

Optima Technology Group Limited
(Formerly Bill Identity Limited)
Appendix 4D
Half-year report

1. Company details

Name of entity:	Optima Technology Group Limited (ASX: OPA)
ABN:	94 131 445 335
Reporting period:	For the half-year ended 31 December 2022
Previous period:	For the half-year ended 31 December 2021

2. Results for announcement to the market

			\$'000
Revenues from continuing operations	up	2% to	5,906
Underlying EBITDA ¹ (excluding significant items and discontinued operations)	up	0% to	(3,694)
Loss from ordinary activities after tax attributable to the owners of Optima Technology Group Limited	up	65% to	(2,659)
Loss for the half-year attributable to the owners of Optima Technology Group Limited	up	65% to	(2,659)

1 Underlying EBITDA is a non-IFRS measure that is used by the board of directors and management (who are identified as the Chief Operating Decision Makers ('CODM')) to assess the underlying performance of the business. It is calculated as profit or loss before income tax, depreciation and amortisation, share based payments, interest and other income, government grants, finance costs, foreign exchange and other significant items that are one-off in nature. It also excludes discontinued operations.

In December 2021 Half-year Accounts, this metric had included significant one-off items. The updated calculation excludes these items. In note 3, operating segments, Management has also updated its operating segment margin calculation with an updated allocation methodology. Research and development expenditure and corporate costs have been transferred from regional segments to unallocated/corporate segment as they are centrally controlled and allocation rates have been realigned. Management believes these changes to calculation are a more accurate reflection of the underlying business and segment performance, and have been consistently applied for the prior comparative period. They are in line with recent presentations to investors and reporting to the CODMs.

Comments

For the half-year ended 31 December 2022, Optima Technology Group Limited (Company or Optima or OPA) continued the reset of its operations in line with its strategy, set in February 2022.

The Company's primary focus during the half-year has been to expand the existing channel partner network, primarily with brokers, energy specialists and consultants in the UK and European markets. In line with this imperative, the Company focused both on expanding services with existing partner customers as well as prospecting new partners. Whilst the Company has progressed in developing its pipeline in the UK/EU region, conversion to revenue in this half-year was adversely impacted by macroeconomic headwinds resulting from unprecedented rise in inflation, energy costs and interest rates globally. This was particularly the case in the UK where existing and prospective customers were managing significant industry challenges and delayed purchasing decisions.

In spite of these headwinds, Optima won a global tender and was appointed as a key technology partner supporting BP Pulse's EV Network. The Company also expanded its relationship with Jones Lang Lasalle ('JLL'), a large real estate channel partner, via the signing of a multi-year new global Master Services contract pursuant to which, it has been selected as one of three suppliers to provide bill management services for JLL's large global network of clients.

In ANZ, Optima continued to focus on improving platform performance, and focusing on client retention and renewals whilst rationalising spend and improving profitability.

For the half-year ended 31 December 2022, Optima's total revenues from continuing operations grew by 2% to \$5.9 million on the prior comparative period (HY 31-Dec-21: \$5.8 million) driven by organic growth through a combination of growth in new client contracts and improved commercial terms with existing clients. Growth in revenue was subdued owing to the aforementioned significant macroeconomic headwinds.

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In the USA, Optima concluded the restructure of its operations by selling off its non-core Rebates Business for ~\$4.36 million (US\$2.8 million). Of this amount, \$3.1 million has been received. The remainder of \$1.26m will be received within the next 10 months subject to any potential claims by the buyer under the Asset Sale Agreement. A 'hold-back' of this nature is customary in US transactions. Sale of the Rebates Business was based on a strategic decision to allow Optima's Management Team to focus exclusively on global growth of the core SaaS platform. The Company continues to remain focused on servicing global platform customers and licensing of micro services such as data extraction and validation.

Gross Margin for the half-year ended 31 December 2022 improved by 5 percentage-points to 49% (HY 31-Dec-21: 44%). Underlying EBITDA excluding significant items and discontinued operations for the half year ended 31 December 2022 was a loss of \$3.7 million, flat to prior comparative period (HY 31-Dec-21: loss of \$3.7 million) as the Consolidated Entity continued to invest in its people, technology, product feature development and marketing rebrand to reposition the business to execute and deliver on growing sustainability opportunities in UK/EU and ANZ while focussing on efficiencies across operations and sales costs, and concluding the exit of unprofitable US platform contracts.

The statutory loss for the consolidated entity after income tax for the half-year ended 31 December 2022 was significantly reduced from prior comparative period amounting to \$2.7 million (half-year ended 31 December 2021: \$7.7 million) which included items outside of underlying EBITDA including share based payments expense, depreciation and amortisation, interest and other income, government grants, finance costs and foreign exchange gain / (loss). A reconciliation of underlying EBITDA is included in Note 3. Operating Segments.

At 31 December 2022, the Consolidated Entity held \$7.22 million in cash with further \$1.3 million received in R&D grants subsequent to half year end. Over the course of the next 10 months, the Company expects to receive approximately \$1.26 million subject to any potential claims by the buyer for the US Rebate Sale.

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	<u>2.19</u>	<u>2.73</u>

4. Control gained over entities

Not applicable.

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:

Optima Technology Group 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.

11. Attachments

Details of attachments (if any):

The Interim Financial Report of Optima Technology Group Limited for the half-year ended 31 December 2022 is attached.

12. Signed

Signed  _____

Peter Tonagh
Non-Executive Chairman

Date: 28 February 2023

Optima Technology Group Limited

(Formerly Bill Identity Limited)

ABN 94 131 445 335

Interim Financial Report - 31 December 2022

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(Formerly Bill Identity Limited)
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Optima Technology Group Limited
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Corporate directory
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Directors	Peter Tonagh (Non-Executive Chairman) Michele Garra (Managing Director and Chief Executive Officer) Leanne Graham (Non-Executive Director) Geoffrey Kleemann (Non-Executive Director) David Hancock (Non-Executive Director) Shane Gild (Non-Executive Director)
Company secretary	Lior Harel
Registered office	Level 20 15 William Street Melbourne, Victoria 3000 Phone: +61 8608 0781
Principal place of business	Level 20 15 William Street Melbourne, Victoria 3000 Phone: +61 3 8608 0781
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	Optima Technology Group Limited (formerly Bill Identity Limited) securities are listed on the Australian Securities Exchange (ASX code: OPA)
Website	www.optimatech.io

Optima Technology Group Limited
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Directors' report
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The Directors present their report, together with the Financial Statements, on the consolidated entity consisting of Optima Technology Group Limited (referred to hereafter as the 'Company', 'Optima', 'OPA' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2022.

Directors

The following persons were directors of Optima Technology Group 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)
Michele Garra (Managing Director and Chief Executive Officer)
Leanne Graham (Non-Executive Director)
Geoffrey Kleemann (Non-Executive Director)
David Hancock (Non-Executive Director)
Shane Gild (Non-Executive Director) (appointed on 28 July 2022)

Principal activities

During the financial half-year ended 31 December 2022 the principal continuing activities of the consolidated entity consisted of carrying on its business as a software technology company that offers accurate, automated and secure energy data management solutions focused on Net Zero reporting, EV network management, bill management and procurement planning.

Review of operations

For the half-year ended 31 December 2022, Optima Technology Group Limited continued the reset of its operations in line with its strategy, set in February 2022.

The Company's primary objective during the half-year has been to focus the go-to-market approach towards expanding the existing channel partner network, primarily with brokers, energy specialists and consultants serving large corporate customers in the UK and European markets and transitioning away direct sales to small to mid-sized clients. The UK market (~53 million metres) and the Europe market (~352 million metres) are significantly larger than Australia (~18 million metres) and more focused on Net Zero reporting, regulation and initiatives like EV roll-out². In line with this imperative, the Company focused both on expanding services with existing partner customers as well as prospecting new partners. Whilst the Company has progressed in developing a pipeline in the UK/EU region, conversion to revenue in this half-year was adversely impacted by macroeconomic headwinds resulting from unprecedented rise in inflation, energy costs and interest rates globally. This was particularly the case in the UK where existing and prospective customers were managing significant industry challenges and administrative burden of regulatory initiatives, which served to delay their purchasing decisions.

In spite of these headwinds, Optima won a global tender and was appointed as a key technology partner supporting BP Pulse's EV Network, which is estimated to reach 100,000 chargepoints by 2030². Optima won this tender against the largest global competitors in the category due to its unique automation and accuracy representing the first of the new Net Zero solutions on the roadmap. The Company also expanded its relationship with Jones Lang Lasalle ('JLL'), a large real estate channel partner, via the signing of a multi-year new global Master Services contract. Following a rigorous tender process, Optima has been selected as one of three suppliers to provide bill management services for JLL's large global network of clients.

In the UK, new product development continues with the "global billing" solution delivering a unique pan-European solution for major new partners. The solution resolves automated validation of the most complex billing sets in major countries across Europe, where only manual, outsourced, low-cost labour execution exists today. This industry innovation will be delivered in the coming months. In addition, the new product features of automated Collection and Extraction from PDF invoices is gaining traction with core UK partners.

² Market estimates have been determined using internal research by Optima and are based on a variety of inputs including analysis and assumptions provided by an external consulting firm. These figures are approximate and provided on a non-reliance basis.

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In ANZ, Optima continued to focus on improving platform performance and focusing on client retention and renewals with the aim of improving profitability. 20 renewals (worth ~\$1.5m annualised revenue) were completed in ANZ (25 globally, worth ~\$2m annualised revenue) in the half-year, led by the key renewals of a marquee clients Origin and Ventia. Substantial improvements in profitability were realised as the Company rationalised spend in operations and sales and marketing. Gross Margin improved by 10%pt and Segment Margin improved by 26%pt in the region. The Australian platform improvements were delivered by a complete overhaul and transfer of the development teams from India to a globally recognised technology partner in Vietnam. This also enables the global scaling of the new Collection and Extraction solution to the UK Partner platform thereby supporting European growth and expansion.

In the USA, Optima concluded the restructure of its operations by selling off its non-core Rebates Business for ~\$4.36 million (US\$2.8 million). Of this amount, \$3.1 million has been received. The remainder of \$1.26m will be received within the next 10 months subject to any potential claims by the buyer under the Asset Sale Agreement. A 'hold-back' of this nature is customary in US transactions. This was a strategic sale which allows Optima's Management Team to focus exclusively on global growth of the core SaaS platform. The Company continues to remain focused on servicing global platform customers and licensing of micro services such as data extraction and validation.

At 31 December 2022, the Consolidated Entity held \$7.22 million in cash with further \$1.3 million received in R&D grants subsequent to half year end. Over the course of the next 10 months, the company expects to receive approximately \$1.26 million subject to meeting holdback conditions of US Rebate Sale.

Summary of Financial Results

For the half year ended 31 December	2022 \$'000	2021 \$'000	Change \$'000	Change %
Revenue from continuing operations - Platform Subscription fees	5,906	5,799	107	2%
Gross Profit¹	2,909	2,560	349	14%
Gross Margin %¹	49%	44%	5%pt	NM
Sales and Marketing costs	(1,974)	(2,656)	682	26%
Research and Development costs	(2,005)	(1,166)	(839)	(72%)
Corporate costs	(2,624)	(2,442)	(182)	(7%)
Underlying EBITDA² (excluding Significant items and discontinued operations)	(3,694)	(3,704)	10	0%
Significant One-Off items	(76)	(528)	452	86%
Profit/(loss) from Discontinued Operations	3,853	(1,250)	5,103	408%
Depreciation & Amortisation	(2,498)	(1,781)	(717)	(40%)
Share Based Payments	(508)	(708)	200	28%
Other Income	21	105	(84)	(80%)
Finance Costs	(15)	(19)	4	21%
Other non-operating items	100	42	58	138%
Loss before tax	(2,817)	(7,843)	5,026	64%
Tax	158	163	(5)	(3%)
Loss after tax	(2,659)	(7,680)	5,021	65%

¹ **Gross Profit** is a non IFRS measure that is calculated as Statutory revenue less cost of products sold. **Gross Margin** represents Gross profit divided by Revenue.

² **Underlying EBITDA** is a non-IFRS measure that is used by the board of directors and management (who are identified as the Chief Operating Decision Makers ('CODM')) to assess the underlying performance of the business. It is calculated as profit or loss before income tax, depreciation and amortisation, share based payments, interest and other income, government grants, finance costs, foreign exchange and other significant items that are one-off in nature. It also excludes discontinued operations.

In December 2021 Half-year Accounts, this metric had included significant one-off items. The updated calculation excludes these items. In note 3, operating segments, Management has also updated its operating segment margin calculation with an updated allocation methodology. Research and development expenditure and corporate costs have been transferred from regional segments to unallocated/corporate segment as they are centrally controlled and allocation rates have been realigned. Management believes these changes to calculation are a more accurate reflection of the underlying business and segment performance, and have been consistently applied for the prior comparative period. They are in line with recent presentations to investors and reporting to the CODMs.

1. Group Financial highlights

For the half year ended 31 December 2022, Optima's total revenues from continuing operations grew by 2% to \$5.9 million on the prior comparative period (HY 31-Dec-21: \$5.8 million) driven by organic growth through a combination of growth in new client contracts and improved commercial terms with existing clients. Growth in Revenue was subdued owing to significant macroeconomic headwinds resulting from unprecedented rise in inflation, energy costs and interest rates globally. This was particularly the case in the UK as existing and prospective customers delayed purchasing decisions. Transition to partner sales model globally has also been slower than previously anticipated.

Gross Margin for the half-year ended 31 December 2022 improved by 5 percentage-points to 49% (HY 31-Dec-21: 44%). Underlying EBITDA excluding significant items and discontinued operations for the half year ended 31 December 2022 was a loss of \$3.7 million, flat to prior comparative period (HY 31-Dec-21: loss of \$3.7 million) as the Consolidated Entity continued to invest in its people, technology, product and marketing rebrand to reposition the business to execute and deliver on growing sustainability opportunities in UK/EU and ANZ while focussing on efficiencies across operations and sales costs, and concluding the exit of unprofitable US platform contracts.

2. ANZ Segment - Platform

For the half year ended 31 December	2022 \$'000	2021 \$'000	Change \$'000	Change %
Platform Subscription Fees Revenue	3,740	3,589	151	4%
Gross Profit	1,885	1,443	442	31%
Gross Margin %	50%	40%	10%pt	NM
Sales and Marketing costs	(1,024)	(1,547)	523	34%
Segment Profit¹	861	(104)	965	928%
Segment Margin %¹	23%	(3%)	26%pt	NM

¹ **Segment Profit** is a non IFRS measure that is calculated as Statutory revenue less cost of products sold less sales and marketing costs. **Segment Margin** represents Segment profit divided by Revenue.

ANZ platform subscription fee revenues grew by 4% on the prior comparative period driven by organic growth through a combination of new client contracts and improved commercial terms with existing clients. 20 renewals (worth ~\$1.5m annualised revenue) were completed in ANZ in the half-year, led by the key renewals of a marquee clients Origin and Ventia. Churn also reduced to ~6% compared with ~9% in the prior comparative period as a result of product improvements. Gross Margin improved significantly by 10%pts owing to improved commercial arrangements with existing customers, optimisations driven by operational efficiencies, and product enhancements improving automation and reducing manual effort. Product rationalisation of low profitable services continues to be addressed on a contract by contract basis.

Sales and marketing costs decreased by \$0.5 million to \$1.0 million on the prior comparative period driven by rationalisation of inefficient investments made in prior period in the NZ Sales team as well as other Marketing costs.

Segment Profit increased by \$1 million to \$0.9 million on the prior comparative period via improvements in Gross Margin and Sales and Marketing optimisations.

3. UK / EU Segment - Platform

For the half year ended 31 December	2022 \$'000	2021 \$'000	Change \$'000	Change %
Platform Subscription Fees Revenue	2,166	2,210	(44)	(2%)
Gross Profit	1,024	1,117	(93)	(8%)
Gross Margin %	47%	51%	(4%pt)	NM
Sales and Marketing costs	(950)	(1,109)	159	14%
Segment Profit¹	74	8	66	825%
Segment Margin %¹	3%	0%	3%pt	NM

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UK / EU platform subscription fee revenues were flat at \$2.2 million on the prior comparative period mainly driven by significant macroeconomic headwinds resulting from unprecedented rise in inflation, energy costs and interest rates globally. This was particularly the case in the UK as existing and prospective customers delayed purchasing decisions. Gross Margin and Segment Margin were broadly stable. The Company expects gross margin to further scale and improve over the coming years as additional clients seeking high margin data & analytics products are added.

4. Operating Expenses – Research & Development and Corporate Costs

For the half year ended 31 December	2022 \$'000	2021 \$'000	Change \$'000	Change %
Research and Development (gross)	(4,572)	(3,366)	(1,206)	(36%)
Less: Capitalised Labour	2,567	2,200	367	17%
Research and Development net	(2,005)	(1,166)	(839)	(72%)
Corporate Costs	(2,624)	(2,442)	(182)	(7%)

Research and Development costs (gross) increased by \$1.2 million to \$4.6 million on the prior comparative period (HY 31-Dec-21: \$3.4 million) driven by investment in UK / EU tech teams for building new product enhancements required for partner model transition, European growth, as well as integration of Collection and Extraction features on the UK / EU platforms. Additionally, resource transition to stabilise the ANZ platform required further investment but has already resulted in improved outcomes via lower churn. Rate of capitalisation decreased from 65% prior year to 56% this driven mainly by timing of certain development.

Note that the above figures exclude any R&D grants received by Optima. These grants partially offset the increase in R&D costs but are noted in 'Other Income' in the Statement of Profit and Loss.

Corporate costs increase was largely driven by inflationary increases.

5. Discontinued Operations

Discontinued operations refer to the restructure of Optima US Platform and Rebate operations.

In FY22, following an internal review, the company decided to discontinue approximately 20 platform contracts in the USA which had negative or low gross profit, and reduced headcount and associated fixed costs which supported these contracts. Optima announced the restructure in December 2021 and concluded it in May 2022.

In November 2022, Optima sold off its non-core Rebates Business in the US for ~\$4.36 million (US\$2.8 million). Of this amount, \$3.1 million has been received. The remainder of \$1.26m will be received within the next 10 months subject to any potential claims by the buyer under the Asset Sale Agreement. A 'hold-back' of this nature is customary in US transactions. Sale of the Rebates Business was based on a strategic decision to allow Optima's Management Team to focus exclusively on global growth of the core SaaS platform.

6. Capital Management

Operating efficiencies initiatives have provided significant improvement towards company's cashflow position over the last year. When excluding the impacts of earn out payments, net proceeds received to date from the sale of rebate operations and foreign exchange, negative cashflows¹ improved from \$(4.9 million) in Q1 FY22 to \$(3.0 million) in Q2 FY23. On a like for like basis, if the Rebate Business had been included for the full quarter, Q2 FY23 Cashflow would have been ~\$(2.7 million). This represents an organic improvement of \$2.2m. The improvement was underpinned by:

- Continued focus on cost optimisations – this half-year was focussed on rationalising inefficient investments from ANZ operations and sales & marketing.
- "Right-sizing" the Senior Management Team early in 2022, saving an ~\$2 million on an annualised basis.
- Completion of the exit from the US business operations in late 2021, platform contracts saving ~+\$4million on an annualised basis.
- Continued R&D claims (note that the impact from R&D claims is not included in the figures above as one-off in nature)
- Note that normalised cash flow is in part influenced by seasonality of upfront customer receipts.

¹ **Cash flow above** represents quarterly cash movement excluding net monies generated via capital raise, exercise of options, payments made in relation to earnout, impact of one-off R&D incentives, investments or divestments in businesses and Fx movements.

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Notwithstanding the significant reduction in cash outflow over Q4, Optima has continued to invest in new growth levers - technology, sales capability in growth regions, brand, marketing and product feature development, which better positions the business for future Net Zero market reporting demand.

Significant changes in the state of affairs

On 1 July 2022, the Company made a payment of \$0.47 million (GBP \$0.28 million) to the vendors of the Optima UK business based on the revenue earn out condition of the Optima acquisition having being achieved.

On 5 July 2022, the Company issued 1,274,604 fully paid ordinary shares at an issue price of \$0.105 (10.5 cents) per share to settle part of the final Earn Out payment with the Founder of Optima. In consideration for the Founder agreeing to this arrangement, the Company also issued 424,868 Class V options and 424,868 Class W options.

On 15 July 2022, the Company issued 45,695 fully paid ordinary shares, which consists of:

- conversion of 40,982 Class N Performance Rights;
- conversion of 1,570 Class O Performance Rights; and
- conversion of 3,143 Class D Restricted Stock Units.

On 28 July 2022, the Company announced the appointment of Shane Gild as Non-Executive Director to its Board of Director.

On 12 August 2022, the Company:

- cancelled 909,607 Class R Performance Rights;
- cancelled 146,899 Class S Performance Rights; and
- issued 184,089 Class E Restricted Security Units to US employees for nil consideration.

On 22 August 2022, the Company cancelled 393,934 Class R Performance Rights.

On 17 October 2022, the Company issued 1,700,340 fully paid ordinary shares, which consists of:

- conversion of 643,486 Class R Performance Rights;
- conversion of 391,115 Class S Performance Rights;
- conversion of 62,739 Class E Restricted Stock Units; and
- conversion of 675,000 Class Q Performance Rights.

On 17 October 2022, the Company issued 2,654,301 Class T performance rights for nil consideration, expiring 17 October 2024.

On 2 November 2022, the Company announced the sale of its US rebate business for US\$2.80 million (~AUD\$4.36 million). Of this amount, US\$2.00 million (~AUD3.11 million) had been received in cash on closing, with the remaining US\$0.80 million (~AUD1.25 million) being held back, with US\$0.30 million (~AUD0.47 million) being held back for a period of 6 months and US\$0.50 million (~AUD0.78 million) being held for a period of 12 months, in order to meet any successful claims by the buyer under the asset purchase agreement. The concept of a 'holdback amount' is customary in the United States for deals of this nature.

On 29 November 2022, the Company announced that a special resolution had been passed by Shareholders at its Annual General Meeting (AGM) on 28 November 2022, approving the change of the Company's name from Bill Identity Limited to Optima Technology Group Limited.

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 16 January 2023, the Company issued 1,117,450 fully paid ordinary shares, which consists of:

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- conversion of 573,294 Class R Performance Rights;
- conversion of 281,425 Class S Performance Rights;
- conversion of 62,731 Class E Restricted Stock Units; and
- conversion of 200,000 Class Q Performance Rights.

On 24 January 2023, the company received a R&D rebate of \$1.3m in cash.

On 1 February 2023, the Company announced that 19,203,157 options were lapsed due to expiry without exercise.

On 2 February 2023, the Company:

- cancelled 135,096 Class R Performance Rights; and
- cancelled 112,962 Class S Performance Rights.

On 7 February 2023, the Company:

- issued 400,000 fully paid ordinary shares in consideration for performance of ongoing obligations under Employment Agreements;
- cancelled 340,168 Class R Performance Rights; and
- cancelled 29,588 Class S Performance Rights.

On 17 February 2023, the Company announced that 1,166,045 options were lapsed due to expiry without exercise.

No other matter or circumstance has arisen since 31 December 2022 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.

Key Risks and Business Challenges

As disclosed in the financial statements, the Consolidated Entity incurred a loss after tax of \$2.7 million for the half-year ended 31 December 2022 and had negative total cashflows of \$(3.5m) for that period. When excluding the impacts of earn out payments, net proceeds received to date from the sale of rebate operations and foreign exchange, the company had negative cashflows¹ of \$5.6 million for the period. At 31 December 2022, the company has \$7.2 million in cash and equivalents.

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

The Directors believe that there are reasonable grounds to believe that the Consolidated Entity will be able to continue as a going concern, after consideration of the following factors:

- \$1.3 million has been received in R&D grants subsequent to half year end. Over the course of the next 10 months, the company expects to receive approximately \$1.26 million subject to any potential claims by the buyer for the US Rebate Sale.
- The company continues to explore opportunities for cost reduction and profitability improvement to implement in the near future. It has a track record of successfully implementing such significant cost reduction initiatives. The company recently undertook a restructure of its US platform operations, where it decided to discontinue approximately 20 platform contracts with negative or low gross profit and reduced the headcount and associated fixed costs with these contracts. The company estimates that this provided ~\$4m annualised benefit to the P&L. The company also delayered its senior management team which contributed ~\$2m annualised benefit to the P&L.
- The Consolidated Entity is assessing different funding alternatives, which include raising further capital and/or other strategic options.

As such, the Directors believe that there are reasonable grounds to believe that the Consolidated Entity will be able to continue as a going concern.

¹ **Cash flow above** represents quarterly cash movement excluding net monies generated via capital raise, exercise of options, payments made in relation to earnout, impact of one-off R&D incentives, investments in businesses and Fx movements.

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Below is a summary of what the Company considers the material risks to the successful implementation of its strategy and the efforts undertaken to mitigate those risks:

1. Ability to continue driving customer and revenue growth

- Ability to retain and grow customers and revenue in existing regions - AU, UK, NZ
- Ability to expand effectively in European markets
- Risk associated with competition and new sector entrants, in particular big Technology companies entering the Net Zero space
- Risk associated with macroeconomic factors, particularly recent inflationary pressures and recession expectations

Mitigation Strategies: The Company employs several strategies to mitigate these risks, which include a monthly analysis of how Sales Representatives are performing as against set Key Performance Indicators (KPIs), and a weekly review of the Sales pipeline.

2. Risks related to technology infrastructure and performance

- Failures or disruption of technology systems
- Risk associated with migration and integration of ANZ and UK / EU platforms
- Risk associated with reliance on third party vendors for part of platform development and maintenance

Mitigation Strategies: The Company has at its disposal highly qualified technical staff who undertake regular analysis of the Company's systems and those of third parties that are relied on by the Company in order to ensure minimal disruption to the Company and its customers.

3. Loss of, or failure to attract or retain critical talent

- Risk associated with a competitive market for talent, in particular Technology talent both in UK / EU and ANZ

Mitigation Strategy: The Company's leadership and Remuneration committee continually hold discussions on critical talent and roles within the organisation, and the best way to attract and retain talent. The Company also has in place a number of incentive plans aimed at ensuring staff retention over the medium – long term.

4. Access to funding to support working capital and strategy execution

- Access to equity and debt funding sources

Mitigation Strategy: The Company continuously monitors its cash profile and capital funding prospects.

Environmental regulation

The Consolidated Entity is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Rounding of amounts

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

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.

Optima Technology Group Limited
(Formerly known as Bill Identity Limited)
Directors' report
31 December 2022

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

28 February 2023

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Optima Technology Group Limited and controlled entities for the half year ended 31 December 2022, 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

Date: 28 February 2023
Melbourne, Victoria

Optima Technology Group Limited
(Formerly Bill Identity Limited)
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2022

		Consolidated	
		31 December 2022	31 December 2021¹
	Note	\$'000	\$'000
Revenue from continuing operations			
Platform subscription fees		5,906	5,799
Other income	4	21	105
Expenses			
Third party support costs		(2,283)	(1,748)
Depreciation and amortisation expense		(2,498)	(1,781)
Employee benefits expense		(5,631)	(6,465)
Share based payments	5	(508)	(708)
Administration expense		(544)	(931)
Software expense		(635)	(586)
Marketing expense		(260)	(110)
Occupancy expense		(83)	(120)
Travel expense		(140)	(29)
Finance costs		(15)	(19)
Loss before income tax benefit from continuing operations		(6,670)	(6,593)
Income tax benefit		158	163
Loss after income tax benefit from continuing operations		(6,512)	(6,430)
Profit/(loss) after income tax (expense)/benefit from discontinued operations	6	3,853	(1,250)
Loss after income tax (expense)/benefit for the half-year attributable to the owners of Optima Technology Group Limited		(2,659)	(7,680)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		(306)	81
Other comprehensive income for the half-year, net of tax		(306)	81
Total comprehensive income for the half-year attributable to the owners of Optima Technology Group Limited		(2,965)	(7,599)
Total comprehensive income for the half-year is attributable to:			
Continuing operations		(6,818)	(6,349)
Discontinued operations		3,853	(1,250)
		(2,965)	(7,599)

¹ Adjusted for Discontinued Operations. Refer note 6.

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

Optima Technology Group Limited
(Formerly Bill Identity Limited)
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2022

	Cents	Cents
Earnings per share for loss from continuing operations attributable to the owners of Optima Technology Group Limited		
Basic earnings per share	(2.65)	(3.94)
Diluted earnings per share	(2.65)	(3.94)
Earnings per share for profit/(loss) from discontinued operations attributable to the owners of Optima Technology Group Limited		
Basic earnings per share	1.57	(0.77)
Diluted earnings per share	1.57	(0.77)
Earnings per share for loss attributable to the owners of Optima Technology Group Limited		
Basic earnings per share	(1.08)	(4.70)
Diluted earnings per share	(1.08)	(4.70)

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

Optima Technology Group Limited
(Formerly Bill Identity Limited)
Statement of financial position
As at 31 December 2022

		Consolidated	
	Note	31 December 2022 \$'000	30 June 2022 \$'000
Assets			
Current assets			
Cash and cash equivalents		7,216	10,680
Trade and other receivables		2,445	1,045
Other current assets		606	433
Total current assets		10,267	12,158
Non-current assets			
Property, plant and equipment		232	226
Right-of-use assets		57	548
Intangibles	7	14,428	14,922
Other		167	121
Total non-current assets		14,884	15,817
Total assets		25,151	27,975
Liabilities			
Current liabilities			
Trade and other payables		3,257	2,057
Lease liabilities		32	400
Employee benefits		594	631
Liabilities directly associated with discontinued operations		-	85
Other		1,362	2,065
Total current liabilities		5,245	5,238
Non-current liabilities			
Borrowings		-	217
Lease liabilities		14	143
Deferred tax liabilities		432	583
Employee benefits		65	43
Make good provision		-	33
Total non-current liabilities		511	1,019
Total liabilities		5,756	6,257
Net assets		19,395	21,718
Equity			
Issued capital	8	74,117	73,543
Reserves		4,296	4,534
Accumulated losses		(59,018)	(56,359)
Total equity		19,395	21,718

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

Optima Technology Group Limited
(Formerly Bill Identity Limited)
Statement of changes in equity
For the half-year ended 31 December 2022

Consolidated	Issued Capital \$'000	Accumulated Losses \$'000	Reserves \$'000	Total equity \$'000
Balance at 1 July 2021	64,802	(42,760)	4,377	26,419
Loss after income tax benefit for the half-year	-	(7,680)	-	(7,680)
Other comprehensive income for the half-year, net of tax	-	-	81	81
Total comprehensive income for the half-year	-	(7,680)	81	(7,599)
<i>Transactions with owners in their capacity as owners:</i>				
Conversion of performance rights (note 8)	284	-	(284)	-
Conversion of restricted share units (note 8)	87	-	(87)	-
Exercise of options (note 8)	67	-	(19)	48
Transfers	-	30	(30)	-
Share based payments (note 5)	60	-	647	707
Balance at 31 December 2021	<u>65,300</u>	<u>(50,410)</u>	<u>4,685</u>	<u>19,575</u>

Consolidated	Issued Capital \$'000	Accumulated Losses \$'000	Reserves \$'000	Total equity \$'000
Balance at 1 July 2022	73,543	(56,359)	4,534	21,718
Loss after income tax benefit for the half-year	-	(2,659)	-	(2,659)
Other comprehensive income for the half-year, net of tax	-	-	(306)	(306)
Total comprehensive income for the half-year	-	(2,659)	(306)	(2,965)
<i>Transactions with owners in their capacity as owners:</i>				
Issue of shares in leu of part cash Earn Out Payment to Optima vendor (note 8)	134	-	-	134
Conversion of performance rights (note 8)	429	-	(429)	-
Conversion of restricted share units (note 8)	11	-	(11)	-
Share based payments (note 5)	-	-	508	508
Balance at 31 December 2022	<u>74,117</u>	<u>(59,018)</u>	<u>4,296</u>	<u>19,395</u>

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

Optima Technology Group Limited
(Formerly Bill Identity Limited)
Statement of cash flows
For the half-year ended 31 December 2022

Note	Consolidated	
	31 December 2022	31 December 2021
	\$'000	\$'000
Cash flows from operating activities		
Receipts from customers	7,175	8,484
Payments to suppliers and employees	(10,374)	(14,695)
Interest received	26	11
Net cash used in operating activities	(3,173)	(6,200)
Cash flows from investing activities		
Payments for property, plant and equipment	(101)	(72)
Payments for intangibles (capitalised development costs)	(2,126)	(2,200)
Cash paid for earn out	(494)	(42)
Cash paid for business disposal	(212)	-
Proceeds from disposal of business	3,110	-
Proceeds from disposal of plant and equipment	14	-
Net cash from/(used in) investing activities	191	(2,314)
Cash flows from financing activities		
Payments for principal element of lease liabilities	(215)	(207)
Proceeds from borrowings	16	-
Share issue transaction costs	(234)	-
Proceeds from exercise of options	-	48
Net cash used in financing activities	(433)	(159)
Net decrease in cash and cash equivalents	(3,415)	(8,673)
Cash and cash equivalents at the beginning of the financial half-year	10,680	16,455
Effects of exchange rate changes on cash and cash equivalents	(49)	61
Cash and cash equivalents at the end of the financial half-year	7,216	7,843

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

Optima Technology Group Limited
(Formerly Bill Identity Limited)
Notes to the financial statements
31 December 2022

Note 1. General information

The financial statements cover Optima Technology Group Limited as a consolidated entity consisting of Optima Technology Group Limited and its controlled entities at the end of, or during, the half-year period ended 31 December 2022. The financial statements are presented in Australian dollars, which is Optima Technology Group Limited's functional and presentation currency.

Optima Technology Group 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	Principal place of business
Level 20 15 William Street Melbourne, Victoria 3000	Level 20 15 William 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 24 February 2023.

Note 2. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2022 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 2022 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 2022.

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

Going concern

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

As disclosed in the financial statements, the Consolidated Entity incurred a loss after tax of \$2.7 million for the half-year ended 31 December 2022 and had negative total cashflows of \$(3.5m) for that period. When excluding the impacts of earn out payments, net proceeds received to date from the sale of rebate operations and foreign exchange, the company had negative cashflows¹ of \$5.6 million for the period. At 31 December 2022, the company has \$7.2 million in cash and cash equivalents.

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

The Directors believe that there are reasonable grounds to believe that the Consolidated Entity will be able to continue as a going concern, after consideration of the following factors:

Note 2. Significant accounting policies (continued)

- \$1.3 million has been received in R&D grants subsequent to half year end. Over the course of the next 10 months, the company expects to receive approximately \$1.26 million subject to any potential claims by the buyer for the US Rebate Sale.
- The company continues to explore opportunities for cost reduction and profitability improvement to implement in the near future. It has a track record of successfully implementing such significant cost reduction initiatives. The company recently undertook a restructure of its US platform operations, where it decided to discontinue approximately 20 platform contracts with negative or low gross profit and reduced the headcount and associated fixed costs with these contracts. The company estimates that this provided ~\$4m annualised benefit to the P&L. The company also delayed its senior management team which contributed ~\$2m annualised benefit to the P&L.
- The Consolidated Entity is assessing different funding alternatives, which include raising further capital and/or other strategic options.

As such, the Directors believe that there are reasonable grounds to believe that the Consolidated Entity will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

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

Note 3. Operating segments

Identification of reportable operating segments

The consolidated entity is organised into operating segments based on the business activities in Australia and UK / EU. The USA segment has been discontinued post the sale of the Rebates business. 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 CODM reviews 'Underlying EBITDA' to assess the underlying performance of the business and allocate resources to segments. This is a non-IFRS measure and is calculated as profit or loss before income tax, and before depreciation and amortisation, share based payments, interest and other income, government grants, finance costs, foreign exchange and other significant items that are one-off in nature. It also excludes discontinued operations.

In December 2021 Half year accounts, this metric had included significant one-off items. The updated calculation excludes these items. Management has also updated its operating segment margin calculation with an updated allocation methodology. Research and development expenditure and corporate costs have been transferred from regional segments to unallocated/corporate segment as they are centrally controlled and allocation rates have been realigned. Management believes these changes to calculation are a more accurate reflection of the underlying business and segment performance, and have been consistently applied for the prior comparative period.

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 and UK.

Optima Technology Group Limited
(Formerly Bill Identity Limited)
Notes to the financial statements
31 December 2022

Note 3. Operating segments (continued)

Operating segment information

Consolidated – 31 December 2022	ANZ	UK / EU	Unallocated/ Corporate	Group
	\$'000	\$'000	\$'000	\$'000
Revenue – Platform Subscription Fees	3,740	2,166		5,906
Gross Profit¹	1,885	1,024		2,909
Gross margin %¹	50.4%	47.3%		49.3%
Segment Profit²	861	74		935
Research and Development			(2,005)	(2,005)
Corporate Costs			(2,624)	(2,624)
Underlying EBITDA³ (excl Significant items and discontinued operations)	861	74	(4,629)	(3,694)
Significant One-Off items				(76)
Profit/(loss) from Discontinued Operations				3,853
Depreciation & Amortisation				(2,498)
Share Based Payments				(508)
Other Income				21
Finance Costs				(15)
Other non-operating items				100
Loss before income tax benefit				(2,817)
Income tax benefit				158
Loss after income tax benefit				(2,659)

1 Gross Profit is a non IFRS measure that is calculated as Statutory revenue less cost of products sold. **Gross Margin** represents Gross profit divided by Revenue.

2 Segment Profit is a non IFRS measure that is calculated as Statutory revenue less cost of products sold less sales and marketing costs. **Segment Margin** represents Segment profit divided by Revenue.

3 Underlying EBITDA is a non-IFRS measure that is used by the board of directors and management (who are identified as the Chief Operating Decision Makers ('CODM')) to assess the underlying performance of the business. It is calculated as profit or loss before income tax, and before depreciation and amortisation, share based payments, interest and other income, government grants, finance costs, foreign exchange and other significant items that are one-off in nature. It also excludes discontinued operations.

In December 2021 Half-year Accounts, this metric had included significant one-off items. The updated calculation excludes these items. In note 3, operating segments, Management has also updated its operating segment margin calculation with an updated allocation methodology. Research and development expenditure and corporate costs have been transferred from regional segments to unallocated/corporate segment as they are centrally controlled and allocation rates have been realigned. Management believes these changes to calculation are a more accurate reflection of the underlying business and segment performance, and have been consistently applied for the prior comparative period. They are in line with recent presentations to investors and reporting to the CODMs.

Optima Technology Group Limited
(Formerly Bill Identity Limited)
Notes to the financial statements
31 December 2022

Note 3. Operating segments (continued)

Consolidated – 31 December 2021	ANZ \$'000	UK / EU \$'000	Unallocated/ Corporate \$'000	Group \$'000
Revenue – Platform Subscription Fees	3,589	2,210		5,799
Gross Profit	1,443	1,117		2,560
Gross margin %	40.2%	50.5%		44.1%
Segment Profit / (Loss)	(104)	8		(96)
Research and Development			(1,166)	(1,166)
Corporate Costs			(2,442)	(2,442)
Underlying EBITDA (excl Significant items and Discontinued operations)	(104)	8	(3,608)	(3,704)
Significant One-Off items				(528)
Profit/(loss) from Discontinued Operations				(1,250)
Depreciation & Amortisation				(1,781)
Share Based Payments				(708)
Other Income				105
Finance Costs				(19)
Other non-operating items				42
Loss before income tax benefit				(7,843)
Income tax benefit				163
Loss after income tax benefit				(7,680)

Note 4. Other income

	Consolidated	
	31 December 2022	31 December 2021
	\$'000	\$'000
Interest	18	11
R&D tax refund	-	89
Other	3	5
Other income	21	105

Optima Technology Group Limited
(Formerly Bill Identity Limited)
Notes to the financial statements
31 December 2022

Note 5. 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 2022	31 December 2021
	\$'000	\$'000
Options issued as part of acquisition earn out	6	-
Directors options	127	408
Restricted share units	20	(57)
Performance rights issued to Australian and UK employees	295	2
Options issued to employees	60	295
Issues of shares pursuant to a Separation Agreement between the company and an employee	-	60
Total share based payments	<u>508</u>	<u>708</u>

Note 6. Discontinued operations

Description

During the half year ended 31 December 2022, Optima completed the restructuring of its US business. In line with its strategy, Optima sold off its non-core rebates business in the US for ~\$4.36 million (US\$2.8 million) of which \$3.1 million has been received and the residual consideration of \$1.26 million will be received within the next 10 months, subject to any claims by the buyer under the Asset Sale Agreement. In the US, the Company continues to remain focused on servicing its global platform customers and licensing of micro services such as data extraction and validation.

Optima Technology Group Limited
(Formerly Bill Identity Limited)
Notes to the financial statements
31 December 2022

Note 6. Discontinued operations (continued)

Financial performance information

	Consolidated	
	31 December 2022	31 December 2021
	\$'000	\$'000
Platform subscription fees	70	646
US energy rebate revenue	1,061	1,596
Total revenue	1,131	2,242
Net gain on disposal of business ¹	3,357	-
Interest income	9	-
Loan forgiveness	222	-
Third party support and development costs	(1)	(827)
Administration expense	(366)	(180)
Employee benefit expense	(375)	(2,010)
Software expense	(31)	(274)
Marketing expense	(2)	(63)
Travel expense	(2)	(15)
Occupancy expense	(22)	(30)
Depreciation and amortisation	(69)	(107)
Finance costs	5	(3)
Total expenses	(863)	(3,509)
Profit/(loss) before income tax (expense)/benefit	3,856	(1,267)
Income tax (expense)/benefit	(3)	17
Profit/(loss) after income tax (expense)/benefit from discontinued operations	3,853	(1,250)

¹ Net Gain on disposal of business refers to the sale consideration of US Rebates Business of \$4.36 million less written down value of net assets disposed of \$1.0 million.

Cash flow information

	Consolidated	
	31 December 2022	31 December 2021
	\$'000	\$'000
Net cash from/(used in) operating activities	398	(1,210)

Optima Technology Group Limited
(Formerly known as Bill Identity Limited)
Notes to the financial statements
31 December 2022

Note 7. Non-current assets - intangibles

	Consolidated	
	31 December 2022 \$'000	30 June 2022 \$'000
Goodwill - at cost	7,225	7,878
Customer list - at cost	-	159
Less: Accumulated amortisation	-	(118)
	-	41
Software - at cost	16,244	13,757
Less: Accumulated amortisation	(9,546)	(7,425)
	6,698	6,332
Brand - at cost	699	1,178
Less: Accumulated amortisation	(194)	(507)
	505	671
	<u>14,428</u>	<u>14,922</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 \$'000	Software \$'000	Brand \$'000	Customer List \$'000	Total \$'000
Balance at 1 July 2022	7,878	6,332	671	41	14,922
Capitalised development costs	-	2,567	-	-	2,567
Disposals	(757)	(6)	(133)	(41)	(937)
Foreign exchange differences	104	52	13	-	169
Amortisation	-	(2,247)	(46)	-	(2,293)
Balance at 31 December 2022	<u>7,225</u>	<u>6,698</u>	<u>505</u>	<u>-</u>	<u>14,428</u>

Note 8. Equity - issued capital

	Consolidated			
	31 December 2022 Shares	30 June 2022 Shares	31 December 2022 \$'000	30 June 2022 \$'000
Ordinary shares - fully paid	<u>246,958,356</u>	<u>243,937,717</u>	<u>74,117</u>	<u>73,543</u>

Optima Technology Group Limited
(Formerly Bill Identity Limited)
Notes to the financial statements
31 December 2022

Note 8. Equity - issued capital (continued)

Movements in ordinary share capital

Details	Date	Ordinary Shares	Price	\$'000
Balance	1 July 2022	243,937,717		73,543
Issue of shares in lieu of part cash Earn Out Payment to Optima vendor	4 July 2022	1,274,604	\$0.105	134
Conversion of Class N performance rights	15 July 2022	40,982	-	51
Conversion of Class O performance rights	15 July 2022	1,570	-	2
Conversion of Class D restricted stock units	15 July 2022	3,143	-	4
Conversion of Class R performance rights	17 October 2022	643,486	-	84
Conversion of Class S performance rights	17 October 2022	319,115	-	35
Conversion of Class E restricted stock units	17 October 2022	62,739	-	7
Conversion of Class Q performance rights	17 October 2022	675,000	-	257
Balance	31 December 2022	<u>246,958,356</u>		<u>74,117</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.

Note 9. Events after the reporting period

On 16 January 2023, the Company issued 1,117,450 fully paid ordinary shares, which consists of:

- conversion of 573,294 Class R Performance Rights;
- conversion of 281,425 Class S Performance Rights;
- conversion of 62,731 Class E Restricted Stock Units; and
- conversion of 200,000 Class Q Performance Rights.

On 24 January 2023, the company received a R&D rebate of \$1.3 million in cash.

On 1 February 2023, the Company announced that 19,203,157 options were lapsed due to expiry without exercise.

On 2 February 2023, the Company:

- cancelled 135,096 Class R Performance Rights; and
- cancelled 112,962 Class S Performance Rights.

On 7 February 2023, the Company:

- issued 400,000 fully paid ordinary shares in consideration for performance of ongoing obligations under Employment Agreements.
- cancelled 340,168 Class R Performance Rights; and
- cancelled 29,588 Class S Performance Rights.

On 17 February 2023, the Company announced that 1,166,045 options were lapsed due to expiry without exercise.

No other matter or circumstance has arisen since 31 December 2022 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.

Optima Technology Group Limited
(Formerly Bill Identity Limited)
Directors' declaration
31 December 2022

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 2022 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

28 February 2023

RSM Australia Partners

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INDEPENDENT AUDITOR'S REVIEW REPORT To the Members of Optima Technology Group Limited

Conclusion

We have reviewed the accompanying half-year financial report of Optima Technology Group Limited which comprises the statement of financial position as at 31 December 2022, 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.

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 Optima Technology Group Limited 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 2022 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*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the half-year financial report, which indicates that the consolidated entity incurred a net loss of \$2.7 million during the half year ended 31 December 2022 and had net cash outflows from operations of \$3.2 million. As stated in Note 2, these events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the consolidated entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Directors' Responsibility for the Half-Year Financial Report

The directors of Optima Technology Group Limited 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 2022 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 Optima Technology Group Limited, 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.

**RSM AUSTRALIA PARTNERS**

B Y CHAN
Partner

Dated: 28 February 2023
Melbourne, Victoria