

Bill Identity Limited
(Formerly known as BidEnergy Limited)
Appendix 4D
Half-year report

1. Company details

Name of entity:	Bill Identity Limited
ABN:	94 131 445 335
Reporting period:	For the half-year ended 31 December 2020
Previous period:	For the half-year ended 31 December 2019

2. Results for announcement to the market

			\$
Revenues from ordinary activities	up	59.6% to	6,766,383
Underlying EBITDA*	up	5.5% to	(2,641,342)
Loss from ordinary activities after tax attributable to the owners of Bill Identity Limited	up	4.3% to	(4,334,764)
Loss for the half-year attributable to the owners of Bill Identity Limited	up	4.3% to	(4,334,764)

Financial commentary

For the half year ended 31 December 2020, reported consolidated entity's revenue was \$6.77 million, an increase of 60% on the prior comparative period.

Underlying EBITDA for the six months ended 31 December 2020 was a loss of \$2.64 million, an improvement of 5.5% on the prior comparative period as the company continued to invest in sales, product development and operations to enable it to execute and deliver on growing global opportunities and grow revenue streams whilst maintaining a disciplined approach to cost.

The statutory loss for the consolidated entity after income tax amounted to \$4.33 million (31 December 2019: \$4.16 million) which included items outside of underlying EBITDA including share based payments expense, depreciation and amortisation, and capitalised salaries. A reconciliation of underlying EBITDA is included in Note 3. Operating Segments.

* Underlying EBITDA is a non-IFRS measure calculated as profit before income tax, and before depreciation and amortisation, capitalised salaries, share based payments, net finance costs and foreign exchange as detailed in note 3 of the financial report.

Please refer to the Review of Operations in the Directors' report in the attached financial report for further commentary.

Dividends

There were no dividends paid, recommended or declared during the current financial period.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	11.23	5.75

4. Control gained over entities

Name of entities (or group of entities)	Optima Energy Management Holdings Ltd and Controlled Entities
Date control gained	3 December 2020

5. Loss of control over entities

Not applicable.

6. Dividends

Current period

There were no dividends paid, recommended or declared during the current financial period.

Previous period

There were no dividends paid, recommended or declared during the previous financial period.

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Bill Identity Limited owns three wholly owned subsidiaries, being Optima Management Holdings Ltd (UK), Bill Identity Ltd (UK) and Bill Identity Inc. (USA). These companies prepare their financial statements in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Financial Report.

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11. Attachments

Details of attachments (if any):

The Interim Financial Report of Bill Identity Limited for the half-year ended 31 December 2020 is attached.

12. Signed



Signed _____

Date: 24 February 2021

Peter Tonagh
Non-Executive Chairman

Bill Identity Limited

(Formerly known as BidEnergy Limited)

ABN 94 131 445 335

Interim Financial Report - 31 December 2020

Bill Identity Limited
(Formerly known as BidEnergy Limited)
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Bill Identity Limited
(Formerly known as BidEnergy Limited)
Corporate directory
31 December 2020

Directors	Peter Tonagh (Non-Executive Chairman) Guy Maine (Managing Director) Leanne Graham (Non-Executive Director) Geoffrey Kleemann (Non-Executive Director) David Hancock (Non-Executive Director)
Company secretary	Lior Harel
Registered office	Level 49 360 Elizabeth Street Melbourne, Victoria 3000 Phone: 1800 319 450
Principal place of business	Level 49 360 Elizabeth Street Melbourne, Victoria 3000 Phone: 1800 319 450
Share register	Computershare Investor Services Pty Ltd Level 2, 45 St Georges Terrace, Perth, Western Australia 6000 Phone: (03) 9415 4062
Auditor	RSM Australia Partners Level 21, 55 Collins Street Melbourne VIC 3000
Stock exchange listing	Bill Identity Limited securities are listed on the Australian Securities Exchange (ASX code: BID)
Website	www.billidentity.com

Bill Identity Limited
(Formerly known as BidEnergy Limited)
Directors' report
31 December 2020

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Bill Identity Limited (referred to hereafter as the 'company', 'Bid' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2020.

Directors

The following persons were directors of Bill Identity Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Peter Tonagh (Non-Executive Chairman) (appointed on 4 January 2021)
Guy Maine (Managing Director)
Leanne Graham (Non-Executive Director)
Geoffrey Kleemann (Non-Executive Director) (Interim Non-Executive Chairman to 4 January 2021)
David Hancock (Non-Executive Director) (appointed on 1 September 2020)

Principal activities

During the financial half-year the principal continuing activities of the consolidated entity consisted of carrying on its business as a provider of utility bill management services through the deployment of its cloud-based software platform. In the US only, the consolidated entity also earns revenue from its rebate management business whereby fees are earned from clients for managing the submission of information to energy retailers to facilitate the processing of rebates under the 'Energy Efficient Infrastructure Program' applicable in the US.

In December 2020, Bid acquired 100% of the issued shares of Optima Energy Management Holdings Ltd, a UK-based energy management software business. Bid believes that the acquisition is complementary to its goal of accelerating penetration in the UK and European markets.

Review of operations

During the half year period to 31 December 2020, platform subscription fee revenue increased by 85% to \$3.83 million, from \$2.07 million in December 2019. Australian platform subscription fee increased by \$1.03 million to \$2.87 million, representing 56% increase from prior year. The USA and UK platform subscriptions also contributed a meaningful portion of total platform subscription revenues, being \$450K and \$507K respectively. US rebate revenue increased significantly to \$2.94 million for the December 2020 half – a 36% increase on the prior comparative period.

Underlying EBITDA for the six months ended 31 December 2020 was a loss of \$2.64 million, an improvement of 5.5% on the prior comparative period as the company continued to invest in sales, product development and operations to enable it to execute and deliver on growing global opportunities and grow revenue streams whilst maintaining a disciplined approach to cost. The acquisition of Optima further complements Bid's goal of accelerating penetration in the UK and European markets. The acquisition creates the opportunity for Bid to leverage Optima UK client base into European and other global markets which is now possible by upgrading to the bid platform. This also provides further opportunities for Bid to scale its platform with customers within its four key revenue pillars.

See Note 3 "Operating Segments" for report on Underlying EBITDA.

The cash balance at 31 December 2020 was \$22.23 million (30 June 2020: \$8.3 million).

* Underlying EBITDA is a non-IFRS measure calculated as profit before income tax, and before depreciation and amortisation, capitalised salaries, share based payments, net finance costs and foreign exchange as detailed in note 3 of the financial report.

Significant changes in the state of affairs

On 13 July 2020, the Company issued 174,424 Class M Performance Rights under its Employee Incentive Plan. The above securities were issued to certain employees of the Company who have elected to participate in a program to help preserve the Company's cash during the COVID-19 impact period. The Performance Rights vested on 13 October 2020 and consequentially fully paid ordinary shares were issued to employees.

On 17 July 2020, the Company issued 110,000 fully paid ordinary shares on conversion of Class F performance rights.

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On 12 August 2020, the Company issued 105,887 fully paid ordinary shares on conversion of Class J performance rights.

On 17 August 2020, the Company issued 1,950,000 Class Q Options with an exercise price of \$1.26 per option, expiring 17 August 2024.

On 21 August 2020, the Company issued 134,485 fully paid ordinary shares at an issue price of \$0.75 (75 cents) per share pursuant to the exercise of Class L Options, raising \$100,863.

On 26 August 2020, the Company announced the appointment of Mr Lior Harel as Company Secretary and General Counsel, effective from 28 September 2020. Concurrent with Mr Harel's appointment, Ms Eryln Dale resigned as Company Secretary.

On 27 August 2020, the Company announced the appointment of Mr David Hancock as a non-executive director, effective from 1 September 2020.

On 28 August 2020, the Company issued 127,450 fully paid ordinary shares at an issue price of \$0.75 (75 cents) per share pursuant to the exercise of Class L Options, raising \$95,588.

On 4 September 2020, the Company issued 103,450 fully paid ordinary shares at an issue price of \$0.75 (75 cents) per share pursuant to the exercise of Class L Options, raising \$77,588.

On 16 September 2020, the Company issued 341,212 fully paid ordinary shares, which consists of:

- conversion of 148,969 Class K performance rights;
- conversion of 54,651 Class L performance rights;
- conversion of 68,625 Class C Restricted Stock Units; and
- exercise of 68,967 Class L Options at an issue price of \$0.75 (75 cents).

On 25 September 2020, the Company issued 72,347 fully paid ordinary shares at an issue price of \$0.75 (75 cents) per share pursuant to the exercise of Class L Options, raising \$54,260.

On 9 October 2020, the Company issued the following securities under its Employee Incentive Plan:

- 279,260 Class D Restricted Stock Units "RSUs" for nil consideration, expiring 1 October 2023. The RSUs will vest in four tranches upon the satisfaction of both performance conditions and retention condition;
- 24,826 Class H Performance Rights for nil consideration, expiring 7 April 2023. The Performance Rights will automatically vest in four tranches upon the satisfaction of both performance conditions and retention conditions;
- 703,958 Class N Performance Rights for nil consideration, expiring 1 October 2023. The Performance Rights will automatically vest in four tranches upon the satisfaction of both performance conditions and retention conditions;
- 102,780 Class O Performance Rights for nil consideration, expiring 1 October 2023. The Performance Rights will automatically vest in four tranches upon the satisfaction of both performance conditions and retention conditions;
- 93,458 Class P Performance Rights for nil consideration, expiring 29 September 2023. The Performance Rights will automatically vest in four tranches upon the satisfaction of both performance conditions and retention conditions;
- 800,000 Class R Options with an exercise price of \$1.64 per option, expiring 6 October 2024; and
- 650,000 Class S Options with an exercise price of \$1.55 per option, expiring 29 September 2024.

On 9 October 2020, the Company issued 1,715,776 fully paid ordinary shares at an issue price of \$0.75 (75 cents) per share pursuant to the exercise of Class L Options, raising \$1,286,832.

On 16 October 2020, the Company issued 554,735 fully paid ordinary shares, which consists of:

- conversion of 174,424 Class M performance rights;
- conversion of 148,082 Class H performance rights;
- conversion of 22,905 Class I performance rights;
- conversion of 70,964 Class B Restricted Stock Units; and
- exercise of 138,360 Class L Options at an issue price of \$0.75 (75 cents).

On 23 October 2020, the Company issued 650,000 Class R Options under its Employee Incentive Plan, with an exercise price of \$1.64 per option, expiring 6 October 2024. The Company also issued 1,195,251 fully paid ordinary shares at an issue price of \$0.75 (75 cents) per share pursuant to the exercise of Class L Options, raising \$896,438.

**Bill Identity Limited
(Formerly known as BidEnergy Limited)
Directors' report
31 December 2020**

On 30 October 2020, the Company issued 1,887,901 fully paid ordinary shares at an issue price of \$0.75 (75 cents) per share pursuant to the exercise of Class L Options, raising \$1,415,926.

On 12 November 2020, the Company issued 3,161,425 fully paid ordinary shares at an issue price of \$0.75 (75 cents) per share pursuant to the exercise of Class L Options, raising \$2,371,069.

On 3 December 2020, the Company announced its acquisition of Optima for GBP5.4 million (~A\$9.8m), including:

- GBP3.2 million (~A\$5.8m) payable in cash upfront;
- 3.384 million Bid shares at an issue price of A\$1.16 per share; and
- a Deferred Payment, payable in cash, subject to Optima achieving certain performance milestones regarding revenue and costs within the year following the completion of the acquisition.

The Company also announced a fully underwritten institutional placement to raise A\$15 million (before costs) at A\$1.07 per share to fund the Optima acquisition cash consideration, UK and EU sales and marketing costs and general working capital requirement. 14,018,692 fully paid placement shares were issued on 10 December 2020.

On 24 December 2020, the Company issued 3,094,301 fully paid ordinary shares, which consists of:

- exercise of 882,353 Class G Options at an issue price of \$0.204 (20.4 cents), raising \$180,000;
- exercise of 882,353 Class H Options at an issue price of \$0.306 (30.6 cents), raising \$270,000;
- exercise of 1,250,000 Class I Options at an issue price of \$0.408 (40.8 cents), raising \$510,000; and
- cashless exercise of 79,595 Class N Options.

There were no other significant changes in the state of affairs of the consolidated entity during the financial half-year.

Matters subsequent to the end of the financial half-year

On 4 January 2021, the Company appointed Mr Peter Tonagh as its Non-Executive Chairman. He replaced Mr Geoffrey Kleemann who had been serving as Interim Chairman but remained a Non-Executive Director.

On 15 January 2021, the Company issued 235,639 fully paid ordinary shares, on conversion of the following Employee Incentive Securities:

- 141,771 Class H Performance Rights;
- 22,905 Class I Performance Rights; and
- 70,963 Class B Restricted Stock Units.

On 19 February 2021, the Company issued 650,000 Class R options with an exercise price of \$1.64 per option, expiring 6 October 2024. The Company also issued 94,578 fully paid ordinary shares at an issue price of \$0.476 (47.6 cents) per share pursuant to the exercise of Class E options, raising \$45,019.

The impact of Coronavirus (COVID-19) pandemic is ongoing and while there have been mixed financial and operational impacts for the Consolidated Entity up to 31 December 2020, it is not practical to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Bill Identity Limited
(Formerly known as BidEnergy Limited)
Directors' report
31 December 2020

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Peter Tonagh
Non-Executive Chairman

24 February 2021

RSM Australia Partners

Level 21, 55 Collins Street Melbourne VIC 3000

PO Box 248 Collins Street West VIC 8007

T +61 (0) 3 9286 8000

F +61 (0) 3 9286 8199

www.rsm.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Bill Identity Limited (formerly BidEnergy Limited) and controlled entities for the half year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

A handwritten signature in blue ink, appearing to be 'RSM'.**RSM AUSTRALIA PARTNERS**A handwritten signature in blue ink, appearing to be 'BY CHAN'.**B Y CHAN**

Partner

Dated: 24 February 2021
Melbourne, Victoria

Bill Identity Limited
(Formerly known as BidEnergy Limited)
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2020

		Consolidated	
	Note	31 December 2020	31 December 2019
		\$	\$
Revenue			
Platform subscription fees		3,826,691	2,067,970
Technology event revenue		-	9,500
US rebate revenue		2,939,692	2,162,038
		<u>6,766,383</u>	<u>4,239,508</u>
Other income		62,451	4,965
Expenses			
Third party support costs		(1,556,349)	(1,078,251)
Depreciation and amortisation expense		(670,807)	(503,460)
Employee benefits expense		(5,685,000)	(3,906,316)
Share based payments	4	(1,533,079)	(1,423,371)
Administration expense		(1,223,636)	(786,740)
Marketing expense		(246,600)	(238,547)
Occupancy expense		(193,891)	(329,617)
Travel expense		<u>(11,073)</u>	<u>(151,120)</u>
Loss before income tax (expense)/benefit		(4,291,601)	(4,172,949)
Income tax (expense)/benefit		<u>(43,163)</u>	<u>17,204</u>
Loss after income tax (expense)/benefit for the half-year attributable to the owners of Bill Identity Limited		(4,334,764)	(4,155,745)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		<u>(241,942)</u>	<u>(69,902)</u>
Other comprehensive income for the half-year, net of tax		<u>(241,942)</u>	<u>(69,902)</u>
Total comprehensive income for the half-year attributable to the owners of Bill Identity Limited		<u><u>(4,576,706)</u></u>	<u><u>(4,225,647)</u></u>
		Cents	Cents
Basic earnings per share		(3.17)	(3.45)
Diluted earnings per share		(3.17)	(3.45)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Bill Identity Limited
(Formerly known as BidEnergy Limited)
Statement of financial position
As at 31 December 2020

		Consolidated	
		31 December	
	Note	2020	30 June 2020
		\$	\$
Assets			
Current assets			
Cash and cash equivalents		22,229,347	8,295,916
Trade and other receivables		936,687	470,050
Financial assets at fair value through profit or loss		37,500	37,500
Right-of-use assets		-	36,196
Other		557,820	165,202
Total current assets		<u>23,761,354</u>	<u>9,004,864</u>
Non-current assets			
Property, plant and equipment		205,759	45,843
Right-of-use assets		862,246	-
Intangibles	5	13,813,167	2,464,748
Other		127,880	30,482
Total non-current assets		<u>15,009,052</u>	<u>2,541,073</u>
Total assets		<u>38,770,406</u>	<u>11,545,937</u>
Liabilities			
Current liabilities			
Trade and other payables		1,773,843	1,129,279
Borrowings		169,305	101,735
Lease liabilities		266,010	38,186
Employee benefits		604,687	526,665
Other	6	3,227,506	362,375
Total current liabilities		<u>6,041,351</u>	<u>2,158,240</u>
Non-current liabilities			
Borrowings		144,697	249,556
Lease liabilities		547,182	-
Deferred tax		104,933	134,574
Employee benefits		109,036	136,449
Total non-current liabilities		<u>905,848</u>	<u>520,579</u>
Total liabilities		<u>6,947,199</u>	<u>2,678,819</u>
Net assets		<u>31,823,207</u>	<u>8,867,118</u>
Equity			
Issued capital	7	63,672,684	37,006,753
Reserves		2,371,543	1,882,635
Accumulated losses		(34,221,020)	(30,022,270)
Total equity		<u>31,823,207</u>	<u>8,867,118</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Bill Identity Limited
(Formerly known as BidEnergy Limited)
Statement of changes in equity
For the half-year ended 31 December 2020

Consolidated	Issued Capital \$	Accumulated Losses \$	Reserves \$	Total equity \$
Balance at 1 July 2019	25,797,430	(23,521,681)	3,714,150	5,989,899
Loss after income tax benefit for the half-year	-	(4,155,745)	-	(4,155,745)
Other comprehensive income for the half-year, net of tax	-	-	(69,902)	(69,902)
Total comprehensive income for the half-year	-	(4,155,745)	(69,902)	(4,225,647)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs	6,290,365	-	-	6,290,365
Share-based payments (note 7)	153,126	-	1,270,245	1,423,371
Conversion of performance rights (note 7)	1,759,647	-	(1,759,647)	-
Balance at 31 December 2019	<u>34,000,568</u>	<u>(27,677,426)</u>	<u>3,154,846</u>	<u>9,477,988</u>

Consolidated	Issued Capital \$	Accumulated Losses \$	Reserves \$	Total equity \$
Balance at 1 July 2020	37,006,753	(30,022,270)	1,882,635	8,867,118
Loss after income tax expense for the half-year	-	(4,334,764)	-	(4,334,764)
Other comprehensive income for the half-year, net of tax	-	-	(241,942)	(241,942)
Total comprehensive income for the half-year	-	(4,334,764)	(241,942)	(4,576,706)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 7)	14,670,459	-	-	14,670,459
Conversion of performance rights (note 7)	536,589	-	(536,589)	-
Conversion of restricted share units	97,829	-	(97,829)	-
Exercise of options	7,435,614	-	(31,797)	7,403,817
Shares issued for Optima acquisition (note 8)	3,925,440	-	-	3,925,440
Transfers	-	136,014	(136,014)	-
Share based payments	-	-	1,533,079	1,533,079
Balance at 31 December 2020	<u>63,672,684</u>	<u>(34,221,020)</u>	<u>2,371,543</u>	<u>31,823,207</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Bill Identity Limited
(Formerly known as BidEnergy Limited)
Statement of cash flows
For the half-year ended 31 December 2020

		Consolidated	
	Note	31 December 2020	31 December 2019
		\$	\$
Cash flows from operating activities			
Receipts from customers		7,377,733	4,516,504
Payments to suppliers and employees		(9,084,840)	(6,977,739)
Interest received		9,533	7,531
Government grants received		50,000	-
Finance costs paid		-	(973)
Net cash used in operating activities		(1,647,574)	(2,454,677)
Cash flows from investing activities			
Payments for property, plant and equipment		-	(27,706)
Payments for intangibles (capitalised development costs)	5	(549,114)	(508,362)
Payments for security deposits		(108,671)	-
Cash paid for business acquisition, net of cash acquired	8	(5,580,909)	-
Net cash used in investing activities		(6,238,694)	(536,068)
Cash flows from financing activities			
Proceeds from issue of shares	7	15,500,000	7,399,148
Payments for costs of capital raising		(777,000)	(474,064)
Payments for principal element of lease liabilities		(61,360)	(54,122)
Proceeds from exercise of options		7,414,059	-
Net cash from financing activities		22,075,699	6,870,962
Net increase in cash and cash equivalents		14,189,431	3,880,217
Cash and cash equivalents at the beginning of the financial half-year		8,295,916	4,198,978
Effects of exchange rate changes on cash and cash equivalents		(256,000)	999
Cash and cash equivalents at the end of the financial half-year		22,229,347	8,080,194

The above statement of cash flows should be read in conjunction with the accompanying notes

Bill Identity Limited
(Formerly known as BidEnergy Limited)
Notes to the financial statements
31 December 2020

Note 1. General information

The financial statements cover Bill Identity Limited (formerly BidEnergy Limited) as a consolidated entity consisting of Bill Identity Limited and its controlled entities at the end of, or during, the half-year period ended 31 December 2020. The financial statements are presented in Australian dollars, which is Bill Identity Limited's functional and presentation currency.

Bill Identity Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are located at:

Registered office

Level 49
360 Elizabeth Street
Melbourne, Victoria 3000

Principal place of business

Level 49
360 Elizabeth Street
Melbourne, Victoria 3000

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 22 February 2021.

Note 2. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2020 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2020 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the period ended 31 December 2020.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Note 3. Operating segments

Identification of reportable operating segments

The consolidated entity is organised into operating segments based on the business activities in Australia, UK and USA. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

The consolidated entity has disaggregated revenue into the following categories:

- the type of goods and services we provide our customers in our contracts;
- the key geographic regions where our customers are located, which is consistent with the geographic segment for our segment reporting; and
- the timing of revenue recognition (platform subscription fees are transferred overtime, whereas the US rebate revenue and non-subscription revenue are recognised at a point in time).

Bill Identity Limited
(Formerly known as BidEnergy Limited)
Notes to the financial statements
31 December 2020

Note 3. Operating segments (continued)

Basis of accounting for purposes of reporting by operating segments

Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors as the chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent with those adopted in the last annual financial statements of the consolidated entity.

The principal continuing activities of the entity consisted of carrying on its business as a provider of utility bill management services through the deployment of the Company's proprietary cloud-based software platform in Australia, UK and the USA. In the US only, the entity also earns revenue from its rebate management business whereby fees are earned from clients for managing the submission of information to energy retailers to facilitate the processing of rebates under the 'Energy Efficient Infrastructure Program' applicable in the US.

Operating segment information

Consolidated – 2020	Australia \$	UK \$	USA \$	Total \$
Platform subscription fees	2,869,890	506,750	450,051	3,826,691
Non-subscription revenue	-	-	-	-
US rebate revenue	-	-	2,939,692	2,939,692
Revenue	2,869,890	506,750	3,389,743	6,766,383
Third party support costs	(1,327,798)	(88,379)	(140,172)	(1,556,349)
Administration expense	(883,065)	(140,689)	(141,944)	(1,165,698)
Employee benefits expense	(4,198,970)	(665,939)	(1,369,205)	(6,234,114)
Marketing expense	(129,421)	(27,298)	(89,881)	(246,600)
Travel expense	(3,221)	(7,155)	(697)	(11,073)
Occupancy expense	(104,445)	(35,359)	(54,087)	(193,891)
Total operating expenses	(6,646,920)	(964,819)	(1,795,986)	(9,407,725)
Underlying EBITDA from core operations	(3,777,030)	(458,069)	1,593,757	(2,641,342)
Capitalised labour (software)	549,114	-	-	549,114
Depreciation and amortisation	(578,930)	(4,233)	(87,644)	(670,807)
Share based payments	(1,533,079)	-	-	(1,533,079)
Interest – other	8,590	2,462	1,387	12,439
Government grants	50,012	-	-	50,012
Foreign exchange revaluation	(4,148)	(39,825)	(13,965)	(57,938)
Profit/(Loss) before income tax benefit	(5,285,471)	(499,665)	1,493,535	(4,291,601)
Income tax expense	-	-	(43,163)	(43,163)
Profit/(Loss) after income tax benefit	(5,285,471)	(499,665)	1,450,372	(4,334,764)

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Notes to the financial statements
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Note 3. Operating segments (continued)

Consolidated – 2019	Australia \$	UK \$	USA \$	Total \$
Platform subscription fees	1,841,047	104,160	122,763	2,067,970
Non-subscription revenue	9,500	-	-	9,500
US rebate revenue	-	-	2,162,038	2,162,038
Revenue	1,850,547	104,160	2,284,801	4,239,508
Third party support costs	(946,355)	(58,831)	(73,065)	(1,078,251)
Administration expense	(670,934)	(6,394)	(145,858)	(823,186)
Employee benefits expense	(2,364,029)	(704,509)	(1,346,140)	(4,414,678)
Marketing expense	(73,123)	(2,966)	(162,458)	(238,547)
Travel expense	(100,516)	(24,723)	(25,881)	(151,120)
Occupancy expense	(298,166)	(7,061)	(24,390)	(329,617)
Total operating expenses	(4,453,123)	(804,484)	(1,777,792)	(7,035,399)
Underlying EBITDA from core operations	(2,602,576)	(700,324)	507,009	(2,795,891)
Capitalised labour (software)	508,362	-	-	508,362
Depreciation and amortisation	(379,647)	-	(123,813)	(503,460)
Share based payments	(1,423,371)	-	-	(1,423,371)
Interest – other	5,319	-	(354)	4,965
Foreign exchange revaluation	(3,632)	40,078	-	36,446
Profit/(Loss) before income tax benefit	(3,895,545)	(660,246)	382,842	(4,172,949)
Income tax benefit	-	-	17,204	17,204
Profit/(Loss) after income tax benefit	(3,895,545)	(660,246)	400,046	(4,155,745)

Note 4. Share based payments

Reconciliation of share based payments expense recorded in the statement of profit or loss and other comprehensive income relating to each class of share based payment:

	Consolidated	
	31 December 2020	31 December 2019
	\$	\$
Class A ESOP performance rights	-	6,643
Class E ESOP performance rights	-	91,598
Directors options	74,021	350,617
Restricted share units	190,084	791,732
Performance rights issued to Australian and UK employees	708,556	29,655
Issue of shares to employees as an equity-based component of their remuneration	-	153,126
Options issued to employees	560,418	-
Total share based payments	1,533,079	1,423,371

Bill Identity Limited
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Notes to the financial statements
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Note 5. Non-current assets - intangibles

	Consolidated	
	31 December	30 June 2020
	2020	2020
	\$	\$
Goodwill - at cost	12,120,653	706,918
Customer list - at cost	142,580	159,513
Less: Accumulated amortisation	(77,621)	(76,206)
	<u>64,959</u>	<u>83,307</u>
Software - at cost	3,874,757	3,333,561
Less: Accumulated amortisation	(2,444,639)	(1,912,236)
	<u>1,430,118</u>	<u>1,421,325</u>
Brand - at cost	433,320	484,780
Less: Accumulated amortisation	(235,883)	(231,582)
	<u>197,437</u>	<u>253,198</u>
	<u><u>13,813,167</u></u>	<u><u>2,464,748</u></u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	Goodwill	Software	Brand	Customer List	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2020	706,918	1,421,325	253,198	83,307	2,464,748
Additions	-	5,198	-	-	5,198
Additions through business combinations (note 8)	11,488,774	-	-	-	11,488,774
Capitalised development costs	-	549,114	-	-	549,114
Foreign exchange differences	(75,039)	-	(26,183)	(8,617)	(109,839)
Amortisation	-	(545,519)	(29,578)	(9,731)	(584,828)
Balance at 31 December 2020	<u><u>12,120,653</u></u>	<u><u>1,430,118</u></u>	<u><u>197,437</u></u>	<u><u>64,959</u></u>	<u><u>13,813,167</u></u>

Note 6. Current liabilities - other

	Consolidated	
	31 December	30 June 2020
	2020	2020
	\$	\$
Insurance loan	92,643	-
Make good provision	32,907	-
Income tax liability	52,736	48,908
Deferred revenue	1,101,755	313,467
Earn out provision	1,947,465	-
	<u><u>3,227,506</u></u>	<u><u>362,375</u></u>

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Note 7. Equity - issued capital

	31 December 2020 Shares	Consolidated 30 June 2020 Shares	31 December 2020 \$	30 June 2020 \$
Ordinary shares - fully paid	<u>161,299,080</u>	<u>130,717,455</u>	<u>63,672,684</u>	<u>37,006,753</u>

Movements in ordinary share capital

Details	Date	Ordinary Shares	Price	\$
Balance	1 July 2020	130,717,455		37,006,753
Conversion of Class F performance rights	17 July 2020	110,000	-	63,800
Conversion of Class J performance rights	12 August 2020	105,887	-	83,122
Exercise of Class L options	21 August 2020	134,485	\$0.750	100,864
Exercise of Class L options	28 August 2020	127,450	\$0.750	95,588
Exercise of Class L options	4 September 2020	103,450	\$0.750	77,588
Conversion of Class K performance rights	16 September 2020	148,969	-	96,829
Conversion of Class L performance rights	16 September 2020	54,651	-	35,523
Conversion of Class C restricted share units	16 September 2020	68,625	-	44,606
Exercise of Class L options	16 September 2020	68,967	\$0.750	51,725
Exercise of Class L options	25 September 2020	72,347	\$0.750	54,260
Exercise of Class L options	9 October 2020	1,715,776	\$0.750	1,286,832
Conversion of Class M performance rights	16 October 2020	174,424	-	129,074
Conversion of Class H performance rights, Class I performance rights and Class B restricted share units	16 October 2020	241,951	-	181,464
Exercise of Class L options	16 October 2020	138,360	\$0.750	103,770
Exercise of Class L options	23 October 2020	1,195,251	\$0.750	896,438
Exercise of Class L options	30 October 2020	1,887,901	\$0.750	1,415,926
Exercise of Class L options	12 November 2020	3,161,425	\$0.750	2,371,069
Issue of shares to Optima vendors	3 December 2020	3,384,000	\$1.160	3,925,440
Issues of placement shares to a Non-Executive Director	10 December 2020	574,713	\$0.870	500,000
Issue of placement shares to institutional investors	10 December 2020	14,018,692	\$1.070	15,000,000
Exercise of Class G options	24 December 2020	882,353	\$0.204	180,000
Exercise of Class H options	24 December 2020	882,353	\$0.306	270,000
Exercise of Class I options	24 December 2020	1,250,000	\$0.408	510,000
Exercise of Class N options	24 December 2020	79,595	\$0.850	21,554
Cost of capital raising		-	-	(829,541)
Balance	31 December 2020	<u>161,299,080</u>		<u>63,672,684</u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Bill Identity Limited
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Note 8. Business combinations

Optima Energy Management Holdings Ltd

On 3 December 2020, Bid acquired 100% of the issued shares of Optima Energy Management Holdings Ltd ("Optima"), a UK-based energy management software business for GBP5.4 million (A\$9.8m), plus a conditional Deferred Payment. The acquisition has been accounted as a Business Combination under AASB 3. Optima is one of the UK's leading energy management software providers and has established a strong reputation and brand recognition within the UK public and private sectors. Optima's software platform provides bill validation, budgets and accruals, and tenant and self-billing, via a predominantly self-service model. Bid already has a long term relationship with Optima, having provided data collection services to support a limited part of their core business.

The provisional fair values of the identifiable net assets acquired are detailed below:

	Fair value \$
Cash and cash equivalents	878,541
Trade receivables	691,444
Other receivables	137,695
Prepayments	139,021
Plant and equipment	109,848
Motor vehicles	20,663
Trade and other payables	(345,249)
Deferred tax liability	(9,265)
Revenue received in advance	(768,483)
Hire purchase	(10,271)
Net assets acquired	843,944
Goodwill - provisional	11,488,774
Acquisition-date fair value of the total consideration transferred	<u>12,332,718</u>
Cash used to acquire business, net of cash acquired:	
Acquisition-date fair value of the total consideration transferred	12,332,718
Less: cash and cash equivalents	(878,541)
Less: earn out consideration	(1,810,000)
Less: deferred consideration	(137,828)
Less: shares issued by company as part of consideration	(3,925,440)
Net cash used	<u>5,580,909</u>

i. Consideration transferred

On completion, Bid paid a cash consideration of \$6,459,450 (GBP 3,526,000) and issued 3,384,000 fully paid ordinary shares with a deemed issue price of \$1.16 per share to the vendors of Optima.

The ordinary shares are subject to the following voluntary escrow restrictions:

- 846,000 shares escrowed to 3 September 2021;
- 1,692,000 shares escrowed to 3 December 2021; and
- 846,000 shares escrowed to 3 March 2022.

ii. Earn out consideration

The earn out consideration will be payable in cash, subject to Optima achieving certain performance milestones regarding revenue and costs within the year following the completion date.

Note 8. Business combinations (continued)

Earn out payment has two components:

- a \$452,500 (GBP 250,000) payment on achievement of certain recurring cost reductions prior to 31 March 2021; and
- a payment based on recurring run rate revenues achieved in the Optima business in the 12 months following the completion date. Bid has currently taken up a provision of \$1,357,500 (GBP 750,000) for this component.

iii. Acquisition related costs

Acquisition-related costs amounting to \$148,000 are not included as part of consideration for the acquisition and have been recognised as transaction costs. These costs have been included within administration expenses in the profit and loss statement.

iv. Identifiable net assets

The fair value of the trade receivables acquired as part of the business combination amounted to \$691,444 (GBP 390,072). As of the acquisition date, the company's best estimate is that all cash will be collected.

v. Goodwill

Goodwill of \$11,488,774 was primarily related to the providing the company a significant opportunity to accelerate growth in the UK market.

Goodwill was allocated to a single cash generating unit as at acquisition date. The goodwill that arose from this business combination is not deductible for tax purposes.

vi. Contribution to the Consolidated Entity's result

Optima contributed revenues of \$276,841 and net profit of \$4,288 from the date of the acquisition to 31 December 2020. Had the acquisition occurred on 1 July 2020, Optima would have contributed revenue of \$1,661,473 and net loss of \$43,974 for the period ending 31 December 2020.

Note 9. Events after the reporting period

On 4 January 2021, the Company appointed Mr Peter Tonagh as its Non-Executive Chairman. He replaced Mr Geoffrey Kleemann who had been serving as Interim Chairman but remained a Non-Executive Director.

On 15 January 2021, the Company issued 235,639 fully paid ordinary shares, on conversion of the following Employee Incentive Securities:

- 141,771 Class H Performance Rights;
- 22,905 Class I Performance Rights; and
- 70,963 Class B Restricted Stock Units.

On 19 February 2021, the Company issued 650,000 Class R options with an exercise price of \$1.64 per option, expiring 6 October 2024. The Company also issued 94,578 fully paid ordinary shares at an issue price of \$0.476 (47.6 cents) per share pursuant to the exercise of Class E options, raising \$45,019.

The impact of Coronavirus (COVID-19) pandemic is ongoing and while there have been mixed financial and operational impacts for the Consolidated Entity up to 31 December 2020, it is not practical to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

**Bill Identity Limited
(Formerly known as BidEnergy Limited)
Directors' declaration
31 December 2020**

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Peter Tonagh
Non-Executive Chairman

24 February 2021

RSM Australia Partners

Level 21, 55 Collins Street Melbourne VIC 3000

PO Box 248 Collins Street West VIC 8007

T +61(0) 3 9286 8000

F +61(0) 3 9286 8199

www.rsm.com.au**INDEPENDENT AUDITOR'S REVIEW REPORT****To the Members of Bill Identity Limited (formerly BidEnergy Limited)**

We have reviewed the accompanying half-year financial report of Bill Identity Limited (formerly BidEnergy Limited) (the company) and its controlled entities (the consolidated entity) which comprises the statement of financial position, as at 31 December 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity, and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Bill Identity Limited and controlled entities, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations act 2001*, which has been given to the directors of Bill Identity Limited and controlled entities, would be in the same terms if given to the directors as at the time of this auditor's report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Bill Identity Limited and controlled entities is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.



RSM AUSTRALIA PARTNERS



B Y CHAN
Partner

Dated: 24 February 2021
Melbourne, Victoria