

IDENTITII LIMITED
ACN 603 107 044

ENTITLEMENT ISSUE PROSPECTUS

For a pro-rata non-renounceable entitlement issue of 1 Share for every 10 Shares held by those Shareholders registered at the Record Date at an issue price of \$0.16 per Share to raise up to \$3,033,229 (based on the number of Shares expected to be on issue as at the Record Date) (**Offer**).

IMPORTANT NOTICE

This document is important and should be read in its entirety. If, after reading this Prospectus you have any questions about the Securities being offered under this Prospectus or any other matter, then you should consult your professional advisers without delay.

The Securities offered by this Prospectus should be considered as highly speculative.

IMPORTANT NOTICE

This Prospectus is dated 26 October 2021 and was lodged with the ASIC on that date. The ASIC, ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Securities may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Securities offered by this Prospectus should be considered as highly speculative.

Applications for Securities offered pursuant to this Prospectus can only be made by an original Entitlement and Acceptance Form or Shortfall Application Form.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus and is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

Representations contained in this Prospectus are made taking into account that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters are publicly available information or may reasonably be expected to be known to investors and professional advisers whom prospective investors may consult.

No Investment Advice

The information contained in this Prospectus is not financial product advice or investment advice and does not take into account your

financial or investment objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding to subscribe for Securities under this Prospectus to determine whether it meets your objectives, financial situation and needs.

Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the Company's management.

The Company cannot and does 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 investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward-looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 5.

Overseas shareholders

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or

to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended and Securities will not be issued to Shareholders with a registered address which is outside Australia or New Zealand.

For further information on overseas Shareholders please refer to Section 2.9.

Continuous disclosure obligations

The Company is a "disclosing entity" (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Securities.

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 and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the three months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Please refer to Section 6.2 for further details.

Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at <https://identitii.com/>. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian or New Zealand.

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 version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company's share registry, Boardroom on 1300 737 760 or +61 2 9290 9600 during office hours or by emailing the Company at investors@identitii.com.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

Company Website

No documents or other information available on the Company's website is incorporated into this Prospectus by reference.

Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will apply to participate in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with

statements (similar to a bank account statement) that set out the number of Securities issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation. Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

Photographs and Diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses the 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.

Definitions and Time

Unless the contrary intention appears or the context otherwise requires, words and phrases contained in this Prospectus have the same meaning and interpretation as given in the Corporations Act and capitalised terms have the meaning given in the Glossary in Section 7.

All references to time in this Prospectus are references to Australian Eastern Standard Time.

Privacy statement

If you complete an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the share registry.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the share

registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Securities, the Company may not be able to accept or process your application.

Enquiries

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult with your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Offers or how to accept the Offer please call the Company Secretary on + 0411 764 556.

CORPORATE DIRECTORY

Directors

John Rayment
Chief Executive Officer

Steven James
Non-Executive Chair

Timothy Phillipps
Non-Executive Director

Company Secretary

Elissa Hansen

Registered Office

Level 2, 129 Cathedral Street,
WOOLLOOMOOLOO NSW 2011

Telephone: +61 2 9056 4160

Email: investors@identitii.com

Website: www.identitii.com

Auditor

RSM Australia Pty Ltd
Level 13, 60 Castlereagh Street
SYDNEY NSW 2000

Share Registry*

Boardroom Pty Limited
Level 12, 225 George Street
Sydney NSW 2000
Telephone: +61 2 9290 9600

Legal advisers

Steinepreis Paganin
Lawyers and Consultants
Level 4, 50 Market Street
MELBOURNE VIC 3000

* These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus and have not consented to being named in this Prospectus.

TABLE OF CONTENTS

1.	KEY OFFER INFORMATION	5
2.	DETAILS OF THE OFFER	10
3.	PURPOSE AND EFFECT OF THE OFFER.....	15
4.	RIGHTS AND LIABILITIES ATTACHING TO SECURITIES.....	18
5.	RISK FACTORS	21
6.	ADDITIONAL INFORMATION.....	29
7.	GLOSSARY.....	35

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1. KEY OFFER INFORMATION

1.1 Timetable

Lodgement of Prospectus with the ASIC	27 October 2021
Lodgement of Prospectus and Appendix 3B with ASX	27 October 2021
Ex date	1 November 2021
Record Date for determining Entitlements	2 November 2021
Offer opening date, Prospectus sent out to Shareholders and Company announces this has been completed	4 November 2021
Last day to extend the Closing Date	15 November 2021
Closing Date as at 5:00pm*	18 November 2021
ASX notified of under subscriptions	23 November 2021
Issue date and lodgement of Appendix 2A with ASX applying for quotation of the Shares	24 November 2021
Quotation of Shares issued under the Offer**	25 November 2021

*The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date. Accordingly, the date the Shares are expected to commence trading on ASX may vary.

1.2 Key statistics of the Offer

Shares

	Subscription (\$3,033,229)¹
Offer Price per Share	\$0.16
Entitlement Ratio (based on existing Shares)	1 for 10 Shares held at Record Date
Shares currently on issue	152,076,785
Shares to be issued under the Placement ²	37,500,000
Shares to be issued under the Offer	18,957,679
Gross proceeds of the issue of Shares	\$3,033,229
Shares on issue Post-Offer	208,534,464

Notes:

1. Assuming Subscription of \$3,033,229 is achieved under the Offer.
2. Assuming Placement of 37,500,000 Shares at an issue price of \$0.16 to raise approximately \$6,000,000. The Shareholders who are issued Shares under the Placement will be eligible to participate in this Offer.
3. Refer to Section 4.1 for the terms of the Shares.

1.3 Key Risk Factors

Prospective investors should be aware that subscribing for Securities involves a number of risks and an investment in the Company should be considered as highly speculative. The future performance of the Company and the value of the Securities may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are set out in Section 5.

The predominant risks relating to the Company and the Offer are summarised below:

Risk	Description	Further Information
Potential for dilution	Upon implementation of the Offer, assuming all Entitlements are accepted, no other Shares are issued prior to the Record Date, the number of Shares in the Company will increase from 189,576,785 as at the Record Date (following the issue of 37,500,000 Shares under the Placement) to 208,534,464 Shares. This means that immediately after the Offer each Share will represent a lower proportion of the ownership of the Company.	5.2(a)
Additional requirements for capital	The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Offer.	5.2(b)
Going concern	The Company's Annual Financial Report for the financial year ended 30 June 2021 (FY21) (Financial Report) includes a note on the financial condition of the Company. The Financial Report states that the statement of profit or loss and other comprehensive income for the year ended 30 June 2021 reflects a loss for the year of \$5,873,875 and total cash outflows from operating activities of \$4,759,614. However, the Directors believe that it is reasonably foreseeable that the Company will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after considering that the Company has \$4,489,311 in cash and cash equivalents as at the balance date; had successfully raised \$8.9 million in funding during the year ended 30 June 2021 and is securing additional funding; has the ability to scale back a significant portion of its expenditure if required; and has signed and extended its contract with lenders and has other potential customer engagements in the	5.2(c)

	pipeline.	
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 the Company.	5.2(d)
Failure to Attract New Customers	The Company 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.	5.2(e)
Product Disruption	The rapid pace of innovation and development within the industry, together with the high number of competitors mean that there are no guarantee the Company's products will be effective or economic.	5.2(f)
Business Strategy Risk	The Company's future growth and financial performance is dependent on the Company's ability to successfully execute its business strategy.	5.2(g)
Dependence on Key Customers	The Company is dependent on its ability to retain its existing customers but does have the ability to materially reduce operating costs by customer, should any existing customer contracts terminate. A majority of the Company's business has historically been carried out under contract to a single material customer, however the company now has six long-term material customers, with more expected.	5.2(h)
Inability to retain key staff	The Company currently employs a number of key management personnel and the Company's future depends on retaining appropriately qualified and experienced personnel. The loss of any of these employee's services could materially and adversely affect the Company and may impede the achievement of its product development and commercialisation objectives.	5.2(i)
Dependence on technology rights and intellectual property	Obtaining and protecting intellectual property rights over all the technologies and products connected with the Company's products, services or offerings will be essential to commercialisation and realising its growth potential. The prospects of the Company'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.	5.3(a)

Patent Risk	The Company's patent application has been granted. However, there is no guarantee that the patent will provide adequate protection for the intellectual property, or that third parties will not infringe or misappropriate its patents or any other rights.	5.3(b)
Infringement of third party IP rights	If a third party accuses the Company of infringing its intellectual property rights or if a third party commences litigation against the Company for the infringement of patent or other intellectual property rights, the Company may incur significant costs in defending such action, whether or not it ultimately prevails.	5.3(c)
Trade Secrets Risks	The Company relies on its trade secrets, which include information relating to the development of its technology and integration with its customers. The protective measures that the Company employs may not provide adequate protection for its trade secrets. This could erode the Company's competitive advantage and materially harm its business.	5.3(d)

1.4 Directors' Interests in Securities

The relevant interest of each of the Directors in the Securities of the Company as at the date of this Prospectus, together with their respective Entitlement, is set out in the table below:

Director	Shares	Options	Share Entitlement	\$
Steven James	Nil	1,000,000 ¹	Nil	Nil
John Rayment	1,590,608 ²	8,000,000 ³	159,061	\$25,500
Timothy Phillipps	769,231 ⁴	Nil	76,923	\$12,308

Notes:

- 1,000,000 unlisted Options exercisable at \$0.25, expiring 8 July 2024.
- 1,590,608 Shares indirectly held by Elorey Pty Ltd, an entity controlled by John Rayment.
- 8,000,000 unlisted Options exercisable at \$0.15, expiring on 21 October 2025.
- 769,231 Shares held directly by Timothy Phillipps.

The Board recommends all Shareholders take up their Entitlements. The Directors reserve the right to take up their respective Entitlement in whole or in part at their discretion.

1.5 Details of Substantial Holders

Based on publicly available information as at the Record Date, there are no substantial holders who (together with their associates) will have a relevant interest in 5% or more of the Shares on issue.

1.6 Effect on Control

Based on current shareholding and Entitlements of Shareholders as at the date of this Prospectus, regardless of the amount raised under the Offer, no Shareholder will increase their holding, to an amount in excess of 19.9% through applying for their Entitlements.

Further as set out in Section 2.6, on the basis of the allocation policy, no person will acquire, through participation in the Shortfall Offer a holding of Shares of, or increase their holding to, an amount in excess of 19.9% of all the Shares on issue on completion of the Offer.

1.7 Potential dilution on non-participating Shareholders

In addition to potential control impacts set out in Section 1.8, Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 9.09% (as compared to their holdings and number of Shares on issue as at the date of this Prospectus).

For illustrative purposes, the table below shows how the dilution may impact the holdings of Shareholders:

Holder	Holding as at Record date	% at Record Date	Entitlements under the Offer	Holdings if Offer not taken Up	% post Offer
Shareholder 1	10,000,000	5.27%	1,000,000	10,000,000	4.80%
Shareholder 2	5,000,000	2.64%	500,000	5,000,000	2.40%
Shareholder 3	1,500,000	0.79%	150,000	1,500,000	0.72%
Shareholder 4	400,000	0.21%	40,000	400,000	0.19%
Shareholder 5	50,000	0.03%	5,000	50,000	0.02%
Total	189,576,785		18,957,679		208,534,464

Notes:

1. This is based on a share capital of 189,576,785 Shares expected to be on issue as at the Record Date assuming the issue of 37,500,000 new Shares under the Placement on 1 November 2021 and assumes no Options currently on issue.
2. The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted by Eligible Shareholders are placed under the Shortfall Offer. In the event all Entitlements are not accepted and some or all of the resulting Shortfall was not subsequently placed, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.

2. DETAILS OF THE OFFER

2.1 The Offer

The Offer is being made as a pro-rata non-renounceable entitlement issue of 1 Share for every 10 Shares held by Shareholders registered at the Record Date at an issue price of \$0.16 per Share. Fractional entitlements will be rounded up to the nearest whole number.

Based on the capital structure of the Company as at the date of this Prospectus, (and assuming 37,500,000 Shares will be issued prior to the Record Date but there is no exercise or conversion of other securities on issue) approximately 18,957,679 Shares may be issued under the Offer to raise up to \$3,033,229.

As at the date of this Prospectus the Company has 35,382,499 Options on issue all of which may be exercised prior to the Record Date in order to participate in the Offer.

All of the Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 4.1 for further information regarding the rights and liabilities attaching to the Shares.

The purpose of the Offer and the intended use of funds raised are set out in Section 3.

2.2 What Eligible Shareholders may do

The number of Securities to which Eligible Shareholders are entitled is shown on the personalised Entitlement and Acceptance Form which can be accessed at www.identifiii.com. Eligible Shareholders may choose any of the options set out in the table below.

Option	Key Considerations	For more information
Take up all of your Entitlement	<ul style="list-style-type: none">• Should you wish to accept all of your Entitlement, then your application for Securities under this Prospectus must be made by following the instructions on the personalised Entitlement and Acceptance Form accompanying this Prospectus. Please read the instructions carefully.• Payment can be made by the methods set out in Section 2.3. As set out in Section 2.3, if you pay by BPAY, you do not need to return the Entitlement and Acceptance Form.	Section 2.3 and Section 2.4.
Take up all of your Entitlement and also apply for Shortfall Securities	<ul style="list-style-type: none">• Should you wish to accept all of your Entitlement and apply for Shortfall Securities, then your application for your Entitlement and additional Shortfall Securities under this Prospectus must be made by following the instructions on your personalised Entitlement and Acceptance Form accompanying this Prospectus. Please read the instructions carefully.• Payment can be made by the methods set out in Section 2.3. Payment should be made for your Entitlement and the amount of the	Sections 2.3, 2.4 and 2.6.

Option	Key Considerations	For more information
	<p>Shortfall for which you are applying.</p> <ul style="list-style-type: none"> If you apply for Shortfall Securities beyond your Entitlement you are deemed to have accepted your Entitlement in full. You should note that the allocation of Shortfall Securities is at the Company's absolute discretion as per the allocation policy set out in Section 2.6. Accordingly, your application for additional Shortfall Securities may be scaled-back. The Company's decision on the number of Shortfall Securities to be allocated to you will be final. 	
<p>Take up a proportion of your Entitlement and allow the balance to lapse</p>	<ul style="list-style-type: none"> If you wish to take up only part of your Entitlement and allow the balance to lapse, your application must be made by completing the personalised Entitlement and Acceptance Form accompanying this Prospectus for the number of Securities you wish to take up and making payment using the methods set out in Section 2.3 below. As set out in Section 2.3, if you pay by BPAY, you do not need to return the Entitlement and Acceptance Form. 	<p>Section 2.3 and Section 2.4</p>
<p>Allow all or part of your Entitlement to lapse</p>	<ul style="list-style-type: none"> If you do not wish to accept any part of your Entitlement, you are not obliged to do anything. If you do not take up your Entitlement by the Closing Date, the Offer to you will lapse. 	<p>N/A</p>

2.3 Payment options

(a) By BPAY®

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (i) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form;
- (ii) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your Application monies; and
- (iii) if you pay more than is required to subscribe for your Entitlement, you will be taken to have applied for Shortfall Securities (if any) under the Shortfall Offer, to the extent of the excess.

You should be aware that your own financial institution may implement earlier cut-off times with regard to electronic payment, and you should

therefore take this into consideration when making payment. **It is your responsibility to ensure that funds submitted through BPAY® are received by 5:00PM (AEDT) on the Closing Date. The Company shall not be responsible for any delay in the receipt of the BPAY® payment.**

Guidance where you have more than one CRN (Shareholding of Shares)

If you have more than one shareholding of Shares and consequently receive more than one Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those Shareholdings only use the CRN specific to that Shareholding as set out in the applicable Entitlement and Acceptance Form. **Do not use the same CRN for more than one of your Shareholdings.** This can result in your Application monies being applied to your Entitlement in respect of only one of your Shareholdings (with the result that any Application in respect of your remaining Shareholdings will not be valid).

(b) By Cheque

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to "Identitii Limited" and crossed "Not Negotiable".

Your completed Entitlement and Acceptance Form and cheque must reach the Company's share registry no later than 5.00pm (AEDT) on the Closing Date.

2.4 Implications of an acceptance

Returning a completed Entitlement and Acceptance Form or paying any Application monies by BPAY® will be taken to constitute a representation by you that:

- (a) you have received a copy of this Prospectus and the accompanying Entitlement and Acceptance Form, and read them both in their entirety; and
- (b) you acknowledge that once the Entitlement and Acceptance Form is returned, or a BPAY® payment instruction is given in relation to any Application monies, the application may not be varied or withdrawn except as required by law.

2.5 Minimum subscription

There is no minimum subscription.

2.6 Shortfall Offer

Any Entitlement not taken up pursuant to the Offer will form the Shortfall Offer (**Shortfall Securities**). The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Closing Date. The issue price for each Share to be issued under the Shortfall Offer shall be \$0.16 being the price at which Shares have been offered under the Offer.

If you do not wish to take up any part of your Entitlement you are not required to take any action. That part of your Entitlement not taken up will form part of the Shortfall Offer and potentially be allocated to other Eligible Shareholders or other third parties as part of the Shortfall Offer. The Shortfall Offer will only be available

where there is a Shortfall between applications received from Eligible Shareholders and the number of Shares proposed to be issued under the Offer.

Eligible Shareholders who wish to subscribe for Securities above their Entitlement are invited to apply for Shortfall Securities under the Shortfall Offer by completing the appropriate section on their Entitlement and Acceptance Form or by making payment for such Shortfall Securities in accordance with Section 2.3.

The Board presently intends to allocate Shortfall Securities as follows:

- (a) to Eligible Shareholders who apply for an excess of their full Entitlement, so long as the issue of Shortfall Securities to that Eligible Shareholder would not take their voting power to in excess of 19.99%; and then
- (b) to other parties identified by the Directors, which may include parties who are not currently Shareholders.

No Shares will be issued to a party under the Shortfall Offer if the effect would be to increase that party's voting power in the Company to an amount greater than 19.99%.

The Company reserves the right to issue an Eligible Shareholder a lesser number of Shortfall Securities than applied for or no Shortfall Securities at all. However, the Directors do not intend to refuse an application for Shortfall Securities from Eligible Shareholders other than in circumstances of oversubscription or where acceptance may result in a breach of the Corporations Act. If the number of Shortfall Securities applied for by Eligible Shareholders exceeds the total Shortfall, the Shortfall Securities will be allocated among applying Eligible Shareholders proportionate to their existing holdings.

All decisions regarding the allocation of Shortfall Securities will be made by the Directors and will be final and binding on all applicants under the Shortfall Offer; as such there is no guarantee that any Shortfall Securities applied for will be issued to Eligible Shareholders.

The Company will have no liability to any Applicant who receives less than the number of Shortfall Securities they applied for under the Shortfall Offer. If the Company scales back any applications for Shortfall Securities under the Shortfall Offer any Application monies will be returned (without interest) as soon as practicable.

2.7 ASX listing

Application for Official Quotation of the Shares offered pursuant to this Prospectus will be made in accordance with the timetable set out at Section 1. If ASX does not grant Official Quotation of the Shares offered pursuant to this Prospectus before the expiration of three months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Shares and will repay all Application monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

2.8 Issue of Securities

Securities issued pursuant to the Offer will be issued in accordance with the ASX Listing Rules and timetable set out at Section 1.

Securities issued pursuant to the Shortfall Offer will be issued on a progressive basis. Where the number of Securities issued is less than the number applied for, or where no issue is made surplus Application monies will be refunded without any interest to the Applicant as soon as practicable after the closing date of the Shortfall Offer.

Pending the issue of the Securities or payment of refunds pursuant to this Prospectus, all Application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

Holding statements for Securities issued under the Offer will be mailed as soon as practicable after the issue of Securities and for Shortfall Securities issued under the Shortfall Offer as soon as practicable after their issue.

2.9 Overseas shareholders

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Securities these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended and Shares will not be issued to Shareholders with a registered address which is outside Australia or New Zealand.

New Zealand

The Securities are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the transitional provisions of the Financial Markets Conduct Act 2013 (New Zealand) and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 (New Zealand).

This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Nominees and custodians

Nominees and custodians may not submit an Entitlement and Acceptance Form on behalf of any Shareholder resident outside Australia and New Zealand without the prior consent of the Company, taking into account relevant securities law restrictions. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

3. PURPOSE AND EFFECT OF THE OFFER

3.1 Purpose of the offer

The purpose of the Offer is to raise up to \$3,033,229 before costs.

The funds raised from the Offer are intended to be applied in accordance with the table set out below:

Item	Proceeds of the Offer	Subscription (\$)	%
1.	Sales (including pre-sales & delivery)	950,000	31.32%
2.	Marketing (including monetising patent)	768,672	25.34%
3.	Continues product development	625,000	20.61%
4.	Corporate operating expenses	625,000	20.61%
5.	Expenses of the Offer ¹	64,557	2.13%
	Total	3,033,229	100%

Notes:

1. Refer to Section 6.7 for further details relating to the estimated expenses of the Offer.

On completion of the Offer, the Board believes the Company will have sufficient working capital to achieve its stated objectives. In addition, it should be noted that the Company's budgets and forecasts will be subject to modification on an ongoing basis depending on the results achieved from its business activities and operations.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

3.2 Effect of the Offer

The principal effect of the Offer, assuming all Entitlements are accepted and no Shares are issued including on exercise or conversion of other Securities on issue prior to the Record Date, will be to:

- (a) increase the cash reserves by \$2,968,672 (after deducting the estimated expenses of the Offer) immediately after completion of the Offer; and
- (a) increase the number of Shares on issue from 189,576,785 as at Record Date following the issue of 37,500,000 Shares under the Placement to 208,534,464 Shares.

3.3 Effect on capital structure

The effect of the Offer on the capital structure of the Company, assuming all Entitlements are accepted and no Shares are issued including on exercise or conversion of other Securities on issue prior to the Record Date, is set out below.

Shares

	Number
Shares currently on issue	152,076,785
Shares to be issued under the Placement	37,500,000
Shares offered pursuant to the Offer	18,957,679
Total Shares on issue after completion of the Offer	208,534,464

Options

	Number
Unquoted Options currently on issue	35,382,499
Total Options on issue as at the date of this Prospectus	35,382,499
Options to be issued pursuant to the Offer	Nil
Total Options on issue after completion of the Offer	35,382,499

The capital structure on a fully diluted basis as at the date of this Prospectus would be 187,459,284 Shares and on completion of the Placement and the Offer (assuming all Entitlements are accepted and no Shares are issued including on exercise or conversion of other Securities on issue prior to the Record Date) would be 243,916,963 Shares.

No Shares or Options on issue are subject to escrow restrictions, either voluntary or ASX imposed.

3.4 Pro-forma balance sheet

The audited balance sheet as at 30 June 2021 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared assuming all Entitlements are accepted, no Options or convertible securities are exercised prior to the Record Date and including expenses of the Offer.

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

	AUDITED 30 June 2021 \$	PROFORMA Maximum Raise \$
CURRENT ASSETS		
Cash	4,489,311	7,457,983
Other current assets	1,312,970	1,312,970
TOTAL CURRENT ASSETS	5,802,281	8,770,953
NON-CURRENT ASSETS		
Plant and equipment	101,536	101,536
Intangibles	57,006	57,006
TOTAL NON-CURRENT ASSETS	158,542	158,542
TOTAL ASSETS	5,960,823	8,929,494
CURRENT LIABILITIES		
Creditors and borrowings	958,699	958,699
TOTAL CURRENT LIABILITIES	958,699	958,699
TOTAL LIABILITIES	958,699	958,699
NET ASSETS (LIABILITIES)	5,002,124	7,970,795
EQUITY		
Share capital	25,775,278	28,780,461
Options Reserve	4,517,001	4,517,001
Retained loss	(26,414,781)	(26,451,293)
Other reserves and NCI	1,124,625	1,124,625
TOTAL EQUITY	5,002,124	7,970,795

4. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

4.1 Rights and liabilities attaching to Shares

The following is a summary of the more significant rights and liabilities attaching to the Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

(e) **Shareholder liability**

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of shares**

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

(g) **Future increase in capital**

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(h) **Variation of rights**

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) **Alteration of constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

5. RISK FACTORS

5.1 Introduction

The Shares offered under this Prospectus should be considered as highly speculative and an investment in the Company is not risk free.

The Directors strongly recommend that prospective investors consider the risk factors set out in this Section 5, together with all other information contained in this Prospectus.

The future performance of the Company and the value of the Securities may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are described below.

The risks factors set out in this Section 5, or other risk factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Shares. This Section 5 is not intended to provide an exhaustive list of the risk factors to which the Company is exposed.

Before determining whether to invest in the Company you should ensure that you have a sufficient understanding of the risks described in this Section 5 and all of the other information set out in this Prospectus and consider whether an investment in the Company is suitable for you, taking into account your objectives, financial situation and needs.

If you do not understand any matters contained in this Prospectus or have any queries about whether to invest in the Company, you should consult your accountant, financial adviser, stockbroker, lawyer or other professional adviser.

5.2 Company specific

(a) Potential for dilution

Upon implementation of the Offer, assuming all Entitlements are accepted, no other Shares are issued and no Options are exercised prior to the Record Date, the number of Shares in the Company will increase from 189,576,785 as at the Record Date (following the issue of 37,500,000 Shares under the Placement) to 208,534,464 Shares. This means that immediately after the Offer each Share will represent a lower proportion of the ownership of the Company.

It is not possible to predict what the value of the Company, and a Share will be following the completion of the Offer being implemented and the Directors do not make any representation as to such matters.

The last trading price of Shares on ASX prior to the Prospectus being lodged of \$0.18 is not a reliable indicator as to the potential trading price of Shares after implementation of the Offer.

(b) Additional requirements for capital

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to

amounts raised under the Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

(c) **Going Concern**

The Company's Annual Financial Report for the financial year ended 30 June 2021 (**FY21**) (**Financial Report**) includes a note on the financial condition of the Company. The Annual Report explains that:

The statement of profit or loss and other comprehensive income for the year ended 30 June 2021 reflects a loss for the year of \$5,873,875 and total cash outflows from operating activities of \$4,759,614. The Directors believe that it is reasonably foreseeable that the Company will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after considering that the Company has \$4,489,311 in cash and cash equivalents as at the balance date; had successfully raised \$8.9 million in funding during the year ended 30 June 2021 and is securing additional funding; has the ability to scale back a significant portion of its expenditure if required; and has signed and extended its contract with lenders and has other potential customer engagements in the pipeline.

Consequently, the Directors have concluded there are reasonable grounds to believe that the Group will continue to be able to pay its debts as and when they become due and payable for a period of no less than 12 months from the date of signing this financial report and that the preparation of the 30 June 2021 financial report on a going concern basis is appropriate.

(d) **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 the Company. There is also currently significant interest in adopting blockchain technology for this purpose, including among banks, financial intermediaries, financial technology start-ups and others. The Company's competitors may discover and develop products in advance of the Company and/or products that are more effective than those developed by the Company. As a consequence, the Company's current and future technologies and products may become obsolete or uncompetitive resulting in adverse effects on revenue, margins and profitability

(e) **Failure to Attract New Customers**

The Company 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. The Company'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 the Company fails to retain its existing customers, attracts further business from those existing customers and attracts new customers, the Company's future operating and financial performance may be adversely affected and its reputation may be damaged.

(f) **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 the Company's products will be effective or economic. There is a risk that any of the Company's competitors' products, services or offerings may render the Company'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.

(g) **Business Strategy Risk**

The Company's future growth and financial performance is dependent on the Company's ability to successfully execute its business strategy. This will be impacted by a number of factors, including the Company'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 the Company's customers operate their business).

(h) **Dependence on Key Customers**

The Company is dependent on its ability to retain its existing customers but does have the ability to materially reduce operating costs by customer, should any existing customer contracts terminate. A majority of the Company's business has historically been carried out under contract to a single material customer, however the company now has six long-term material customers, with more expected.

(i) **Inability to retain key staff**

The Company currently employs a number of key management personnel and the Company's future depends on retaining appropriately qualified and experienced personnel. The loss of any of these employee's services could materially and adversely affect the Company and may impede the achievement of its product development and commercialisation objectives. Furthermore, the successful development of the Company will require the services of additional appropriately qualified and experienced staff. There can be no assurance that the Company will be able to attract appropriately qualified and experienced additional staff and this may adversely affect the Company's prospects of success.

5.3 Risks associated with the Company's Intellectual Property and Trade Secrets

(a) **Dependence on technology rights and intellectual property**

Obtaining and protecting intellectual property rights over all the technologies and products connected with the Company's products, services or offerings will be essential to commercialisation and realising its growth potential. The prospects of the Company'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, the Company and its Directors offer no assurance that any intellectual property which it develops or acquires will afford the Company 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 the Company 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 the Company's blockchain based products, services or offerings. Irrespective of the merit of any rights or claims asserted by third parties, such claims may adversely affect the Company. There is also a risk that the Company'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.

(b) **Patent Risk**

The Company's patent application has been granted. However, there is also no guarantee that the Company's patent 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 the Company will not have to pursue litigation against other parties to assert its rights.

(c) **Infringement of third party IP rights**

If a third party accuses the Company of infringing its intellectual property rights or if a third party commences litigation against the Company for the infringement of patent or other intellectual property rights, the Company may incur significant costs in defending such action, whether or not it ultimately prevails. Costs that the Company 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 the Company may be able to obtain injunctive or other equitable relief that could prevent the Company from further developing discoveries or commercialising its products and services. In the event of a successful claim of infringement against the Company, it may be required to pay damages and obtain one (1) 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 the Company from commercialising available products and services and could cause it to incur substantial expenditure.

(d) **Trade Secrets Risks**

The Company relies on its trade secrets, which include information relating to the development of its technology and integration with its customers. The protective measures that the Company employs may not provide adequate protection for its trade secrets. This could erode the Company's competitive advantage and materially harm its business. The Company 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 the Company will be able to meaningfully protect its trade secrets and unpatented know-how and keep them secret.

5.4 General risks

(a) **Economic**

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's research, development and production activities, as well as on its ability to fund those activities.

(b) **Market conditions**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and technology stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

In addition, the extent of the effects of COVID-19 is at this stage uncertain and continuing to evolve. The COVID-19 pandemic is having, and is expected to continue to have, a significant influence on the volatility of equity markets generally and may continue to impact and influence the value of the Company's quoted securities.

(c) **Force majeure events**

Events may occur within or outside Australia that could impact upon the global and Australian economies, the operations of the Company and the price of the Shares. Such events include but are not limited to acts of terrorism, an outbreak of international hostilities, fires, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease or other natural or man-made events or occurrences that can have an adverse effect on the demand for the Company's services and its ability to conduct business. The Company will have only a limited ability to insure against some of these risks.

(d) **Litigation risks**

The Company is exposed to possible litigation risks including intellectual property claims, contractual disputes, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation.

(e) **Dividends**

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

(f) **Taxation**

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All prospective investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

(g) **Government**

Changes in government, monetary policies, taxation and other laws can have a significant influence on the outlook for companies and investor returns.

(h) **Climate Risk**

There are a number of climate-related factors that may affect the operations and proposed activities of the Company. The climate change risks particularly attributable to the Company include:

- (i) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market

changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and

- (ii) climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.

(i) **Reliance on key personnel**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

(j) **Coronavirus (COVID-19)**

The outbreak of the coronavirus disease (**COVID-19**) is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance of the Company remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company.

The COVID-19 pandemic may also give rise to issues, delays or restrictions in product processing and packaging and the Company's ability to deliver products to customers, which may result in cost increases or adverse impacts on sales. In addition, the effects of COVID-19 on the Company's Share price and global financial markets generally may also affect the Company's ability to raise equity or debt or require the Company to issue capital at a discount, which may in turn cause dilution to Shareholders or the COVID-19 pandemic may also give rise to issues, delays or restrictions in relation to land access and the Company's ability to freely move people and equipment to and from exploration projects may cause delays or cost increases. The effects of COVID -19 on the Company's Share price and global financial markets generally may also affect the Company's ability to raise equity or debt or require the Company to issue capital at a discount, which may in turn cause dilution to Shareholders.

The Directors are monitoring the situation closely and have considered the impact of COVID-19 on the Company's business and financial performance. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain. In compliance with its

continuous disclosure obligations, the Company will continue to update the market in regard to the impact of COVID-19 on its revenue channels and any adverse impact on the Company. If any of these impacts appear material prior to close of the Offer, the Company will notify investors under a supplementary prospectus.

5.5 Speculative investment

The risk factors described above, and other risks factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Shares.

Prospective investors should consider that an investment in the Company is highly speculative.

There is no guarantee that the Shares offered under this Prospectus will provide a return on capital, payment of dividends or increases in the market value of those Shares.

Before deciding whether to subscribe for Shares under this Prospectus you should read this Prospectus in its entirety and consider all factors, taking into account your objectives, financial situation and needs.

6. ADDITIONAL INFORMATION

6.1 Litigation

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

6.2 Continuous disclosure obligations

As set out in the Important Notes Section of this Prospectus, the Company is a disclosing entity for the purposes of section 713 of the Corporations Act. Accordingly, information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with the ASIC;
 - (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
 - (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

Date	Description of Announcement
26/10/21	Update – Proposed issue of securities – ID8
26/10/21	Investor Presentation
26/10/21	Identitii Complete Successful Capital Raise

Date	Description of Announcement
26/10/21	Proposed issue of securities – ID8
26/10/21	Reinstatement to Official Quotation
26/10/21	Voluntary Suspension
22/10/21	Trading Halt
19/10/21	Jobkeeper Payments Notice
07/10/21	Final Director's Interest Notice
07/10/21	Director Resignation
23/09/21	Standard Chartered Bank Signs Licence Agreement
17/09/21	Change of Director's Interest Notice
17/09/21	Change of Director's Interest Notice
02/09/2021	Addressable Market Jumps with Launch of New SaaS Platform
26/08/2021	FY21 Annual Report Presentation
26/08/2021	Appendix 4G
26/08/2021	Corporate Governance Statement
26/08/2021	Annual Report to Shareholders
26/08/2021	Appendix 4E

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website <https://identitii.com/>.

6.3 Market price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

	(\$)	Date
Highest	\$0.28	23 September 2021
Lowest	\$0.069	3 August 2021
Last	\$0.18	21 October 2021

6.4 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed director:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (i) the Offer.

Security holdings

The relevant interest of each of the Directors in the Securities as at the date of this Prospectus, together with their respective Entitlement, is set in Section 1.4.

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$250,000 per annum.

A Director may be paid fees or other amounts (i.e. non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive Directors as disclosed in the Company's 30 June 2021 Annual Report.

Director	Proposed remuneration for financial year ending 30 June 2022	Remuneration for financial year ended 30 June 2021
John Rayment	\$260,000 ¹	\$704,691 ²
Steven James	\$75,000 ³	\$64,425 ⁴
Timothy Phillipps	\$50,000 ⁵	\$4,762 ⁶

Notes:

1. Mr John Rayment is entitled to receive a base salary of \$260,000 per annum plus superannuation and holds 8,000,000 Options with attached service and performance vesting conditions.
2. Comprising of salary of \$226,667, superannuation payment of \$21,533, other long-term employee benefits of \$14,107 and Options of the fair value of \$442,384. Mr Rayment's salary increased from \$210,000 to \$260,000 per annum effective from 1 March 2021.
3. Mr James will be paid \$75,000 per annum for his services as a non-executive director of the Company.
4. Comprising of fees of \$64,425, invoiced via Aston Consulting Pty Ltd, an entity controlled by Steven James.
5. Mr Phillipps will be paid \$50,000 per annum for his services as a non-executive director of the Company.
6. Mr Phillipps was appointed as a Director on 27 May 2021.

6.5 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (f) the formation or promotion of the Company; or
- (g) the Offer.

Steinepreis Paganin has acted as the legal advisers to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$15,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has not received any other fees for any other services.

RSM Australia Pty Ltd has been paid \$54,060 (excluding GST) for auditing the Company's 30 June 2021 balance sheet. During the 24 months preceding lodgement of this Prospectus with the ASIC, RSM Australia Pty Ltd has received \$98,137 (excluding GST) in fees from the Company.

6.6 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the securities), the Directors, the persons named in the Prospectus with their consent as Proposed Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section;
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section; and
- (c) has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Steinepreis Paganin has given its written consent to being named as the legal advisers to the Company in this Prospectus.

RSM Australia Pty Ltd given its written consent to being named as auditor to the Company in this Prospectus and the inclusion of the 30 June 2021 audited balance sheet of the Company in Section 3.4. RSM Australia Pty Ltd has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

6.7 Expenses of the offer

In the event that all Entitlements are accepted, the total expenses of the Offer are estimated to be approximately \$64,557 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	3,206
ASX fees	10,870
Legal fees	15,000

Printing and distribution	25,481
Miscellaneous	10,000
Total	64,557

6.8 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 the ASIC.



John Rayment
Chief Executive Officer
For and on behalf of
IDENTITII LIMITED

7. GLOSSARY

\$ means the lawful currency of the Commonwealth of Australia.

AEDT means Australian Eastern Daylight Time as observed in Sydney, New South Wales.

Application Form means an Entitlement and Acceptance Form or Shortfall Application Form as the context requires.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the listing rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHES.

Board means the board of Directors unless the context indicates otherwise.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

Closing Date means the date specified in the timetable set out at Section 1 (unless extended).

Company means Identitii Limited (ACN 603 107 044).

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means the *Corporations Act 2001* (Cth).

CRN means Customer Reference Number in relation to BPAY®.

Directors means the directors of the Company as at the date of this Prospectus.

Eligible Shareholder means a Shareholder as at the Record Date who is eligible to participate in the Offer.

Entitlement means the entitlement of a Shareholder who is eligible to participate in the Offer.

Entitlement and Acceptance Form means the entitlement and acceptance form either attached to or accompanying this Prospectus.

Ineligible Shareholder means a Shareholder as at the Record Date whose registered address is not situated in Australia or New Zealand or in another jurisdiction if the Company is satisfied that it is permitted to issue Securities to a Shareholder resident in another jurisdiction by the laws of that Shareholder's country of residence, either unconditionally or after compliance with conditions which the Company regards as acceptable and not unduly onerous or impracticable.

Offer means the non-renounceable entitlement issue the subject of this Prospectus.

Official Quotation means official quotation on ASX.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Placement means the placement of up to 37,500,000 Shares at an issue price of \$0.16 per share to sophisticated and professional investors to raise up to approximately \$6 million.

Prospectus means this prospectus.

Record Date means the date specified in the timetable set out at Section 1.

Section means a section of this Prospectus.

Securities means Shares and/or Options as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Shortfall means the Securities not applied for under the Offer (if any).

Shortfall Application Form means the Shortfall Offer application form either attached to or accompanying this Prospectus.

Shortfall Offer means the offer of the Shortfall Securities on the terms and conditions set out in Section 2.6.

Shortfall Securities means those Securities not applied for under the Offer (if any) and offered pursuant to the Shortfall Offer.