and:

- you and each person on whose account you are acting are not in the United States and are not otherwise a person to whom it would be illegal to make an offer of or issue of Shares under the Offer under any applicable laws and regulations;
- the Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction in the US, or in any other jurisdiction outside Australia and, accordingly, the Shares may not be offered, sold or otherwise transferred, except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and any other applicable securities laws;
- you and each person on whose account you are acting have not and will not send any materials relating to the Offer to any person in the United States;
- if in the future you decide to sell or otherwise transfer the Shares you will only do so in regular way transactions on the ASX where neither you nor any person acting on your behalf know, or have reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States; and
- if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the Application Form is not in the United States, and you have not sent this Prospectus, the Application Form or any information relating to the Offer to any such person.

5.12 Litigation

As at the date of this Prospectus, the Company is not involved in any material legal proceedings and the Directors are not aware of any material legal proceedings pending or threatened against the Company.

5.13 Governing law

The Prospectus and the contracts that arise from the acceptance of the Offer made under this Prospectus are governed by the law applicable in New South Wales, Australia and each Applicant under this Prospectus submits to the exclusive jurisdiction of the courts of New South Wales Australia.

6 Directors' authorisation

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

Signed for and on behalf of the Company on 21 February 2020.



Nick Armstrong
CEO and co-founder

7 Glossary

Definitions used in this Prospectus are as follows:

Applicant means a person who has applied for Shares under the Offer by submitting an Application Form.

Application means an application for Shares under the Offer made by an Applicant.

Application Form means an application form attached to or accompanying this Prospectus (noting that references to the Application Form include a reference to the online version of that Form as the context requires).

Application Monies means the monies received from Applicants in respect of their Application.

ASX Listing Rules means the listing rules of ASX.

ASX Settlement means ASX Settlement Pty Limited ACN 008 504 532.

ASX Settlement Operating Rules means the operating rules of ASX Settlement.

AUSTRAC means Australian Transaction Reports and Analysis Centre.

Board means the board of Directors.

Business Day means a day on which banks are open for business in Sydney, New South Wales excluding a Saturday, Sunday or public holiday.

Closing Date means the date that the Offer closes which is 5pm (Sydney time) on Tuesday, 3 March 2020 or such other time and date as the Company determines.

Eligible Investor means prospective investors with a registered address in Australia and certain other Exempt Investors outside of Australia (and to whom the Company invites to subscribe for Shares under the Offer).

Exempt Investor means a person who is offered securities in circumstances that does not require disclosure under Chapter 6D of the Corporation Act.

GST means Goods and Services Tax.

Official Quotation has the definition given to that term in the ASX Listing Rules (noting that the terms **Quotation** and **Quoted** have a similar meaning).

Offer Period means the period in which the Offer is open.

Opening Date means the date that the Offer opens which is Friday, 21 February 2020 or such other time and date as the Company determines.

Shareholder means the registered holder of one or more Shares.

Trading Day has the meaning given in the ASX Listing Rules.

Corporate directory

Registered office Identitii Limited Level 2, 129 Cathedral Street Woolloomooloo NSW 2011 ABN 83 603 107 044	Corporate Adviser Peloton Capital Pty Ltd Level 8, 2 Bligh Street Sydney NSW 2000
Directors Mr. Michael Aston, Chairman Mr. Nicholas Armstrong Mr. Peter Lloyd Mr. Nathan Lynch	Australian Legal Adviser K&L Gates Level 31, 1 O'Connell Street Sydney NSW 2000
Company Secretary Ms. Elissa Hansen Email: elissa@identitii.com Mobile: 0411 764 556	Registry Level 12 225 George Street Sydney NSW 2000 Telephone: +61 (2) 9290 9600
Securities Exchange Listing The Company is admitted to the official list of, and its Shares are quoted on, ASX (ASX: ID8)	Website www.identitii.com

Identitii Limited

ABN 83 603 107 044

Offer Application Form

This is an Application Form for new Shares in Identitii Limited (**Company**) on the terms set out in the Prospectus dated 21 February 2020 (**Prospectus**). Defined terms in the Prospectus have the same meaning in this Application Form. You must apply for a minimum of 8,333 Shares. This Application Form and your cheque or bank draft must be received by **5pm (Sydney time) on the Closing Date**.

This Application Form is important. If you are in doubt as to how to deal with this Application Form, please contact your accountant, lawyer, stockbroker or other professional adviser without delay. The Prospectus contains information relevant to a decision to invest in the Shares of the Company and you should read the entire Prospectus carefully before applying for Shares.

The Share Registry's Privacy Policy (**Privacy Policy**) also sets out important information relating to the collection, use and disclosure of all personal information that you provide to the Company. Please ensure that you and all relevant individuals have read the Privacy Policy carefully before submitting this Application Form. The Privacy Policy can be found on the website <https://boardroomlimited.com.au/privacy-policy/>

To meet the requirements of the *Corporations Act 2001* (Cth), this Application Form must not be distributed to another person unless included in or accompanied by the Prospectus. A person who gives another person access to this Application Form must, at the same time and by the same means, give the other person access to the Prospectus. During the Offer period, the Company will send you a free paper copy of the Prospectus if you have received an electronic prospectus and you ask for a paper copy before the Offer closes on Tuesday, 3 March 2020.

PLEASE FOLLOW THE INSTRUCTIONS TO COMPLETE THIS APPLICATION FORM (SEE REVERSE) AND PRINT CLEARLY IN CAPITAL LETTERS USING BLACK OR BLUE PEN.

A	Number of Shares you are applying for	x \$0.24 per Share =	B	Total amount payable
	<input type="text"/>		\$	<input type="text"/>
	Minimum of 8,333 Shares to be applied for			

C **Write the name(s) you wish to register the Shares in (see reverse for instructions)**

Applicant #1

Name of Applicant #2 or <Account Designation>

Name of Applicant #3 or <Account Designation>

D **Write your postal address here**

Number/Street

Suburb/Town

State

Postcode

E **CHESS participant – Holder Identification Number (HIN)**

Important please note if the name and address details above in sections C and D do not match exactly with your registration details held at CHESS, any Shares issued as a result of your Application will be held on the Issuer Sponsored subregister.

F **Enter your Tax File Number(s), ABN, or exemption category**

Applicant #1

Applicant #2

Applicant #3

G **Cheque payment details –** PIN CHEQUE(S)/BANK DRAFT HERE. Cheque to be made payable to "Identitii Limited" and crossed "Not Negotiable". Enter cheque details below.

Alternatively you can apply online at www.identitii.com/investors and pay by BPAY.

Name of drawer of cheque	Cheque no.	BSB no.	Account no.	Cheque Amount A\$
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

H **Contact telephone number (daytime/work/mobile)** **Contact Name**

E-mail Address

Declaration By submitting this Application Form with your Application Monies, I/we declare that I/we:

- ✓ have read the Prospectus in full;
- ✓ have received a copy of the electronic Prospectus or a print out of it;
- ✓ have completed this Application Form in accordance with the instructions on the form and in the Prospectus.
- ✓ declare that all details and statements made by me/us are complete and accurate;
- ✓ agree and consent to the Company collecting, holding, using and disclosing my/our personal information in accordance with the Prospectus;
- ✓ where I/we have been provided information about another individual, warrant that I/we have obtained that individual's consent to the transfer of their information to the Company;
- ✓ acknowledge that once the Company accepts my/our Application Form, I/we may not withdraw it;
- ✓ apply for the number of Shares that I/we apply for (or a lower number allocated in a manner allowed under the Prospectus);
- ✓ acknowledge that my/our Application may be rejected by the Company in its absolute discretion;
- ✓ authorise the Company and their respective officers and agents to do anything on my/our behalf necessary (including the completion and execution of documents) to enable the Shares to be allocated to me/us;
- ✓ am/are over 18 years of age;
- ✓ agree to be bound by the constitution of the Company;
- ✓ acknowledge that neither the Company nor any person or entity guarantees any particular rate of return on the Shares, nor do they guarantee the repayment of capital;
- ✓ represent, warrant and agree that I/we have not received this Prospectus outside Australia and am/are not acting on behalf of a person resident outside Australia.

Guide to the Application Form

YOU SHOULD READ THE PROSPECTUS CAREFULLY BEFORE COMPLETING THIS APPLICATION FORM.

Please complete all relevant sections of the Application Form using BLOCK LETTERS. These instructions are cross-referenced to each section of the Application Form.

Instructions

- A** If applying for Shares insert the **number** of Shares for which you wish to subscribe at Item **A** (not less than 8,333 Shares representing a minimum investment of \$2,000.00). Multiply by A\$0.24 to calculate the total Application Monies for Shares and enter the **A\$amount** at Item **B**.
- C** Write your **full name**. Initials are not acceptable for first names.
- D** Enter your **postal address** for all correspondence. All communications to you from the Company will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.
- E** If you are sponsored in CHES by a stockbroker or other CHES participant you may enter your CHES HIN if you would like the allocation to be directed to your HIN. **NB: your registration details provided must match your CHES account exactly.**
- F** Enter your Australian tax file number ("TFN") or ABN or exemption category, if you are an Australian resident. Where applicable, please enter the TFN/ABN of each joint Applicant. Collection of TFNs is authorised by taxation laws.
- Provision of your TFN is not compulsory and will not affect your Application Form. However, if no TFN is quoted your dividends and distributions may be taxed at the highest marginal tax rate plus medicare levy.
- G** Complete **cheque details** as requested. Make your cheque payable to "Identitii Limited". Cross it and mark it "Not negotiable". Cheques must be in Australian currency, and must be drawn on a bank or financial institution in Australia.
- H** Enter your **contact details, including name, phone number and e-mail address**, so we may contact you regarding your Application Form or Application Monies. By providing an e-mail address you are electing to receive notices of meetings, annual reports and other communications from the Company electronically to the provided e-mail address.

Payment by BPAY

You may apply for Shares online and pay your Application Monies by BPAY®. Applicants wishing to pay by BPAY® should complete the online Application Form accompanying the electronic version of the prospectus available at www.identitii.com/investors and follow the instructions on the online Application Form. When completing your BPAY® payment please ensure you use the specific Biller Code and Unique CRN provided in the online Application Form and confirmation e-mail. If you do not use the correct Biller Code and CRN your Application will not be recognised as valid. It is your responsibility to ensure payment is received by 5pm (Sydney time) on the Closing Date. Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and should therefore take this into consideration when making payment. Neither Boardroom Pty Limited nor Identitii Limited accepts any responsibility for loss incurred through incorrectly completed BPAY® payments

Correct Form of Registrable Title

Note that ONLY legal entities can hold the Shares. The Application must be in the name of a natural person(s), companies or other legal entities acceptable to the Company. At least one full given name and surname is required for each natural person. Examples of the correct form of registrable title are set out below.

Type of Investor	Correct Form of Registrable Title	Incorrect Form of Registrable Title
Individual	Mr John David Smith	J D Smith
Company	ABC Pty Ltd	ABC P/L or ABC Co
Joint Holdings	Mr John David Smith & Mrs Mary Jane Smith	John David & Mary Jane Smith
Trusts	Mr John David Smith <J D Smith Family A/C>	John Smith Family Trust
Deceased Estates	Mr Michael Peter Smith <Est Lte John Smith A/C>	John Smith (deceased)
Partnerships	Mr John David Smith & Mr Ian Lee Smith	John Smith & Son
Clubs/Unincorporated Bodies	Mr John David Smith <Smith Investment A/C>	Smith Investment Club
Superannuation Funds	John Smith Pty Limited <J Smith Super Fund A/C>	John Smith Superannuation Fund

Lodgment

Mail or deliver your completed Application Form with your cheque(s) or bank draft attached to one of the following addresses:

Mailing address:

Identitii Limited
C/-Boardroom Pty Limited
GPO Box 3993
SYDNEY NSW 2001

Delivery address:

Identitii Limited
C/-Boardroom Pty Limited
Level 12, 225 George Street
SYDNEY NSW 2000

The Offer closes at 5pm (Sydney time) on Tuesday, 3 March 2020, unless varied in accordance with the Corporations Act and ASX Listing Rules.

It is not necessary to sign or otherwise execute the Application Form.

If you have any questions as to how to complete the Application Form, please contact Boardroom Pty Limited on 1300 737 760 within Australia and +61 2 9290 9600 outside Australia.

Privacy Statement

identitii Limited advises that Chapter 2C of the Corporations Act requires information about its shareholders (including names, addresses and details of shares held) to be included in the Company's share register. Information is collected to administer your securityholding and if some or all of the information is not collected then it might not be possible to administer your securityholding. Your personal information may be disclosed to the Company. To obtain access to your personal information or more information on how the Company collects, stores, uses and discloses your information please contact the Company at the address or telephone number shown in the Prospectus.