

Bill Identity Limited
(Formerly known as BidEnergy Limited)
Appendix 4E
Preliminary final report

1. Company details

Name of entity:	Bill Identity Limited
ABN:	94 131 445 335
Reporting period:	For the year ended 30 June 2021
Previous period:	For the year ended 30 June 2020

2. Results for announcement to the market

			\$
Revenues from ordinary activities	up	55% to	14,592,664
Underlying EBITDA (Loss)	up	78% to	(6,693,402)
Loss from ordinary activities after tax attributable to the owners of Bill Identity Limited	up	76% to	(12,138,510)
Loss for the year attributable to the owners of Bill Identity Limited	up	76% to	(12,138,510)

Comments

Bill Identity Limited (Bid) total operating revenue grew 55% year-on-year to \$14.6M in FY21 (FY20: \$9.4M), with Bid's subscription revenue growing 102% to \$9.8M. This resulted in a year-on-year increase in its share of revenue to 67% from 52%. In FY21, the acquisition of Optima contributed \$2M in subscription fee revenue whilst organic subscription revenue increased to \$7.8M, representing 61% growth. This organic growth was delivered through a combination of growth in new client contracts, high rates of customer retention and recurring revenue from existing clients who took up additional platform services. Bid clients grew to 226 as at 30 June 2021, from 128 at 30 June 2020. US energy rebate revenues also grew during the year contributing revenue of \$4.8M (FY20: \$4.4M).

Underlying EBITDA* loss increased 78% to \$6.7M for FY21 as the Consolidated Entity continued to invest in its people to enable the company to execute and deliver on growing opportunities domestically and overseas. The acquisition of Optima further complements Bid's goal of accelerating penetration in the UK and European markets.

The loss for the Consolidated Entity after providing for income tax amounted to \$12.1M (30 June 2020: \$6.9M). A reconciliation of underlying EBITDA to loss for the year is contained in note 4, operating segments.

During the 2021 financial year, the Consolidated Entity successfully raised \$15M (before costs) to fund the Optima acquisition cash consideration and general working capital requirement. At 30 June 2021 the Consolidated Entity held \$16.5M in cash.

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 30 June 2021, 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.

	FY21	FY20	% Favourable / (Unfavourable)
	\$	\$	
Bid Subscription Fee Revenue	9,835	4,867	102%
Rebate Revenue	4,758	4,421	8%
Bid non-subscription fee revenue	-	100	(100%)
Total Revenue	14,593	9,388	55%
Underlying EBITDA*	(6,693)	(3,752)	(78%)
Statutory net loss after tax	(12,139)	(6,911)	(76%)

* Underlying EBITDA is a non-IFRS measure calculated as earnings before income tax, and before depreciation and amortisation, share based payments, reorganisation costs, transaction fees, net finance costs and foreign exchange as detailed in note 4 of the financial report.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	7.51	5.00

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	
		\$
Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities before income tax during the period (where material)		89,186
Profit/(loss) from ordinary activities before income tax of the controlled entity (or group of entities) for the whole of the previous period (where material)		40,924

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

The financial statements have been audited and an unmodified opinion has been issued.

11. Attachments

The Annual Report of Bill Identity Limited for the year ended 30 June 2021 is attached.

12. Signed



Signed _____

Date: 31 August 2021

Peter Tonagh
Non-Executive Chairman

Bill Identity Limited

(Formerly known as BidEnergy Limited)

ABN 94 131 445 335

Annual Report - 30 June 2021

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(Formerly known as BidEnergy Limited)
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Bill Identity Limited
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Corporate directory
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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, Victoria 3000
Stock exchange listing	Bill Identity Limited securities are listed on the Australian Securities Exchange (ASX code: BID)
Website	www.billidentity.com
Corporate Governance Statement	The Company's Corporate Governance Statement and Corporate Governance Plan are available on the Company's website at: https://billidentity.com/investors/

Bill Identity Limited
(Formerly known as BidEnergy Limited)
Directors' report
30 June 2021

The Directors present their report, together with the financial statements, on the Consolidated Entity consisting of Bill Identity Limited (referred to hereafter as the 'Company' or 'Parent Entity') and the entities it controlled at the end of, or during, the year ended 30 June 2021.

Directors

The following persons were Directors of Bill Identity Limited during the financial 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 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 continued earning 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.

Dividends

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

Review of operations

Bill Identity Limited (Bid) total operating revenue grew 55% year-on-year to \$14.6M in FY21 (FY20: \$9.4M), with Bid's subscription revenue growing 102% to \$9.8M. This resulted in a year-on-year increase in its share of revenue to 67% from 52%. In FY21, the acquisition of Optima contributed \$2M in subscription fee revenue whilst organic subscription revenue increased to \$7.8M, representing 61% growth. This organic growth was delivered through a combination of growth in new client contracts, high rates of customer retention and recurring revenue from existing clients who took up additional platform services. Bid clients grew to 226 as at 30 June 2021, from 128 at 30 June 2020. US energy rebate revenues also grew during the year contributing revenue of \$4.8M (FY20: \$4.4M).

Underlying EBITDA* loss increased 78% to \$6.7M for FY21 as the Consolidated Entity continued to invest in its people to enable the company to execute and deliver on growing opportunities domestically and overseas. The acquisition of Optima further complements Bid's goal of accelerating penetration in the UK and European markets.

The loss for the Consolidated Entity after providing for income tax amounted to \$12.1M (30 June 2020: \$6.9M). A reconciliation of underlying EBITDA to loss for the year is contained in note 4, operating segments.

During the 2021 financial year, the Consolidated Entity successfully raised \$15M (before costs) to fund the Optima acquisition cash consideration and general working capital requirement. At 30 June 2021 the Consolidated Entity held \$16.5M in cash.

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 30 June 2021, 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.

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Underlying EBITDA*	(6,693)	(3,752)	(78%)
Statutory net loss after tax	(12,139)	(6,911)	(76%)

* Underlying EBITDA is a non-IFRS measure calculated as earnings before income tax, and before depreciation and amortisation, share based payments, reorganisation costs, transaction fees, net finance costs and foreign exchange as detailed in note 4 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.

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

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.

During the period between 21 August 2020 and 11 November 2020, the Company issued 8,605,612 fully paid ordinary shares on at an issue price of \$0.75 (75 cents) per share pursuant to the exercise of Class L Options, raising \$6,454,209.

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; and
- conversion of 68,625 Class C Restricted Stock Units.

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 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; and
- conversion of 70,964 Class B Restricted Stock Units.

Bill Identity Limited
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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.

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 10 December, the Company issued 574,713 fully paid ordinary shares, raising \$500,000. On the same date, the Company issued:

- 975,000 Class T Options with an exercise price of \$1.74, expiring on 8 December 2024;
- 225,000 Class U Options with an exercise price of \$1.46, expiring on 1 September 2024; and
- 1,000,000 Class Q Options with an exercise price of \$1.26, expiring on 17 August 2024.

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.

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.

On 19 March 2021, the Company issued 700,000 fully paid ordinary shares at an issue price of \$0.136 (13.6 cents) per share pursuant to the exercise of Class J Options, raising \$95,200.

On 25 March 2021, the Company issued 161,606 fully paid ordinary shares on conversion of Class G performance rights.

On 15 April 2021, the Company issued 231,787 fully paid ordinary shares, which consists of:

- conversion of 137,925 Class H Performance Rights;
- conversion of 22,904 Class I Performance Rights; and
- conversion of 70,958 Class B Restricted Stock Units.

There were no other significant changes in the state of affairs of the Consolidated Entity during the financial year.

Matters subsequent to the end of the financial year

On 15 July 2021, the Company issued 221,009 fully paid ordinary shares, which consists of:

- conversion of 127,152 Class H Performance Rights;
- conversion of 22,903 Class I Performance Rights; and
- conversion of 70,954 Class B Restricted Stock Units.

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No other matter or circumstance has arisen since 30 June 2021 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.

Likely developments and expected results of operations

Bid will continue to focus on growing its customer base to provide energy spend management services. Growth will be targeted at continued Australian, New Zealand, US and UK expansion, upselling existing platform services, and cross selling the Bid platform to Bid US customers. Bid will continue to pursue new channel partners through which to distribute the Bid platform.

Environmental regulation

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

Information on Directors

Name:	Peter Tonagh
Title:	Non-Executive Chairman (appointed on 4 January 2021)
Qualifications:	B Comm, MBA (INSEAD)
Experience and expertise:	Mr Tonagh is the former CEO of Foxtel and News Corp Australia after having served as Chief Operating Officer of both companies. He also held the role of Foxtel's Chief Financial Officer for nine years.

Mr Tonagh currently serves as Non-Executive Director of Sydney-based advanced analytics company, Quantum, and is the Chairman of Honey Insurance. He is the former Lead Independent Director for Village Roadshow Limited. Peter is Chairman of not-for-profit media organisation, Bus Stop Films, and is a Non-Executive Director of the Australian Broadcasting Corporation.

Other current directorships:	Chairman, GTN Limited (ASX: GTN)
Former directorships (last 3 years):	Lead Independent Director for Village Roadshow Limited (ASX: VRL)
Interests in shares:	28,956 fully paid ordinary shares
Interests in options:	None
Interests in rights:	None

Name:	Guy Maine
Title:	Managing Director
Experience and expertise:	Mr Maine has extensive experience building businesses and developing markets for new technology products for leading Australian service providers having held integral executive roles at SingTel Optus, Virgin Mobile, and FOXTEL, including General Management, Director of Sales and Executive Director, respectively.

Mr Maine was responsible for the launch of Optus prepaid mobile phones in Australia, as well as securing new distribution channels and driving retail strategy. As Director of Sales for Virgin Mobile, Mr Maine worked with a focused team to launch the challenger brand in 2000 to profitability, before joining FOXTEL in 2003 as Director of Sales. At FOXTEL Mr Maine worked with the core executive team and an internationally credentialed Board on its consumer challenge to convert to digital and heighten consumer growth, and later became an Executive Director of the company.

Other current directorships:	None
Former directorships (last 3 years):	None
Interests in shares:	208,025 fully paid ordinary shares
Interests in options:	1,505,883 unlisted Class J options
	300,000 unlisted Class M options
	180,447 unlisted Class N options
	1,000,000 unlisted Class Q options
Interests in rights:	None

**Bill Identity Limited
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Name:	Leanne Graham
Title:	Independent Non-Executive Director
Experience and expertise:	Ms Graham is one of New Zealand's few female IT entrepreneurs with over 30 years' experience at the highest levels in the software sector. She has built a name for herself by enabling multiple cloud, mobility and SaaS companies to maximise their global go to market opportunities.
	Ms Graham holds a number of directorships on both public and private companies in Australia and New Zealand as well as sits on a number of advisory boards globally. She was the General Manager of Sales at Xero and was the architect of their global sales strategy around 'recruit, educate and grow'; a key channel strategy used to build Xero's customer base in New Zealand, Australia, United Kingdom and the United States. Ms Graham has recently been appointed as a Non-Executive Director at Douough Limited, and is a member of the New Zealand Order of Merit.
Other current directorships:	Non-Executive Director of archTIS Limited (ASX: AR9) Non-Executive Director at Douough Limited (ASX: DOU)
Former directorships (last 3 years):	Non-Executive Chairperson of VPCL Limited (ASX: VPC) Non-Executive Director at Apps Village Limited (ASX: APV)
Interests in shares:	234,959 fully paid ordinary shares
Interests in options:	294,118 unlisted Class K options 208,208 unlisted Class N options 300,000 unlisted Class T options
Interests in rights:	None
Name:	Geoffrey Kleemann
Title:	Non-Executive Director (Interim Non-Executive Chairman to 4 January 2021)
Qualifications:	CPA
Experience and expertise:	Mr Kleemann commenced his career at Deloitte, and subsequently completed approximately twenty years as a senior executive in a listed environment, as Chief Financial Officer for Crown Limited, Publishing and Broadcasting Limited, Woolworths Limited and Pioneer International Limited.
Other current directorships:	Independent Non-Executive Director of Domain Holdings Australia Limited (ASX: DHG)
Former directorships (last 3 years):	None
Interests in shares:	253,450 fully paid ordinary shares
Interests in options:	208,208 unlisted Class N options 375,000 unlisted Class T options
Interests in rights:	None
Name:	David Hancock
Title:	Non-Executive Director (appointed on 1 September 2020)
Qualifications:	BBus, GAICD
Experience and expertise:	Mr Hancock brings over 30 years of broad experience in financial services and technology companies. This experience includes being the Group Head and Executive Director at Afterpay Touch where he worked with the founders to build the company from IPO to an ASX Top 100 listed company. Mr Hancock has also held numerous executive and board positions at a variety of leading financial institutions including Commonwealth Bank, Tower Insurance – where he was Chief Executive Officer, and at JPMorgan where he was a Managing Director with responsibilities in Australia, New Zealand, Asia and Japan across various operations.
Other current directorships:	None
Former directorships (last 3 years):	Afterpay Ltd (ASX: APT) ELMO Software Ltd (ELO)
Interests in shares:	1,029,713 fully paid ordinary shares
Interests in options:	300,000 Class T unlisted options 225,000 Class U unlisted options
Interests in rights:	None

Bill Identity Limited
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30 June 2021

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary

Mr Lior Harel (Company Secretary and General Counsel, appointed on 28 September 2020)

Mr Harel came to Bid having spent 2 years as General Counsel and Company Secretary of Cronos Australia Ltd (ASX:CAU), a medicinal cannabis company with operations in Australia and Asia. Prior to Cronos Australia, Mr Harel was the Chief Legal Counsel of SEEK.com.au (ASX:SEK) for approximately 7 years, focusing primarily on M&A and Corporate Finance transactions for SEEK's Australian and Asian businesses. Mr Harel commenced his career at leading Australian commercial law firm, Arnold Bloch Leibler, rising to Senior Associate in the Corporate/Commercial and Banking and Finance teams. Lior holds an LLB and a BA from the University of Melbourne.

Miss Erlyn Dale (Company Secretary, resigned on 28 September 2020)

Meetings of Directors

The number of meetings of the Company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2021, and the number of meetings attended by each Director were:

	Full Board		Audit and Risk Committee		Remuneration and Nominations Committee	
	Attended	Held	Attended	Held	Attended	Held
Peter Tonagh*	3	3	-	-	-	-
Guy Maine	7	7	-	-	-	-
Leanne Graham	7	7	3	3	1	1
Geoffrey Kleemann	7	7	3	3	1	1
David Hancock**	5	5	-	-	-	-

* Mr Tonagh was appointed to the Board on 4 January 2021.

** Mr Hancock was appointed to the Board on 27 August 2020.

Held: represents the number of meetings held during the time the Director held office or was a member of the relevant committee.

Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the Consolidated Entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all Directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The objective of the Consolidated Entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The Remuneration and Nominations Committee is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the Consolidated Entity depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The reward framework is designed to align executive reward to shareholders' interests. The Board has considered that it should seek to enhance shareholders' interests by:

- having economic profit as a core component of plan design
- focusing on sustained growth in shareholder wealth, through growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- attracting and retaining high calibre executives

Additionally, the reward framework should seek to enhance executives' interests by:

- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth
- providing a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of non-executive Director and executive Director remuneration is separate.

Non-executive Directors remuneration

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Remuneration and Nominations Committee. The Remuneration and Nominations Committee may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market.

Shareholders approve the maximum aggregate remuneration for non-executive directors. The Remuneration and Nominations Committee recommends the actual payments to directors and the Board is responsible for ratifying any recommendations, if appropriate. ASX listing rules require the aggregate non-executive directors remuneration be determined periodically by a general meeting. The aggregate approved remuneration for non-executive directors is \$500,000.

Executive remuneration

The Consolidated Entity aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits
- short-term performance incentives
- share-based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Remuneration and Nominations Committee based on individual and business unit performance, the overall performance of the Consolidated Entity and comparable market remunerations.

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30 June 2021

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the Consolidated Entity and provides additional value to the executive.

The short-term incentives ('STI') program is designed to align the targets of the business units with the performance hurdles of executives. STI payments are granted to executives based on specific annual targets and key performance indicators ('KPI's') being achieved. KPI's include revenue growth, profit contribution and customer retention.

The long-term incentives ('LTI') include long service leave and share-based payments. The Remuneration and Nominations Committee reviewed the long-term equity-linked performance incentives specifically for executives during the year ended 30 June 2021.

Consolidated entity performance and link to remuneration

Remuneration for certain individuals is directly linked to the performance of the Consolidated Entity. A portion of cash bonus and incentive payments are dependent on defined performance targets being met. The remaining portion of the cash bonus and incentive payments are at the discretion of the Board.

The Board is of the opinion that the continued improved results can be attributed in part to the adoption of performance based compensation and is satisfied that this improvement will continue to increase shareholder wealth if maintained over the coming years.

Voting and comments made at the Company's 2020 Annual General Meeting ('AGM')

At the 2020 Annual General Meeting of shareholders held on 8 December 2020, 99.89% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2020. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

The Key Management Personnel of the Consolidated Entity consisted of the following Directors and Executives of Bill Identity Limited:

- Mr Peter Tonagh - Non-Executive Chairman (appointed on 4 January 2021)
- Mr Guy Maine - Managing Director
- Ms Leanne Graham - Non-Executive Director
- Mr Geoffrey Kleemann - Non-Executive Director (Interim Non-Executive Chairman to 4 January 2021)
- Mr David Hancock - Non-Executive Director (appointed on 1 September 2020)
- Mr Fionn O'Keeffe - Chief Financial Officer (appointed on 23 November 2020)
- Mr Matthew Watson - Chief Financial Officer (resigned on 28 July 2020)

Amounts of remuneration

Details of the remuneration of key management personnel of the Consolidated Entity are set out in the following tables.

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	Short-term benefits			Long-term benefits	Post-employment benefits	Share-based payments	Total
	Cash salary and fees \$	Cash bonus \$	Annual leave \$	Long service leave \$	Super-annuation \$	Equity-settled \$	
2021							
<i>Directors:</i>							
Peter Tonagh*	66,000	-	-	-	-	-	66,000
Guy Maine**	300,000	48,750	5,735	4,996	33,131	513,136	905,748
Leanne Graham	72,500	-	-	-	-	79,734	152,234
Geoffrey Kleemann	77,716	-	-	-	7,383	76,325	161,424
David Hancock***	38,052	-	-	-	3,615	161,789	203,456
<i>Other Key Management Personnel:</i>							
Fionn O'Keeffe	151,603	-	11,591	2,511	14,402	197,170	377,277
Matthew Watson****	43,335	16,250	-	-	3,188	-	62,773
	<u>749,206</u>	<u>65,000</u>	<u>17,326</u>	<u>7,507</u>	<u>61,719</u>	<u>1,028,154</u>	<u>1,928,912</u>

* Mr Peter Tonagh was appointed as Non-Executive Chairman on 4 January 2021.

** Mr Guy Maine received \$48,750 cash bonus following the Board's assessment of his KPIs for the six-month ending 30 June 2020.

*** Mr David Hancock was appointed as Non-Executive Director on 1 September 2020.

**** Mr Matthew Watson received \$16,250 cash bonus upon achieving his annual KPIs for the six-month ending 30 June 2020. He resigned as Chief Financial Officer, effective 28 July 2020.

	Short-term benefits			Long-term benefits	Post-employment benefits	Share-based payments	Total
	Cash salary and fees \$	Cash bonus \$	Annual leave \$	Long service leave \$	Super-annuation \$	Equity-settled \$	
2020							
<i>Directors:</i>							
Geoffrey Kleemann*	54,760	-	-	-	4,841	56,383	115,984
Guy Maine**	300,000	200,000	35	5,014	47,500	97,889	650,438
Leanne Graham	75,500	-	-	-	-	119,268	194,768
Andrew Dyer***	85,347	-	-	-	9,964	106,620	201,931
<i>Other Key Management Personnel:</i>							
Matthew Watson****	213,750	20,000	3,685	4,962	22,206	48,955	313,558
	<u>729,357</u>	<u>220,000</u>	<u>3,720</u>	<u>9,976</u>	<u>84,511</u>	<u>429,115</u>	<u>1,476,679</u>

* Mr Geoffrey Kleemann was appointed as Non-Executive Director on 1 September 2019, became Interim Chairman on 10 June 2020.

** Mr Guy Maine received \$200,000 cash bonus following the Board's assessment of his performance for the 2019 calendar year.

*** Andrew Dyer retired from the Board, effective 30 June 2020.

**** Matthew Watson resigned as Chief Financial Officer, effective 28 July 2020.

Bill Identity Limited
(Formerly known as BidEnergy Limited)
Directors' report
30 June 2021

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration		At risk - STI		At risk - LTI	
	2021	2020	2021	2020	2021	2020
<i>Non-Executive Directors:</i>						
Peter Tonagh	100%	-	-	-	-	-
Leanne Graham	48%	39%	-	-	52%	61%
Geoffrey Kleemann	53%	51%	-	-	47%	49%
David Hancock	20%	-	-	-	80%	-
Andrew Dyer	-	47%	-	-	-	53%
<i>Executive Directors:</i>						
Guy Maine	38%	54%	5%	31%	57%	15%
<i>Other Key Management Personnel:</i>						
Fionn O'Keeffe	48%	-	-	-	52%	-
Matthew Watson	74%	78%	26%	6%	-	16%

The proportion of the cash bonus paid/payable or forfeited is as follows:

Name	Cash bonus paid/payable		Cash bonus forfeited	
	2021	2020	2021	2020
<i>Executive Directors:</i>				
Guy Maine	65%	67%	35%	33%
<i>Other Key Management Personnel:</i>				
Matthew Watson	65%	80%	35%	20%

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	Guy Maine
Title:	Managing Director
Agreement commenced:	17 January 2018
Term of agreement:	Ongoing
Details:	Mr Maine receives a base salary of \$300,000 per annum plus superannuation.

In addition, Mr Maine is entitled to an annual cash bonus, subject to the achievement of performance milestones, with both the amount and milestones being set by the Board on a yearly basis. For FY2021, Mr Maine's maximum annual cash bonus entitlement was set at \$150,000, subject to a series of defined performance targets.

Either party may terminate the employment by providing the other party with three (3) months written notice.

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Name: Fionn O'Keeffe
Title: Chief Financial Officer (appointed 23 November 2020)
Agreement commenced: 23 November 2020
Term of agreement: Ongoing
Details: Mr O'Keeffe receives a base salary of \$250,000 per annum plus superannuation.

In addition, Mr O'Keeffe is entitled to an annual cash bonus, subject to the achievement of performance milestones, with both the amount and milestones being set by the Board on a yearly basis. For FY2021, Mr O'Keeffe's maximum annual cash bonus entitlement was set at \$100,000, subject to a series of defined performance targets.

Either party may terminate the employment by providing the other party with two (2) months written notice.

Name: Matthew Watson
Title: Chief Financial Officer (resigned on 28 July 2020)
Agreement commenced: 10 October 2016
Term of agreement: Ongoing
Details: Mr Watson receives a base salary of \$225,000 per annum plus superannuation.

In addition, Mr Watson is entitled to a maximum annual cash bonus up to \$25,000 or such other amount as specified by the Board each year, and subject to the achievement of performance targets as defined by the Board.

The Company may terminate the employment agreement by providing Mr Watson with 12 weeks written notice, whilst Mr Watson may resign on giving one month notice.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares

There were no shares issued to Directors and other key management personnel as part of compensation during the year ended 30 June 2021.

Options

The terms and conditions of each grant of options over ordinary shares affecting remuneration of Directors and other key management personnel in this financial year or future reporting years are as follows:

Name	Class	Number of options granted	Grant date	Vesting and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
Guy Maine	Class J	1,505,883	17/01/2018	Various	16/01/2022	\$0.13	\$0.008
Leanne Graham	Class K	294,118	27/11/2018	Various	26/11/2022	\$1.19	\$0.475
Guy Maine	Class M	300,000	03/12/2019	Various	29/01/2023	\$1.93	\$0.189
Guy Maine	Class N	180,447	03/12/2019	30/08/2020	14/10/2023	\$0.85	\$0.276
Leanne Graham	Class N	208,208	03/12/2019	03/12/2019	14/10/2023	\$0.85	\$0.271
Geoffrey Kleemann	Class N	208,208	03/12/2019	03/12/2019	14/10/2023	\$0.85	\$0.271
Guy Maine	Class Q	1,000,000	10/12/2020	Various	17/08/2024	\$1.26	\$0.699
Leanne Graham	Class T	300,000	08/12/2020	Various	08/12/2024	\$1.74	\$0.645
Geoffrey Kleemann	Class T	375,000	08/12/2020	Various	08/12/2024	\$1.74	\$0.645
David Hancock	Class T	300,000	08/12/2020	Various	08/12/2024	\$1.74	\$0.645
David Hancock	Class U	225,000	08/12/2020	01/09/2021	01/09/2024	\$1.46	\$0.666
Fionn O'Keeffe	Class R	650,000	19/02/2021	Various	06/10/2024	\$1.64	\$0.470

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Options granted carry no dividend or voting rights.

Except for the above, there were no options over ordinary shares granted to or vested by Directors and other key management personnel as part of compensation during the year ended 30 June 2021.

Values of options over ordinary shares granted, exercised and lapsed for Directors and other key management personnel as part of compensation during the year ended 30 June 2021 are set out below:

Name	Value of options granted during the year \$	Value of options exercised during the year \$	Value of options lapsed during the year \$	Remuneration consisting of options for the year %
Guy Maine	698,720	38,480	-	57%
Leanne Graham*	193,476	-	6,396	52%
Geoffrey Kleemann*	241,845	-	-	47%
David Hancock	343,290	-	-	80%
Fionn O'Keeffe	305,500	-	-	52%

* During the 2021 financial year, Ms Leanne Graham and Mr Geoffrey Kleemann exercised 17,242 and 51,725 unlisted Class L Options respectively. These options were issued as free attaching options as part of a placement to sophisticated investors in 2020 financial year. Therefore the value of options exercised during the year is nil.

Performance rights

There were no performance rights over ordinary shares issued to Directors and other key management personnel as part of compensation that were outstanding as at 30 June 2021.

Performance rights granted carry no dividend or voting rights.

Additional information

The earnings of the Consolidated Entity for the five years to 30 June 2021 are summarised below:

	2021 \$	2020 \$	2019 \$	2018 \$	2017 \$
Revenue	14,716,250	9,477,989	5,444,338	4,464,293	2,999,867
Net loss before tax	(12,156,853)	(6,892,991)	(6,599,957)	(4,527,522)	(7,378,001)
Net loss after tax	(12,138,510)	(6,910,711)	(6,566,405)	(4,517,631)	(7,185,483)

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2021	2020	2019	2018	2017
Share price at financial year start (\$)	0.62	0.83	0.05	0.02	0.10
Share price at 2019 financial year start - Adjusted for share consolidation (\$)	-	-	0.34	-	-
Share price at financial year end (\$)	0.52	0.62	0.83	0.05	0.02
Basic earnings per share (cents per share)	(8.12)	(5.52)	(6.00)	(0.66)	(2.21)
Diluted earnings per share (cents per share)	(8.12)	(5.52)	(6.00)	(0.66)	(2.21)

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the Company held during the financial year by each Director and other members of key management personnel of the Consolidated Entity, including their personally related parties, is set out below:

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30 June 2021

	Balance at the start of the year	Received as part of exercise of options	Additions	Disposals	Other	Balance at the end of the year
Ordinary shares						
Peter Tonagh*	-	-	28,956	-	-	28,956
Guy Maine	188,525	700,000	19,500	(700,000)	-	208,025
Leanne Graham	217,717	17,242	-	-	-	234,959
Geoffrey Kleemann	201,725	51,725	-	-	-	253,450
David Hancock**	-	-	1,029,713	-	-	1,029,713
Matthew Watson***	119,416	-	-	-	(119,416)	-
	<u>727,383</u>	<u>768,967</u>	<u>1,078,169</u>	<u>(700,000)</u>	<u>(119,416)</u>	<u>1,755,103</u>

* Mr Peter Tonagh was appointed as Non-Executive Chairman on 4 January 2021. He did not hold any fully paid ordinary shares of the Company on his appointment date.

** Mr David Hancock was appointed as Non-Executive Director on 1 September 2020. He did not hold any fully paid ordinary shares of the Company on his appointment date.

*** Mr Matthew Watson resigned as Chief Financial Officer on 28 July 2020. The balance in "Other" column represents his share holding on that date.

Option holding

The number of options over ordinary shares in the Company held during the financial year by each Director and other members of key management personnel of the Consolidated Entity, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Forfeited/ expired/ other	Balance at the end of the year
<i>Options over ordinary shares</i>					
Guy Maine	2,686,330	1,000,000	(700,000)	-	2,986,330
Leanne Graham*	593,098	300,000	(17,242)	(73,530)	802,326
Geoffrey Kleemann	259,933	375,000	(51,725)	-	583,208
David Hancock	-	525,000	-	-	525,000
Fionn O'Keeffe	-	650,000	-	-	650,000
Matthew Watson**	51,127	-	-	(51,127)	-
	<u>3,590,488</u>	<u>2,850,000</u>	<u>(768,967)</u>	<u>(124,657)</u>	<u>5,546,864</u>

* 73,530 Class F options that were previously issued to Ms Leanne Graham lapsed during the year upon expiry.

** Mr Matthew Watson resigned as Chief Financial Officer on 28 July 2020. The balance in "Forfeited/lapsed/other" column represents his option holding on that date.

Performance rights holding

The number of performance rights over ordinary shares in the Company held during the financial year by each Director and other members of key management personnel of the Consolidated Entity, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Other*	Balance at the end of the year
<i>Performance rights over ordinary shares</i>					
Matthew Watson	16,242	-	-	(16,242)	-
	<u>16,242</u>	<u>-</u>	<u>-</u>	<u>(16,242)</u>	<u>-</u>

* Mr Matthew Watson resigned as Chief Financial Officer on 28 July 2020. The balance in "Other" column represents his performance right holding on that date.

This concludes the remuneration report, which has been audited.

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Shares under option

Unissued ordinary shares of Bill Identity Limited under option at the date of this report are as follows:

Class	Grant date	Expiry date	Exercise price	Number under option
Unlisted Class E	24/11/2016	24/11/2021	\$0.476	189,159
Unlisted Class J	17/01/2018	16/01/2022	\$0.136	1,505,883
Unlisted Class K	27/11/2018	26/11/2022	\$1.190	441,177
Unlisted Class M	03/12/2019	29/01/2023	\$1.930	300,000
Unlisted Class N	03/12/2019	14/10/2023	\$0.850	596,863
Unlisted Class P	10/02/2020	07/02/2024	\$1.700	204,507
Unlisted Class Q	17/08/2020	17/08/2024	\$1.260	2,300,000
Unlisted Class R	06/10/2020	06/10/2024	\$1.640	800,000
Unlisted Class R	23/10/2020	06/10/2024	\$1.640	650,000
Unlisted Class R	19/02/2021	06/10/2024	\$1.640	650,000
Unlisted Class S	09/10/2020	29/09/2024	\$1.550	650,000
Unlisted Class T	10/12/2020	08/12/2024	\$1.740	975,000
Unlisted Class U	10/12/2020	01/09/2024	\$1.460	225,000
				<u>9,487,589</u>

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate.

Shares issued on the exercise of options

The following ordinary shares of Bill Identity Limited were issued during the year ended 30 June 2021 and up to the date of this report on the exercise of options granted:

Date options granted	Class	Exercise price	Number of shares issued
24/11/2016	Unlisted Class E options	\$0.476	94,578
08/08/2017	Unlisted Class G options	\$0.204	882,353
08/08/2017	Unlisted Class H options	\$0.306	882,353
08/08/2017	Unlisted Class I options	\$0.408	1,250,000
19/01/2018	Unlisted Class J options	\$0.136	700,000
08/11/2019	Unlisted Class L options	\$0.750	8,605,412
03/12/2019	Unlisted Class N options	\$0.850	79,595
			<u>12,494,291</u>

Shares under restricted stock units

Unissued ordinary shares of Bill Identity Limited under restricted stock units ("RSUs") at the date of this report are as follows:

Class	Grant date	Expiry	Exercise price	Number of RSUs
Unlisted Class D	06/10/2020	01/10/2023	-	<u>256,746</u>

Shares issued on the conversion of restricted stock units

The following ordinary shares of Bill Identity Limited were issued during the year ended 30 June 2021 and up to the date of this report on the conversion of restricted stock units:

Bill Identity Limited
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Directors' report
30 June 2021

Date restricted share units granted	Class	Conversion price	Number of shares issued
08/04/2020	Unlisted Class B restricted stock units	-	283,839
12/06/2020	Unlisted Class C restricted stock units	-	68,625
			<u>352,464</u>

Shares under performance rights

Unissued ordinary shares of Bill Identity Limited under performance rights at the date of this report are as follows:

Class	Grant date	Expiry date	Exercise price	Number under rights
Unlisted Class N	06/10/2020	01/10/2023	-	557,558
Unlisted Class O	06/10/2020	01/10/2023	-	102,780
Unlisted Class P	06/10/2020	01/10/2023	-	93,458
				<u>753,796</u>

No person entitled to exercise the performance rights had or has any right by virtue of the performance right to participate in any share issue of the Company or of any other body corporate.

Shares issued on the exercise of performance rights

The following ordinary shares of Bill Identity Limited were issued during the year ended 30 June 2021 and up to the date of this report on the exercise of performance rights granted:

Date performance rights granted	Class	Exercise price	Number of shares issued
05/08/2019	Unlisted Class F	-	110,000
25/03/2020	Unlisted Class G	-	161,606
08/04/2020	Unlisted Class H	-	554,930
08/04/2020	Unlisted Class I	-	91,617
12/05/2020	Unlisted Class J	-	105,887
12/06/2020	Unlisted Class K	-	148,969
12/06/2020	Unlisted Class L	-	54,651
13/07/2020	Unlisted Class M	-	174,424
			<u>1,402,084</u>

Indemnity and insurance of officers

The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

**Bill Identity Limited
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Directors' report
30 June 2021**

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Non-audit services

There were no non-audit services provided during the financial year by the auditor.

Officers of the Company who are former partners of RSM Australia Partners

There are no officers of the Company who are former partners of RSM Australia Partners.

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.

Auditor

RSM Australia Partners continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors



Peter Tonagh
Non-Executive Chairman

31 August 2021

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Bill Identity Limited for the year ended 30 June 2021, 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 audit; and
- (ii) any applicable code of professional conduct in relation to the audit.



RSM AUSTRALIA PARTNERS



B Y CHAN
Partner

Dated: 31 August 2021
Melbourne, Victoria

Bill Identity Limited
(Formerly known as BidEnergy Limited)
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2021

	Note	Consolidated 2021 \$	2020 \$
Revenue	5	14,592,664	9,387,568
Other income	6	123,586	90,421
Expenses			
Third party support and development costs		(4,085,222)	(2,011,549)
Depreciation and amortisation expense	7	(1,527,763)	(1,059,315)
Employee benefits expense		(13,827,423)	(7,939,874)
Share based payments	40	(4,027,068)	(2,166,962)
Administration expense		(1,798,618)	(1,753,472)
Software expense		(827,284)	(219,686)
Marketing expense		(428,227)	(374,719)
Occupancy expense		(286,964)	(628,401)
Travel expense		(32,328)	(211,587)
Finance costs	7	(32,206)	(5,415)
Loss before income tax (expense)/benefit		(12,156,853)	(6,892,991)
Income tax (expense)/benefit	8	18,343	(17,720)
Loss after income tax (expense)/benefit for the year attributable to the owners of Bill Identity Limited		(12,138,510)	(6,910,711)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		(205,857)	19,758
Other comprehensive income for the year, net of tax		(205,857)	19,758
Total comprehensive income for the year attributable to the owners of Bill Identity Limited		<u>(12,344,367)</u>	<u>(6,890,953)</u>
		Cents	Cents
Basic earnings per share	39	(8.12)	(5.52)
Diluted earnings per share	39	(8.12)	(5.52)

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 30 June 2021

	Note	Consolidated 2021 \$	2020 \$
Assets			
Current assets			
Cash and cash equivalents	9	16,454,969	8,295,916
Trade and other receivables	10	1,261,159	470,050
Financial assets at amortised cost		37,500	37,500
Right-of-use assets		-	36,196
Other current assets	11	956,363	165,202
Total current assets		<u>18,709,991</u>	<u>9,004,864</u>
Non-current assets			
Property, plant and equipment	12	247,591	45,843
Right-of-use assets	13	973,324	-
Intangibles	14	14,612,781	2,464,748
Other	15	128,809	30,482
Total non-current assets		<u>15,962,505</u>	<u>2,541,073</u>
Total assets		<u>34,672,496</u>	<u>11,545,937</u>
Liabilities			
Current liabilities			
Trade and other payables	16	2,849,128	1,129,279
Borrowings	17	304,207	101,735
Lease liabilities	18	397,693	38,186
Employee benefits	19	889,619	526,665
Other	20	2,461,661	362,375
Total current liabilities		<u>6,902,308</u>	<u>2,158,240</u>
Non-current liabilities			
Borrowings	21	218,838	249,556
Lease liabilities	22	552,649	-
Deferred tax liabilities		92,504	134,574
Employee benefits	23	133,503	136,449
Make good provision		32,923	-
Total non-current liabilities		<u>1,030,417</u>	<u>520,579</u>
Total liabilities		<u>7,932,725</u>	<u>2,678,819</u>
Net assets		<u>26,739,771</u>	<u>8,867,118</u>
Equity			
Issued capital	24	64,802,437	37,006,753
Reserves	25	3,912,088	1,882,635
Accumulated losses		<u>(41,974,754)</u>	<u>(30,022,270)</u>
Total equity		<u>26,739,771</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 year ended 30 June 2021

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 expense for the year	-	(6,910,711)	-	(6,910,711)
Other comprehensive income for the year, net of tax	-	-	19,758	19,758
Total comprehensive income for the year	-	(6,910,711)	19,758	(6,890,953)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 24)	6,290,365	-	-	6,290,365
Share-based payments (note 40)	153,126	-	2,013,836	2,166,962
Transfers	-	410,122	(410,122)	-
Exercise of options	1,310,845	-	-	1,310,845
Conversion of performance rights	1,759,647	-	(1,759,647)	-
Conversion of restricted share units	1,695,340	-	(1,695,340)	-
Balance at 30 June 2020	<u>37,006,753</u>	<u>(30,022,270)</u>	<u>1,882,635</u>	<u>8,867,118</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
Adjustment for other income earned in prior year	-	50,012	-	50,012
Balance at 1 July 2020 - restated	37,006,753	(29,972,258)	1,882,635	8,917,130
Loss after income tax benefit for the year	-	(12,138,510)	-	(12,138,510)
Other comprehensive income for the year, net of tax	-	-	(205,857)	(205,857)
Total comprehensive income for the year	-	(12,138,510)	(205,857)	(12,344,367)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 24)	14,670,465	-	-	14,670,465
Share-based payments (note 40)	-	-	4,027,068	4,027,068
Exercise of options	7,575,832	-	(31,797)	7,544,035
Conversion of performance rights and restricted stock units	1,064,174	-	(1,064,174)	-
Shares issued for Optima acquisition	3,925,440	-	-	3,925,440
Transfers	559,773	136,014	(695,787)	-
Balance at 30 June 2021	<u>64,802,437</u>	<u>(41,974,754)</u>	<u>3,912,088</u>	<u>26,739,771</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 year ended 30 June 2021

	Note	Consolidated 2021 \$	2020 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		15,787,841	9,858,629
Payments to suppliers and employees (inclusive of GST)		(21,473,902)	(13,032,031)
Receipts from other government grants		78,348	50,000
Interest received		24,172	35,005
Interest and other finance costs paid		(48,292)	-
Net cash used in operating activities	36	(5,631,833)	(3,088,397)
Cash flows from investing activities			
Payments for property, plant and equipment	12	(190,896)	(32,981)
Payments for intangibles (capitalised development costs)	14	(1,920,730)	(1,162,580)
Cash paid for business acquisition, net of cash acquired	33	(5,580,909)	-
Cash paid for business acquisition, cost reduction earn out	33	(451,532)	-
Payments for security deposits		(102,367)	(51,024)
Proceeds from sale of plant and equipment		11,555	-
Net cash used in investing activities		(8,234,879)	(1,246,585)
Cash flows from financing activities			
Proceeds from issue of shares	24	23,054,278	8,709,993
Share issue costs		(829,535)	(500,096)
Proceeds from borrowings		194,397	371,931
Repayment of lease liabilities		(246,047)	(147,559)
Net cash from financing activities		22,173,093	8,434,269
Net increase in cash and cash equivalents		8,306,381	4,099,287
Cash and cash equivalents at the beginning of the financial year		8,295,916	4,198,978
Effects of exchange rate changes on cash and cash equivalents		(147,328)	(2,349)
Cash and cash equivalents at the end of the financial year	9	<u>16,454,969</u>	<u>8,295,916</u>

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
30 June 2021

Note 1. General information

The financial statements cover Bill Identity Limited as a Consolidated Entity consisting of Bill Identity Limited and the entities it controlled at the end of, or during, the year. 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:

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 31 August 2021. The Directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Consolidated Entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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

The following Accounting Standards and Interpretations are most relevant to the Consolidated Entity:

Conceptual Framework for Financial Reporting (Conceptual Framework)

The Consolidated Entity has adopted the revised Conceptual Framework from 1 July 2020. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the Consolidated Entity's financial statements.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Consolidated Entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Note 2. Significant accounting policies (continued)

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Consolidated Entity only. Supplementary information about the Parent Entity is disclosed in note 32.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Bill Identity Limited ('Company' or 'Parent Entity') as at 30 June 2021 and the results of all subsidiaries for the year then ended. Bill Identity Limited and its subsidiaries together are referred to in these financial statements as the 'Consolidated Entity'.

Subsidiaries are all those entities over which the Consolidated Entity has control. The Consolidated Entity controls an entity when the Consolidated Entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Consolidated Entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Consolidated Entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Consolidated Entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Consolidated Entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Consolidated Entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Foreign currency translation

The financial statements are presented in Australian dollars, which is Bill Identity Limited's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Note 2. Significant accounting policies (continued)

Revenue recognition

The Consolidated Entity recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Consolidated Entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Consolidated Entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Platform subscription fees

Platform subscription fee revenue is recognised over the period to which the customer receives services, once the performance obligations are satisfied and there is a valid sales contract. Amounts disclosed as revenue are net of sales returns and trade discounts.

US energy rebate revenue

US energy rebate revenue is recognised at the point where cash rebates are received from utility providers, the performance obligations are satisfied and there is a valid sales contract. Amounts disclosed as revenue are net of sales returns and trade discounts.

Non-subscription revenue

Non-subscription revenue from energy spend review services is recognised by reference to the stage of completion of the contracts.

Stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours for each contract. Where the contract outcome cannot be reliably estimated, revenue is only recognised to the extent of the recoverable costs incurred to date.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Note 2. Significant accounting policies (continued)

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Consolidated Entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Consolidated Entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Consolidated Entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Note 2. Significant accounting policies (continued)

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Consolidated Entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Impairment of financial assets

The Consolidated Entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Consolidated Entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Computer equipment	2-5 years
Office equipment	2-5 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Consolidated Entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Note 2. Significant accounting policies (continued)

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Consolidated Entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Consolidated Entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Goodwill

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Customer lists

Customer lists acquired in a business combination are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 7.5 years.

Software

Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 2 - 5 years.

Software development costs are capitalised at the direct costs incurred and amortised on a straight line basis over the period of their expected benefit being their finite life of 2-3 years. Amortisation starts at the time that the technology is activated and issued by both internal and external customers. The capitalised costs include the direct costs of internal staff and any supporting software acquired from a third party.

Brand

The brand of an entity arises on the acquisition of a business. The brand is amortised on a straight-line basis over the period of their expected benefit, being their finite life of 7.5 years.

Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Consolidated Entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 2. Significant accounting policies (continued)

Deferred revenue

Deferred revenue relates to the deferred portion of revenue from contracts with customers where the contract term extends past the balance date. Revenue is released from the statement of financial position and recognised in the statement of profit or loss and other comprehensive income when the services have been delivered. The remaining performance obligations are expected to be satisfied within 1 year.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Consolidated Entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled. Where annual leave is not expected to be wholly settled within 12 months of the reporting date it is considered to be a long-term employee benefit.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be wholly settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

Note 2. Significant accounting policies (continued)

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Consolidated Entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Consolidated Entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Consolidated Entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Issued capital

Ordinary shares are classified as equity.

Note 2. Significant accounting policies (continued)

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the Consolidated Entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Consolidated Entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the Consolidated Entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Bill Identity Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Note 2. Significant accounting policies (continued)

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Rounding of amounts

The Company is 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 dollar.

Funds held in trust

The Consolidated Entity holds funds and pays utility bills on behalf of its clients. These funds do not meet the definition of an asset, therefore it is not recognised in the statement of financial position.

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 annual reporting period ended 30 June 2021. The Consolidated Entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Consolidated Entity based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Consolidated Entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Consolidated Entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Share-based payment transactions

The Consolidated Entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Estimation of useful lives of assets

The Consolidated Entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Goodwill and other indefinite life intangible assets

The Consolidated Entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 2. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The Consolidated Entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Consolidated Entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Income tax

The Consolidated Entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Consolidated Entity recognises liabilities for anticipated tax audit issues based on the Consolidated Entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the Consolidated Entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Employee benefits provision

As discussed in note 2, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Note 4. 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.

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 Combined entity.

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Note 4. Operating segments (continued)

Types of products and services

The principal continuing activities of the entity consisted of carrying on its business as a provider of energy spend 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.

Intersegment transactions

Intersegment transactions were made at market rates. These transactions relate to internal services provided by Australian head office to overseas subsidiaries. Intersegment transactions are eliminated on consolidation.

Operating segment information

Consolidated - 2021	Australia \$	UK \$	USA \$	Total \$
Revenue				
Platform subscription fees	6,210,260	2,613,592	1,011,291	9,835,143
Non-subscription revenue	-	-	-	-
US energy rebate revenue	-	-	4,757,521	4,757,521
Total revenue	6,210,260	2,613,592	5,768,812	14,592,664
Intersegment sales/management charges	3,385,198	(1,398,245)	(1,986,953)	-
Third party support and development costs	(2,908,988)	(333,695)	(997,307)	(4,239,990)
Administration expense	(1,213,936)	(226,686)	(357,996)	(1,798,618)
Employee benefits expense	(9,388,274)	(2,618,931)	(3,586,180)	(15,593,385)
Capitalised labour (software)	1,727,640	193,090	-	1,920,730
Software expense	(567,955)	(206,501)	(52,828)	(827,284)
Marketing expense	(169,472)	(65,894)	(192,861)	(428,227)
Travel expense	(16,247)	(3,283)	(12,798)	(32,328)
Occupancy expense	(163,744)	(87,715)	(35,505)	(286,964)
Total operating expenses	(12,700,976)	(3,349,615)	(5,235,475)	(21,286,066)
Underlying EBITDA from core operations	(3,105,518)	(2,134,268)	(1,453,616)	(6,693,402)
Depreciation and amortisation	(1,306,172)	(33,843)	(187,748)	(1,527,763)
Share based payments	(4,027,068)	-	-	(4,027,068)
Interest – other	28,571	1,265	3,318	33,154
Other income	31,157	59,275	-	90,432
Finance costs	(25,388)	(1,465)	(5,353)	(32,206)
Loss before income tax benefit for the year	(8,404,418)	(2,109,036)	(1,643,399)	(12,156,853)
Income tax benefit	-	1,745	16,598	18,343
Loss after income tax benefit for the year attributable to the owners of Bill Identity Limited	(8,404,418)	(2,107,291)	(1,626,801)	(12,138,510)

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Note 4. Operating segments (continued)

Consolidated - 2020	Australia \$	UK \$	USA \$	Total \$
Revenue				
Platform subscription fees	4,302,914	225,742	338,651	4,867,307
Non-subscription revenue	94,485	-	5,023	99,508
US energy rebate revenue	-	-	4,420,753	4,420,753
Total revenue	4,397,399	225,742	4,764,427	9,387,568
Intersegment sales/management charges	1,304,237	(669,054)	(635,183)	-
Third party support and development costs	(1,756,774)	(126,131)	(128,644)	(2,011,549)
Administration expense	(1,406,188)	(58,691)	(288,593)	(1,753,472)
Employee benefits expense	(6,035,958)	(633,178)	(2,433,318)	(9,102,454)
Capitalised labour (software)	1,162,580	-	-	1,162,580
Software expense	(179,581)	(4,429)	(35,676)	(219,686)
Marketing expense	(116,389)	(15,493)	(242,837)	(374,719)
Travel expense	(137,244)	(41,250)	(33,093)	(211,587)
Occupancy expense	(550,231)	(26,201)	(51,969)	(628,401)
Total operating expenses	(9,019,785)	(905,373)	(3,214,130)	(13,139,288)
Underlying EBITDA from core operations	(3,318,149)	(1,348,685)	915,114	(3,751,720)
Government grants	50,000	-	-	50,000
Depreciation and amortisation	(834,582)	(964)	(223,769)	(1,059,315)
Share based payments	(2,166,962)	-	-	(2,166,962)
Interest – other	36,958	-	3,463	40,421
Finance costs	(2,480)	-	(2,935)	(5,415)
Loss before income tax benefit for the year	(6,235,215)	(1,349,649)	691,873	(6,892,991)
Income tax expense	-	-	(17,720)	(17,720)
Loss after income tax expense for the year attributable to the owners of Bill Identity Limited	(6,235,215)	(1,349,649)	674,153	(6,910,711)

Note 5. Revenue

	Consolidated	
	2021 \$	2020 \$
<i>Revenue from contracts with customers</i>		
Platform subscription fees	9,835,143	4,867,307
Non-subscription revenue	-	99,508
US energy rebate revenue	4,757,521	4,420,753
Revenue	14,592,664	9,387,568

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Note 5. Revenue (continued)

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	Consolidated	
	2021	2020
	\$	\$
<i>Major product lines</i>		
Platform subscription fees	9,835,143	4,867,307
Non-subscription revenue	-	99,508
US energy rebate revenue	4,757,521	4,420,753
	<u>14,592,664</u>	<u>9,387,568</u>
<i>Geographical regions</i>		
Australia	6,210,260	4,397,399
USA	5,768,812	4,764,427
UK	2,613,592	225,742
	<u>14,592,664</u>	<u>9,387,568</u>
<i>Timing of revenue recognition</i>		
Services transferred over time	9,835,143	4,867,307
Services transferred at point in time	4,757,521	4,520,261
	<u>14,592,664</u>	<u>9,387,568</u>

Note 6. Other income

	Consolidated	
	2021	2020
	\$	\$
Interest	33,154	40,421
Grant income	-	50,000
Other	90,432	-
Other income	<u>123,586</u>	<u>90,421</u>

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Note 7. Expenses

	Consolidated	
	2021	2020
	\$	\$
Loss before income tax includes the following specific expenses:		
<i>Depreciation</i>		
Computer equipment	72,850	10,212
Office equipment	30,081	19,689
Buildings right-of-use assets	272,954	111,363
Motor vehicles right-of-use assets	3,411	-
Total depreciation	<u>379,296</u>	<u>141,264</u>
<i>Amortisation</i>		
Software	1,094,372	832,072
Brands	40,702	64,691
Customer List	13,393	21,288
Total amortisation	<u>1,148,467</u>	<u>918,051</u>
Total depreciation and amortisation	<u>1,527,763</u>	<u>1,059,315</u>
<i>Finance costs</i>		
Interest on insurance funding	10,143	2,480
Interest and finance charges paid/payable on lease liabilities	22,063	2,935
Total finance costs	<u>32,206</u>	<u>5,415</u>
<i>Net foreign exchange (gain)/loss</i>		
Net foreign exchange (gain)/loss	<u>(55,298)</u>	<u>38,975</u>
<i>Leases</i>		
Short-term lease payments	<u>217,563</u>	<u>539,908</u>
<i>Superannuation expense</i>		
Defined contribution superannuation expense	<u>1,021,022</u>	<u>504,791</u>

Note 8. Income tax expense/(benefit)

	Consolidated	Consolidated
	2021	2020
	\$	\$
<i>Numerical reconciliation of income tax expense/(benefit) and tax at the statutory rate</i>		
Loss before income tax (expense)/benefit	(12,156,853)	(6,892,991)
Tax at the statutory tax rate of 26% (2020: 27.5%)	(3,160,782)	(1,895,573)
Non-deductible expenses	1,051,681	597,715
Impact of change in tax rate	(25,960)	-
Unrecognised income tax benefit in respect of current year losses	2,010,566	1,339,877
Amount not brought to account as deferred tax asset in the current year	98,535	(28,269)
Reduction in deferred tax liabilities	(42,070)	(31,145)
Other amounts not recognised relating to foreign exchange	49,687	48,865
Other - ATO Cashflow Boost	-	(13,750)
Income tax expense/(benefit)	<u>(18,343)</u>	<u>17,720</u>

	Consolidated	Consolidated
	2021	2020
	\$	\$
<i>Tax losses not recognised</i>		
Unused tax losses for which no deferred tax asset has been recognised	25,172,032	17,496,316
Potential tax benefit @ 26% (2020: 27.5%)	6,544,728	4,811,487

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed, and the Company earns sufficient taxable profit to absorb the losses.

	Consolidated	Consolidated
	2021	2020
	\$	\$
<i>Deferred tax assets not recognised</i>		
Deferred tax assets not recognised comprises temporary differences attributable to:		
Employee entitlements	274,572	151,691
Capital raising costs	306,607	253,492
Other	167,645	76,155
Tax losses	6,544,728	4,811,487
Less deferred tax liability not recognised - prepayments	(3,374)	(5,413)
Net deferred tax assets not recognised	<u>7,290,178</u>	<u>5,287,412</u>

The above potential tax benefit, which includes tax losses, for deductible temporary differences has not been recognised in the statement of financial position as the recovery of this benefit is uncertain.

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Note 9. Current assets - cash and cash equivalents

	Consolidated	Consolidated
	2021	2020
	\$	\$
Cash at bank	2,954,969	4,295,916
Cash on deposit	13,500,000	4,000,000
	<u>16,454,969</u>	<u>8,295,916</u>

Note 10. Current assets - trade and other receivables

	Consolidated	Consolidated
	2021	2020
	\$	\$
Trade receivables	<u>1,261,159</u>	<u>470,050</u>

Due to the short term nature of the receivables, their carrying value is assumed to approximate their fair value. No collateral or security is held. The consolidated entity has financial risk management policies in place to ensure that all receivable are received within the credit time frame.

Allowance for expected credit losses

The Consolidated Entity has recognised a loss of \$25,495 in profit or loss in respect of the expected credit losses for the year ended 30 June 2021 (2020: \$4,000).

Note 11. Current assets - other current assets

	Consolidated	Consolidated
	2021	2020
	\$	\$
Prepayments	812,261	74,544
Security deposits	29,223	90,550
Other	114,879	108
	<u>956,363</u>	<u>165,202</u>

Note 12. Non-current assets - property, plant and equipment

	Consolidated	Consolidated
	2021	2020
	\$	\$
Computer equipment - at cost	236,232	39,603
Less: Accumulated depreciation	(88,694)	(15,844)
	<u>147,538</u>	<u>23,759</u>
Office equipment - at cost	233,964	125,914
Less: Accumulated depreciation	(133,911)	(103,830)
	<u>100,053</u>	<u>22,084</u>
	<u>247,591</u>	<u>45,843</u>

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Note 12. Non-current assets - property, plant and equipment (continued)

Reconciliations

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

Consolidated	Office Equipment At cost \$	Computer Equipment At cost \$	Total \$
Balance at 1 July 2019	21,020	19,494	40,514
Additions	18,856	14,125	32,981
Disposals	(394)	-	(394)
Foreign exchange differences	2,291	352	2,643
Depreciation expense	(19,689)	(10,212)	(29,901)
Balance at 30 June 2020	22,084	23,759	45,843
Additions	102,380	88,516	190,896
Additions through business combinations (note 33)	3,946	105,902	109,848
Foreign exchange differences	1,724	2,211	3,935
Depreciation expense	(30,081)	(72,850)	(102,931)
Balance at 30 June 2021	<u>100,053</u>	<u>147,538</u>	<u>247,591</u>

Note 13. Non-current assets - right-of-use assets

	Consolidated	
	2021	2020
	\$	\$
Buildings - right-of-use	1,324,189	-
Less: Accumulated depreciation	(368,982)	-
	<u>955,207</u>	<u>-</u>
Motor vehicles - right-of-use	21,528	-
Less: Accumulated depreciation	(3,411)	-
	<u>18,117</u>	<u>-</u>
	<u>973,324</u>	<u>-</u>

Additions to the right-of-use assets during the year were \$1,344,852.

The Consolidated Entity leases buildings for its offices under agreements of between 2 to 3 years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated. The Consolidated Entity also leases motor vehicle under agreement of between three to seven years.

The Consolidated Entity leases office equipment under agreements of less than 2 years. These leases are either short-term or low-value, so have been expensed as incurred and not capitalised as right-of-use assets.

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Note 14. Non-current assets - intangibles

	Consolidated	
	2021	2020
	\$	\$
Goodwill - at cost	12,138,591	706,918
Customer list - at cost	146,628	159,513
Less: Accumulated amortisation	(89,599)	(76,206)
	<u>57,029</u>	<u>83,307</u>
Software - at cost	5,250,433	3,333,561
Less: Accumulated amortisation	(3,006,609)	(1,912,236)
	<u>2,243,824</u>	<u>1,421,325</u>
Brand - at cost	445,621	484,780
Less: Accumulated amortisation	(272,284)	(231,582)
	<u>173,337</u>	<u>253,198</u>
	<u><u>14,612,781</u></u>	<u><u>2,464,748</u></u>

Reconciliations

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

	Goodwill	Software	Brands	Customer Lists	Total
	\$	\$	\$	\$	\$
Consolidated					
Balance at 1 July 2019	693,472	1,090,474	311,779	102,584	2,198,309
Capitalised development costs	-	1,162,580	-	-	1,162,580
Foreign exchange differences	13,446	343	6,110	2,011	21,910
Amortisation	-	(832,072)	(64,691)	(21,288)	(918,051)
	<u>706,918</u>	<u>1,421,325</u>	<u>253,198</u>	<u>83,307</u>	<u>2,464,748</u>
Balance at 30 June 2020	706,918	1,421,325	253,198	83,307	2,464,748
Additions through business combinations (note 33)	11,488,774	-	-	-	11,488,774
Capitalised development costs	-	1,920,730	-	-	1,920,730
Foreign exchange differences	(57,101)	(3,859)	(39,159)	(12,885)	(113,004)
Amortisation	-	(1,094,372)	(40,702)	(13,393)	(1,148,467)
	<u>12,138,591</u>	<u>2,243,824</u>	<u>173,337</u>	<u>57,029</u>	<u>14,612,781</u>
Balance at 30 June 2021	<u><u>12,138,591</u></u>	<u><u>2,243,824</u></u>	<u><u>173,337</u></u>	<u><u>57,029</u></u>	<u><u>14,612,781</u></u>

Impairment Testing of Intangible balances

Bid holds intangible balances relating to goodwill and other intangibles purchased as part of the US based energy rebate capture business purchased in November 2016, the Optima business acquired in December 2020 as well as intangible balances relating to developed software for the Bid energy spend management business. The recoverable amount of these intangibles has been determined based on a value in use calculation using separate cash flow projections for the Bid US, Bid UK, and Bid AU cash generating units (CGU's) over a five-year period respectively. Cash flow beyond the five-year forecast are extrapolated using estimated terminal growth rates.

Note 14. Non-current assets - intangibles (continued)

Key assumptions used for value in use calculations

Bid US

The following key assumptions were used in the discounted cashflow model for Bid US goodwill and intangible asset assessment of \$885,486:

- (a) 20.8% pre-tax discount rate;
- (b) 23.5% per annum average projected revenue growth rate;
- (c) 24.7% per annum increase in operating costs and overheads;
- (d) Terminal growth rate of 2% at the end of the forecast period.

The discount rate of 20.8% pre-tax reflects management's estimate of the time value of money and the Consolidated Entity's weighted average cost of capital adjusted for Bid US, the risk-free rate and the volatility of the share price relative to market movements.

Management believes the projected 23.5% revenue growth rate is reasonable and justified, based on known contracts and market conditions.

Results of impairment testing and sensitivity to changes in assumptions

Based on the impairment testing of Bid US goodwill and intangible assets for 2021, there was no requirement to impair intangibles as the recoverable amounts exceed the intangible carrying amounts.

The Consolidated Entity has considered changes in key assumptions that it believes to be reasonably possible. For the Bid US CGU, the recoverable amount exceeds the carrying amount when testing for reasonably possible changes in key assumptions and there is no reasonable possible change in a key assumption that would result in impairment.

Bid UK

The following key assumptions were used in the discounted cashflow model for Optima goodwill of \$11,488,774:

- (a) 16.8% pre-tax discount rate;
- (b) 53.9% per annum average projected revenue growth rate;
- (c) 34.7% per annum increase in operating costs and overheads;
- (d) Terminal growth rate of 2% at the end of the forecast period.

The discount rate of 16.8% pre-tax reflects management's estimate of the time value of money and the Consolidated Entity's weighted average cost of capital adjusted for Optima, the risk-free rate and the volatility of the share price relative to market movements.

Management believes the projected 53.9% revenue growth rate is reasonable and justified, based on known contracts and market conditions.

Results of impairment testing and sensitivity to changes in assumptions

Based on the impairment testing of Optima goodwill for 2021, there was no requirement to impair intangibles as the recoverable amounts exceed the intangible carrying amounts.

The Consolidated Entity has considered changes in key assumptions that it believes to be reasonably possible. For the Optima CGU, the recoverable amount exceeds the carrying amount when testing for reasonably possible changes in key assumptions and there is no reasonable possible change in a key assumption that would result in impairment.

Bid AU

The Consolidated Entity assessed indicators of impairment for its capitalised software in Australia. As at 30 June 2021, the carrying value of capitalised software was \$2,044,652. Management assessed both internal and external information as described in paragraph 12 of AASB 136 *Impairment of Assets*.

Note 14. Non-current assets - intangibles (continued)

Results of assessment of impairment indicators

Based on the impairment testing of Bid capitalised software for 2021, there was no requirement to impair the intangible asset as the recoverable amounts exceed the intangible carrying amounts.

Management believes that other reasonable changes in the key assumptions on which the recoverable amount of Bid's capitalised software is based would not cause the CGU's intangible carrying amount to exceed its recoverable amount.

Note 15. Non-current assets - other

	Consolidated	
	2021	2020
	\$	\$
Security deposits	128,809	30,482

Note 16. Current liabilities - trade and other payables

	Consolidated	
	2021	2020
	\$	\$
Trade payables	845,305	397,362
Accrued expenses	1,077,258	337,867
Other payables	926,565	394,050
	<u>2,849,128</u>	<u>1,129,279</u>

Refer to note 26 for further information on financial instruments.

Note 17. Current liabilities - borrowings

	Consolidated	
	2021	2020
	\$	\$
Promissory notes	304,207	101,735

Refer to note 26 for further information on financial instruments.

On 21 May 2020, BidEnergy Inc entered into the Paycheck Protection Program and took out USD\$242,030 (AUD\$351,291) in promissory note with TD Bank, N.A. The promissory note has a fixed interest rate of 1% and matures 2 years from the date of issue. BidEnergy Inc must pay monthly principal and interest payments on the outstanding principal balance of the loan amortised over the term of the loan, unless otherwise forgiven in whole or part in accordance with the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act").

On 6 April 2021, BidEnergy Inc entered into the Paycheck Protection Program and took out USD\$150,000 (AUD\$194,397) in promissory note with TD Bank, N.A. The promissory note has a fixed interest rate of 1% and matures 5 years from the date of issue. BidEnergy Inc must pay monthly principal and interest payments on the outstanding principal balance of the loan amortised over the term of the loan, unless otherwise forgiven in whole or part in accordance with the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act").

Pursuant to the terms of the CARES Act and any implementing rules and regulations, BidEnergy Inc may apply for the loan to be forgiven by the Small Business Administration ("SBA", an Agency of the United States of America) in whole or in part beginning no sooner than seven (7) weeks from the date of the Note. Any loan balance remaining following forgiveness by the SBA will be fully reamortized over the remaining term of the loan.

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Note 18. Current liabilities - lease liabilities

	Consolidated	
	2021	2020
	\$	\$
Lease liability	397,693	38,186

Refer to note 26 for further information on financial instruments.

Note 19. Current liabilities - employee benefits

	Consolidated	
	2021	2020
	\$	\$
Annual leave	864,124	526,665
Long service leave	25,495	-
	<u>889,619</u>	<u>526,665</u>

Amounts not expected to be settled within the next 12 months

The current provision for employee benefits includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current, since the Consolidated Entity does not have an unconditional right to defer settlement. However, based on past experience, the Consolidated Entity does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

The following amounts reflect leave that is not expected to be taken within the next 12 months:

	Consolidated	
	2021	2020
	\$	\$
Annual leave	284,047	104,626
Long service leave	25,495	-
Total obligations expected to be settled after 12 months	<u>309,542</u>	<u>104,626</u>

Note 20. Current liabilities - other

	Consolidated	
	2021	2020
	\$	\$
Tax liabilities	26,039	48,908
Deferred revenue	982,913	313,467
Earn out provision	1,452,709	-
	<u>2,461,661</u>	<u>362,375</u>

Deferred revenue - Unsatisfied performance obligations

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied at the end of the reporting period was \$982,913 as at 30 June 2021 (\$313,467 as at 30 June 2020) and is expected to be recognised as revenue in future periods as follows:

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Note 20. Current liabilities - other (continued)

	Consolidated	
	2021	2020
	\$	\$
Within 6 months	675,012	143,194
6 to 12 months	307,901	170,273
	<u>982,913</u>	<u>313,467</u>

Note 21. Non-current liabilities - borrowings

	Consolidated	
	2021	2020
	\$	\$
Promissory notes	218,838	249,556

Refer to note 26 for further information on financial instruments.

Refer to note 17 for further information on the nature of promissory notes.

Note 22. Non-current liabilities - lease liabilities

	Consolidated	
	2021	2020
	\$	\$
Lease liability	552,649	-

Refer to note 26 for further information on financial instruments.

Note 23. Non-current liabilities - employee benefits

	Consolidated	
	2021	2020
	\$	\$
Long service leave	133,503	136,449

Note 24. Equity - issued capital

	2021	2020	Consolidated	2020
	Shares	Shares	2021	2020
			\$	\$
Ordinary shares - fully paid	162,722,690	130,717,455	64,802,437	37,006,753

Note 24. Equity - issued capital (continued)

Movements in ordinary share capital

Details	Ordinary shares	\$
Balance as at 1 July 2019	113,770,785	25,797,430
Issue of shares on conversion of Class E performance rights	2,250,198	1,759,647
Issue of shares to employees as an equity-based component of their remuneration	257,354	153,126
Issue of Placement shares	8,750,001	5,075,001
Issue of shares under Share Purchase Plan Offer	2,764,665	1,603,506
Exercise of options	1,851,452	1,310,845
Issue of shares on conversion of Class A restricted share units	1,073,000	1,695,340
Cost of capital raising	-	(388,142)
Balance as at 30 June 2020	130,717,455	37,006,753
Cashless: Issue of shares on conversion of performance rights	1,533,539	1,064,174
Cashless: Exercise of Class N options	79,595	21,554
Cashless: Transfer from share based payments reserve on exercise of options	-	559,773
Cashless: Issues of shares to Optima vendors	3,384,000	3,925,440
Cash: Exercise of options for cash	12,414,696	7,554,278
Cash: Issues of placement shares to a Non-Executive Director	574,713	500,000
Cash: Issue of placement shares to institutional investors	14,018,692	15,000,000
Cash: Cost of capital raising	-	(829,535)
Balance as at 30 June 2021	162,722,690	64,802,437

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.

Capital risk management

The Consolidated Entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Consolidated Entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Consolidated Entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Company's share price at the time of the investment.

The capital risk management policy remains unchanged from the 2020 Annual Report.

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Note 25. Equity - reserves

	Consolidated	
	2021	2020
	\$	\$
Foreign currency reserve	(245,689)	(39,832)
Share based payments reserve	4,157,777	1,922,467
	<u>3,912,088</u>	<u>1,882,635</u>

Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Foreign currency reserve \$	Share based payments reserve \$	Total \$
Balance at 1 July 2019	(59,590)	3,773,740	3,714,150
Foreign currency translation	19,758	-	19,758
Share based payments	-	2,013,836	2,013,836
Transfer to retained earnings	-	(410,122)	(410,122)
Conversion of performance rights	-	(1,759,647)	(1,759,647)
Conversion of restricted share units	-	(1,695,340)	(1,695,340)
Balance at 30 June 2020	(39,832)	1,922,467	1,882,635
Foreign currency translation	(205,857)	-	(205,857)
Transfer to issued capital	-	(559,773)	(559,773)
Share based payments	-	4,027,068	4,027,068
Transfer to retained earnings	-	(136,014)	(136,014)
Conversion of performance rights and restricted stock units	-	(1,064,174)	(1,064,174)
Exercise of options	-	(31,797)	(31,797)
Balance at 30 June 2021	<u>(245,689)</u>	<u>4,157,777</u>	<u>3,912,088</u>

Note 26. Financial instruments

Financial risk management objectives

The Consolidated Entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Consolidated Entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Consolidated Entity. The Consolidated Entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Derivatives are not currently used by the Consolidated Entity for hedging purposes. The Consolidated Entity does not speculate in the trading of derivative instruments.

Risk management is carried out by senior finance executives under policies approved by the Board. These policies include identification and analysis of the risk exposure of the Consolidated Entity and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the Consolidated Entity's operating units. Finance reports to the Board on a monthly basis.

Note 26. Financial instruments (continued)

Market risk

Foreign currency risk

The Consolidated Entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations, in particular United States dollars (US dollar) and British Pounds Sterling (GBP).

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The carrying amount of the Consolidated Entity's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows (holdings are shown in AUD equivalent):

	Assets		Liabilities	
	2021	2020	2021	2020
Consolidated	\$	\$	\$	\$
US dollars	1,537,023	2,177,516	(617,888)	(902,577)
GBP	2,395,968	166,697	(1,519,637)	(847,681)
	<u>3,932,991</u>	<u>2,344,213</u>	<u>(2,137,525)</u>	<u>(1,750,258)</u>

The following tables below illustrate the sensitivity of the net result for the year and equity in regard to the Group's financial assets and financial liabilities compared with the currency on deposit and AUD exchange rate. It assumes a +/- 5% change in the exchange rate for the year ended at 30 June 2021. This percentage has been determined based on average market volatility in exchange rates in the previous 12 months. The sensitivity analysis is based on the Group's foreign currency financial instruments held at each reporting date. This assumes that other variables, in particular interest rates, remain constant.

Consolidated - 2021	% change	AUD strengthened Effect on profit before tax		Effect on equity	% change	AUD weakened Effect on profit before tax		Effect on equity
US dollars	5%	(45,957)		45,957	5%	45,957		(45,957)
GBP	5%	(43,817)		43,817	5%	43,817		(43,817)
		<u>(89,774)</u>		<u>89,774</u>		<u>89,774</u>		<u>(89,774)</u>

Consolidated - 2020	% change	AUD strengthened Effect on profit before tax		Effect on equity	% change	AUD weakened Effect on profit before tax		Effect on equity
US dollars	5%	(63,747)		63,747	5%	63,747		(63,747)
GBP	5%	3,405		(3,405)	5%	(3,405)		3,405
		<u>(60,342)</u>		<u>60,342</u>		<u>60,342</u>		<u>(60,342)</u>

Price risk

The Consolidated Entity is not exposed to any significant price risk.

Interest rate risk

The Consolidated Entity is not exposed to any significant interest rate risk.

Note 26. Financial instruments (continued)

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Consolidated Entity. The Consolidated Entity has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The Consolidated Entity obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Consolidated Entity does not hold any collateral.

The Consolidated Entity has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the Consolidated Entity based on recent sales experience, historical collection rates and forward-looking information that is available.

The Consolidated Entity does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the economic entity.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

Liquidity risk

Liquidity risk arises from the possibility that the Consolidated Entity might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Consolidated Entity manages this risk by preparing forward looking cash flow analysis in relation to its operational, investing and financing activities and monitoring its cash assets and assets readily convertible to cash in the context of its forecast future cash flows.

The Consolidated Entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities

The following tables detail the Consolidated Entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Consolidated - 2021						
Non-derivatives						
<i>Non-interest bearing</i>						
Trade and other payables	-	2,849,129	-	-	-	2,849,129
<i>Interest-bearing - fixed rate</i>						
Promissory notes	1.00%	304,207	107,530	111,308	-	523,045
Lease liability	4.32%	397,693	552,649	-	-	950,342
Total non-derivatives		3,551,029	660,179	111,308	-	4,322,516

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Note 26. Financial instruments (continued)

Consolidated - 2020	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Non-derivatives						
<i>Non-interest bearing</i>						
Trade and other payables	-	1,129,279	-	-	-	1,129,279
<i>Interest-bearing - fixed rate</i>						
Promissory notes	1.00%	101,735	249,556	-	-	351,291
Lease liability	4.32%	38,186	-	-	-	38,186
Total non-derivatives		1,269,200	249,556	-	-	1,518,756

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 27. Key management personnel disclosures

Directors

The following persons were Directors of Bill Identity Limited during the financial year:

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

Other key management personnel

The following persons also had the authority and responsibility for planning, directing and controlling the major activities of the Consolidated Entity, directly or indirectly, during the financial year:

Mr Fionn O'Keeffe	Chief Financial Officer (appointed on 23 November 2020)
Mr Matthew Watson	Chief Financial Officer (resigned on 28 July 2020)

Compensation

The aggregate compensation made to Directors and other members of key management personnel of the Consolidated Entity is set out below:

	Consolidated	
	2021	2020
	\$	\$
Short-term benefits	831,532	953,077
Long-term benefits	7,507	9,976
Post-employment benefits	61,719	84,511
Share-based payments	1,028,154	429,115
	<u>1,928,912</u>	<u>1,476,679</u>

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Note 28. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by RSM Australia Partners, the auditor of the Consolidated Entity:

	Consolidated	
	2021	2020
	\$	\$
<i>Audit services - RSM Australia Partners</i>		
Audit or review of the financial statements	113,090	82,500

Note 29. Contingent assets and liabilities

The Consolidated Entity had no contingent assets or contingent liabilities as at 30 June 2021 (2020: Nil).

Note 30. Commitments

The Consolidated Entity has no capital expenditure commitments as at 30 June 2021 (2020: Nil).

Note 31. Related party transactions

Parent entity

Bill Identity Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 34.

Key management personnel

Disclosures relating to key management personnel are set out in note 27 and the remuneration report included in the Directors' report.

Transactions with related parties

There were no transactions with related parties during the current and previous financial year.

Receivable from and Payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Note 32. Parent entity information

Set out below is the supplementary information about the Parent Entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2021	2020
	\$	\$
Loss after income tax	(4,912,307)	(3,131,830)
Total comprehensive income	(4,912,307)	(3,131,830)

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Note 32. Parent entity information (continued)

Statement of financial position

	Parent	
	2021	2020
	\$	\$
Total current assets	13,565,427	5,759,127
Total assets	48,722,632	22,344,330
Total current liabilities	1,624,322	364,713
Total liabilities	1,624,322	364,713
Equity		
Issued capital	57,333,347	29,537,657
Share based payments reserve	3,880,250	1,644,940
Accumulated losses	(14,115,287)	(9,202,980)
Total equity	47,098,310	21,979,617

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The Parent Entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2020 and 30 June 2021.

Contingent liabilities

The Parent Entity had no contingent liabilities as at 30 June 2020 and 30 June 2021.

Capital commitments - Property, plant and equipment

The Parent Entity had no capital commitments for property, plant and equipment as at 30 June 2020 and 30 June 2021.

Significant accounting policies

The accounting policies of the Parent Entity are consistent with those of the Consolidated Entity, as disclosed in note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 33. 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.

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Note 33. Business combinations (continued)

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
Right of use assets - 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	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 net cash used on acquisition was \$5,580,909, after offsetting \$878,541 cash and cash equivalents acquired.

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.

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.

A payment of \$451,532 (GBP 250,000) was made based on the recurring cost earn out being achieved.

Note 33. Business combinations (continued)

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 \$2,031,621 and net profit of \$89,186 from the date of the acquisition to 30 June 2021. Had the acquisition occurred on 1 July 2020, Optima would have contributed revenue of \$3,416,253 and net profit of \$40,924 for the period ending 30 June 2021.

Note 34. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2021 %	2020 %
Bill Identity (Operations) Pty Ltd (formerly BidEnergy (Operations) Pty Ltd)	Australia	100%	100%
Bill Identity Limited (formerly BidEnergy Limited)	United Kingdom	100%	100%
Bill Identity Inc (formerly BidEnergy Inc)	United States	100%	100%
Optima Energy Management Holdings Limited	United Kingdom	100%	-
Optima Energy Systems Limited	United Kingdom	100%	-
Optima Energy Systems (Europe) Limited	United Kingdom	100%	-

Note 35. Events after the reporting period

On 15 July 2021, the Company issued 221,009 fully paid ordinary shares, which consists of:

- conversion of 127,152 Class H Performance Rights;
- conversion of 22,903 Class I Performance Rights; and
- conversion of 70,954 Class B Restricted Stock Units.

No other matter or circumstance has arisen since 30 June 2021 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.

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Note 36. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated	Consolidated
	2021	2020
	\$	\$
Loss after income tax (expense)/benefit for the year	(12,138,510)	(6,910,711)
Adjustments for:		
Depreciation and amortisation	1,527,763	1,059,315
Foreign exchange differences	(84,844)	25,335
Share based payments	4,027,068	2,166,962
Change in operating assets and liabilities:		
Increase in trade and other receivables	(791,109)	(182,305)
Increase in other assets	(889,488)	(118,863)
Increase in trade and other payable	1,719,849	381,189
Decrease in deferred tax liabilities	(42,070)	(31,145)
Increase in other liabilities	679,500	268,867
Increase in employee benefits	360,008	252,959
Net cash used in operating activities	<u>(5,631,833)</u>	<u>(3,088,397)</u>

Note 37. Non-cash investing and financing activities

	Consolidated	Consolidated
	2021	2020
	\$	\$
Additions to the right-of-use assets	1,344,852	36,196
Shares issued in relation to business combinations	3,925,440	-
Make good provision	32,923	-
	<u>5,303,215</u>	<u>36,196</u>

Note 38. Changes in liabilities arising from financing activities

Consolidated	Promissory	Lease	Total
	notes	liabilities	
	\$	\$	\$
Balance at 1 July 2019	-	-	-
Net cash from/(used in) financing activities	371,931	(147,559)	224,372
Acquisition of leases	-	185,745	185,745
Exchange differences	(20,640)	-	(20,640)
Balance at 30 June 2020	351,291	38,186	389,477
Net cash from/(used in) financing activities	194,397	(246,047)	(51,650)
Acquisition of leases	-	1,158,203	1,158,203
Exchange differences	(22,643)	-	(22,643)
Balance at 30 June 2021	<u>523,045</u>	<u>950,342</u>	<u>1,473,387</u>

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Note 39. Earnings per share

	Consolidated	Consolidated
	2021	2020
	\$	\$
Loss after income tax attributable to the owners of Bill Identity Limited	<u>(12,138,510)</u>	<u>(6,910,711)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>149,403,105</u>	<u>125,211,261</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>149,403,105</u>	<u>125,211,261</u>
	Cents	Cents
Basic earnings per share	(8.12)	(5.52)
Diluted earnings per share	(8.12)	(5.52)

As at 30 June 2021, the Consolidated Entity has 9,487,589 options, 964,992 performance rights and 327,700 restrictive stock units on issue. These equity instruments are considered to be anti-dilutive, as the consolidated entity generated loss after income tax.

Note 40. Share-based payments

Directors, other key management personnel and executive options

As part of KMP and executive remuneration, the Consolidated Entity offers ownership based remuneration in the form of share option plans. The options are issued for nil consideration and are granted in accordance with guidelines established by the Board. Details of share based KMP remuneration is also included in the remuneration report. \$2,540,297 of share based payments expense was recorded in relation to KMP and executive options for the financial year 30 June 2021 (2020: \$470,248).

Set out below are summaries of options on issue to KMPs and executives at financial year end:

2021							
Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
30/11/2016	28/07/2020	\$0.680	73,530	-	-	(73,530)	-
17/01/2018	16/01/2022	\$0.136	2,205,883	-	(700,000)	-	1,505,883
27/11/2018	26/11/2022	\$1.190	441,177	-	-	-	441,177
03/12/2019	29/01/2023	\$1.930	300,000	-	-	-	300,000
03/12/2019	14/10/2023	\$0.850	874,474	-	(79,595)	(198,016)	596,863
10/02/2020	07/02/2024	\$1.700	204,506	-	-	-	204,506
17/08/2020	17/08/2024	\$1.260	-	1,950,000	-	(650,000)	1,300,000
08/12/2020	17/08/2024	\$1.260	-	1,000,000	-	-	1,000,000
06/10/2020	05/10/2024	\$1.640	-	800,000	-	-	800,000
23/10/2020	05/10/2024	\$1.640	-	650,000	-	-	650,000
19/02/2021	05/10/2024	\$1.640	-	650,000	-	-	650,000
29/09/2020	29/09/2024	\$1.550	-	650,000	-	-	650,000
08/12/2020	08/12/2024	\$1.740	-	975,000	-	-	975,000
08/12/2020	01/09/2024	\$1.460	-	225,000	-	-	225,000
			<u>4,099,570</u>	<u>6,900,000</u>	<u>(779,595)</u>	<u>(921,546)</u>	<u>9,298,429</u>
Weighted average exercise price			\$0.621	\$1.477	\$0.209	\$1.126	\$1.241

Bill Identity Limited
(Formerly known as BidEnergy Limited)
Notes to the financial statements
30 June 2021

Note 40. Share-based payments (continued)

On 17 August 2020, the Consolidated Entity issued 1,950,000 Class Q options to three Executives, of which 650,000 was forfeited on 31 December 2020 as the vesting conditions were not met. The plan was valued at \$622,560, using Binomial Valuation method. As at 30 June 2021, \$490,413 has been recognised as share-based payments expense.

On 29 September 2020, the Consolidated Entity issued 650,000 Class S options to an Executive. The plan was valued at \$437,073, using Binomial Valuation method. As at 30 June 2021, \$316,309 has been recognised as share-based payments expense.

On 8 December 2020, the Consolidated Entity issued:

- 1,000,000 Class Q options to the Managing Director. The options were valued at \$698,720, using Binomial Valuation method. As at 30 June 2021, \$483,284 has been recognised as share-based payments expense.
- 975,000 Class T options to three Non-Executive Directors. The options were valued at \$628,797, using Binomial Valuation method. As at 30 June 2021, \$198,444 has been recognised as share-based payments expense.
- 225,000 Class U options to an Executive. The options were valued at \$149,814, using Binomial Valuation method. As at 30 June 2021, \$100,729 has been recognised as share-based payments expense.

During the financial year, the Consolidated Entity issued a total of 2,100,000 Class R options to Executives and a key management personnel. The plan was valued at \$1,213,999, using Binomial Valuation method. As at 30 June 2021, \$852,095 has been recognised as share-based payments expense.

2020							
Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted*	Exercised	Expired/ forfeited/ other	Balance at the end of the year
30/11/2016	28/07/2020	\$0.680	73,530	-	-	-	73,530
17/01/2018	16/01/2022	\$0.136	2,205,883	-	-	-	2,205,883
27/11/2018	26/11/2022	\$1.190	588,236	-	-	(147,059)	441,177
03/12/2019	29/01/2023	\$1.930	-	1,000,000	-	(700,000)	300,000
03/12/2019	14/10/2023	\$0.850	-	971,638	-	(97,164)	874,474
10/02/2020	07/02/2024	\$1.700	-	471,938	-	(267,432)	204,506
			<u>2,867,649</u>	<u>2,443,576</u>	<u>-</u>	<u>(1,211,655)</u>	<u>4,099,570</u>
Weighted average exercise price			\$0.366	\$1.456	-	\$1.703	\$0.621

* On the 3 December 2019, the Consolidated Entity issued:

- 1,000,000 Class M Options to the Managing Director of the Company, of which 700,000 was forfeited on 13 March 2020 as the vesting conditions were not met. The plan was valued at \$189,000, using Binomial Valuation method. As at 30 June 2020, \$37,311 has been recognised as share-based payments
- 277,611 Class N Options to the Managing Director of the Company. The plan was valued at \$76,787, using Binomial Valuation method. As at 30 June 2020, \$38,880 has been recognised as share-based payments.
- 694,027 Class N Options to the Non-Executive Directors of the Company. The plan was valued at \$187,943 using Binomial method. As at 30 June 2020, the full value has been recognised as share-based payments.

On 10 February 2020, the Consolidated Entity issued 471,938 Class P Options to the CTO and CFO of the Company. The plan was valued at \$340,739, using Binomial valuation method. As at 30 June 2020, \$90,089 has been recognised as share based payments.

The weighted average share price during the financial year was \$0.895.

The weighted average remaining contractual life of options outstanding at the end of the financial year was 2.59 years (2020: 2.16 years).

Bill Identity Limited
(Formerly known as BidEnergy Limited)
Notes to the financial statements
30 June 2021

Note 40. Share-based payments (continued)

Set out below are the options exercisable at the end of the financial year:

Class	Grant date	Expiry date	2021 Number	2020 Number
Class F options*	30/11/2016	28/07/2020	-	73,530
Class J options	17/01/2018	16/01/2022	1,505,883	1,838,236
Class K options	27/11/2018	26/11/2022	367,648	220,588
Class M options	03/12/2019	29/01/2023	215,625	103,125
Class N options	03/12/2019	14/10/2023	874,474	694,027
Class P options	10/02/2020	07/02/2024	153,380	102,253
			<u>3,117,010</u>	<u>3,031,759</u>

* Class F options were lapsed during the year upon expiry.

Valuation of options granted during FY21

For the options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Class	Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility %	Risk-free interest rate %	Fair value at grant date
Class Q options	17/08/2020	17/08/2024	\$0.880	\$1.260	92.00%	0.27%	\$0.509
Class Q options	08/12/2020	17/08/2024	\$1.200	\$1.260	86.00%	0.12%	\$0.699
Class R options	06/10/2020	05/10/2024	\$1.230	\$1.640	86.00%	0.17%	\$0.681
Class R options	23/10/2020	05/10/2024	\$1.070	\$1.640	86.00%	0.14%	\$0.559
Class R options	19/02/2021	05/10/2024	\$1.040	\$1.640	80.00%	0.12%	\$0.470
Class S options	29/09/2020	29/09/2024	\$1.200	\$1.550	86.00%	0.17%	\$0.672
Class T options	08/12/2020	08/12/2024	\$1.200	\$1.740	86.00%	0.12%	\$0.645
Class U options	08/12/2020	01/09/2024	\$1.200	\$1.460	86.00%	0.12%	\$0.666

Employee performance rights plan

For the year ended 30 June 2021, \$1,145,269 has been recognised as a share based payment expense in relation to performance rights of employees (2020: \$394,022). Set out below are those performance rights outstanding at the end of the financial year.

Bill Identity Limited
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Notes to the financial statements
30 June 2021

Note 40. Share-based payments (continued)

2021								
Class	Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year*
Class A	01/07/2016	01/07/2020	\$0.85	328,401	-	-	(328,401)	-
Class F	27/05/2019	05/11/2020	\$0.00	110,000	-	(110,000)	-	-
Class G	25/03/2020	25/06/2021	\$0.00	161,606	-	(161,606)	-	-
Class H	08/04/2020	07/04/2023	\$0.00	567,500	24,826	(427,778)	(37,396)	127,152
Class I	08/04/2020	07/04/2021	\$0.00	91,618	-	(68,715)	-	22,903
Class J	12/05/2020	12/05/2021	\$0.00	105,887	-	(105,887)	-	-
Class K	12/06/2020	12/06/2021	\$0.00	148,969	-	(148,969)	-	-
Class L	12/06/2020	12/06/2021	\$0.00	54,651	-	(54,651)	-	-
Class M	13/07/2020	13/07/2021	\$0.00	-	174,424	(174,424)	-	-
Class N	09/10/2020	01/10/2023	\$0.00	-	703,958	-	(85,259)	618,699
Class O	09/10/2020	01/10/2023	\$0.00	-	102,780	-	-	102,780
Class P	29/09/2020	29/09/2023	\$0.00	-	93,458	-	-	93,458
				<u>1,568,632</u>	<u>1,099,446</u>	<u>(1,252,030)</u>	<u>(451,056)</u>	<u>964,992</u>

Weighted average exercise price \$0.85 - - - -

* As at 30 June 2021, none of the performance rights were exercisable.

2020								
Class	Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Class A	01/07/2016	01/07/2020	\$0.85	328,401	-	-	-	328,401
Class E	20/07/2018	20/10/2019	\$0.00	2,250,198	-	(2,250,198)	-	-
Class F	27/05/2019	05/11/2020	\$0.00	110,000	-	-	-	110,000
Class G	25/03/2020	20/06/2021	\$0.00	-	161,606	-	-	161,606
Class H	08/04/2020	07/04/2023	\$0.00	-	873,077	-	(305,577)	567,500
Class I	08/04/2020	07/04/2021	\$0.00	-	140,950	-	(49,332)	91,618
Class J	12/05/2020	12/05/2021	\$0.00	-	105,887	-	-	105,887
Class K	12/06/2020	12/06/2021	\$0.00	-	148,969	-	-	148,969
Class L	12/06/2020	12/06/2021	\$0.00	-	54,651	-	-	54,651
				<u>2,688,599</u>	<u>1,485,140</u>	<u>(2,250,198)</u>	<u>(354,909)</u>	<u>1,568,632</u>

Weighted average exercise price \$0.85 - - - \$0.85

Valuation of performance granted during FY21

For the performance rights granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Class	Grant date	Expiry date	Share price at grant date	Exercise price	Fair value at grant date
Class M	13/07/2020	13/07/2021	\$0.740	-	\$0.740
Class N	09/10/2020	01/10/2023	\$1.235	-	\$1.235
Class O	09/10/2020	01/10/2023	\$1.235	-	\$1.235
Class P	29/09/2020	29/09/2023	\$1.200	-	\$1.200

Note 40. Share-based payments (continued)

Restricted Stock Units

On 8 April 2020, the Consolidated Entity issued 436,677 Class B Unlisted RSUs under the Company's 2020 Restricted Share Units Plan to US employees. Each RSU will automatically vest upon the satisfaction of both performance conditions and Retention conditions. The plan was valued at \$212,879. \$153,396 has been recognised as share-based payments for the year ending 30 June 2021 (2020: \$60,328). As at 30 June 2021, 70,954 Class B Unlisted RSUs were on issue. These RSUs were subsequently converted to fully paid ordinary shares post financial year end.

On 12 June 2020, the Consolidated Entity issued 68,625 Class C Unlisted RSUs under the Company's Employee Incentive Plan. Each RSU will automatically vest upon the satisfaction of retention condition. The plan was valued at \$44,606. As at 30 June 2021, \$35,395 has been recognised as share-based payments (2020: \$9,212). All Class C RSUs were converted to fully paid ordinary shares on 12 September 2020.

On 9 October 2020, the Consolidated Entity issued 279,260 Class D Unlisted RSUs under the Company's Employee Incentive Plan. Each RSU will automatically vest upon the satisfaction of retention condition. The plan was valued at \$279,034. As at 30 June 2021, \$152,711 has been recognised as share-based payments

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

	Consolidated	
	2021	2020
	\$	\$
Performance rights payment	1,145,269	394,022
Restricted Stock Units issued to Bill Identity Inc. employees	341,502	1,149,566
Options payment to Directors, other key management personnel and executives	2,540,297	470,248
Issue of shares to employees	-	153,126
Total share-based payments expense	<u>4,027,068</u>	<u>2,166,962</u>

Note 41. Funds held in trust

The Consolidated Entity holds funds and pays utility bills on behalf of its clients. As at 30 June 2021 the amount held on trust was \$12,946,250 (2020: \$47,280).

**Bill Identity Limited
(Formerly known as BidEnergy Limited)
Directors' declaration
30 June 2021**

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Consolidated Entity's financial position as at 30 June 2021 and of its performance for the financial 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.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Directors



Peter Tonagh
Non-Executive Chairman

31 August 2021

RSM Australia Partners

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INDEPENDENT AUDITOR'S REPORT To the Members of Bill Identity Limited

Opinion

We have audited the financial report of Bill Identity Limited (the Company) and its controlled entities (the Consolidated Entity), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Consolidated Entity is in accordance with the *Corporations Act 2001*, including:

- i. giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- ii. complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Consolidated Entity 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* (the Code) that are relevant to our audit of the 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 the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters (continued.)

Key Audit Matter	How our audit addressed this matter
Revenue Recognition Refer to Note 5 in the financial statements	
Revenue recognition was considered a key audit matter because it is the most significant account balance in the consolidated statement of profit or loss and other comprehensive income. The Consolidated Entity receives revenue from two core income streams, and the accounting for each of these differs.	Our audit procedures in relation to the recognition of revenue included: <ul style="list-style-type: none"> Assessing whether the Consolidated Entity's revenue recognition policies were in compliance with AASB 15 <i>Revenue from Contracts with Customers</i>; Evaluating the operating effectiveness of management's controls related to revenue recognition; Performing substantive analytical review procedures on US energy rebate revenue; Performing detailed testing on a sample of platform subscription fees recognised and assessing the allocation of revenue to the contracts with customers; and Reviewing revenue transactions before and after year-end to ensure that revenue is recognised in the correct period.
Acquisition of Optima Refer to Note 33 in the financial statements	
<p>During the year, the Consolidated Entity acquired 100% of the share capital of Optima Management Holdings Ltd (Optima) and its controlled entities, a UK-based energy management software business.</p> <p>This acquisition was considered a key audit matter as the accounting for the transaction is complex, and involves significant judgements in applying the accounting standards. This includes the recognition and valuation of consideration paid and contingent consideration payable, the determination of the fair value of the tangible assets and liabilities acquired.</p> <p>As at 30 June 2021 the accounting for the acquisition is on a provisional basis and the identification and valuation of intangible assets has not been performed.</p>	Our audit procedure included the below: <ul style="list-style-type: none"> Obtaining the share purchase agreements and other associated documents to understand the key terms and conditions, and ensuring that the transaction had been accounted for in compliance with AASB 3 <i>Business Combinations</i>; Substantively tested the cash consideration and issued capital consideration against relevant supporting documentation (i.e. bank statements, share issue notice); Assessing the valuation of contingent consideration payable in the form of a performance earnout, including managements estimation on the probabilities of achieving earnout targets; Assessing the Group's determination of the fair value of the tangible assets and liabilities acquired, having regard to the completeness of assets and liabilities identified and the reasonableness of any underlying assumptions in their respective valuations; and Assessed the adequacy of the disclosures in respect of the business acquisition to ensure it was in line with AASB3.

Key Audit Matters (continued.)

Key Audit Matter	How our audit addressed this matter
Impairment of goodwill and intangible assets Refer to Note 14 in the financial statements	
<p>The Consolidated Entity has net book value goodwill of \$12,138,591 in respect of the acquisitions of subsidiaries and \$2,474,190 of other intangible assets as at 30 June 2021.</p> <p>We identified this area as a Key Audit Matter due to the size of the balance, and because the directors' assessment of the 'value in use' of the cash generating unit's ("CGU's") involves significant judgements about the future underlying cash flows of the business, discount rates and terminal growth applied.</p> <p>For the year ended 30 June 2021 management performed an impairment assessment of the goodwill and intangible assets balance by:</p> <ul style="list-style-type: none"> Calculating the value in use for the CGU's using a discounted cash flow model. The model used cash flows (revenues, expenses and capital expenditure) for the CGU's for 5 years, with a terminal growth rate applied to the 5th year. The cash flows were then discounted to net present value using the Company's weighted average cost of capital (WACC); and Comparing the resulting value in use of the CGU to its respective book value. <p>Management also performed a sensitivity analysis of the value in use calculations, by varying the WACC and other assumptions used, to assess the impact on the valuation.</p>	<p>Our audit procedures in relation to management's impairment assessment included:</p> <ul style="list-style-type: none"> Assessing management's determination that the goodwill and intangible assets should be allocated to three CGU's based on the nature of the Consolidated Entity's business and the manner in which results are monitored and reported; Assessing the valuation methodology used; Challenging the reasonableness of key assumptions, including the cash flow projections, exchange rates, discount rates, and sensitivities used; Checking the mathematical accuracy of the cash flow model, and reconciling input data to supporting evidence, such as approved budgets and considering the reasonableness of these budgets; and Reviewing the accuracy of disclosures of critical estimates and assumptions in the financial statements in relation to the valuation methodologies.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Consolidated Entity's annual report for the year ended 30 June 2021, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Consolidated Entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Consolidated Entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar2.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Bill Identity Limited, for the year ended 30 June 2021, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



RSM AUSTRALIA PARTNERS



B Y CHAN
Partner

Dated: 31 August 2021
Melbourne, Victoria

Bill Identity Limited
(Formerly known as BidEnergy Limited)
Shareholder information
30 June 2021

The shareholder information set out below was applicable as at 16 August 2021.

1. Quotation

Listed securities in Bill Identity Limited are quoted on the Australian Securities Exchange under ASX code BID (Fully Paid Ordinary Shares).

2. Voting Rights

The voting rights attached to the Fully Paid Ordinary shares of the Company are:

- (a) at a meeting of members or classes of members each member entitled to vote may vote in person or by proxy or by attorney; and
- (b) on a show of hands every person present who is a member has one vote, and on a poll every person present in person or by proxy or attorney has one vote for each ordinary share held.

There are no voting rights attached to any Options, Performance Rights or Restricted Stock Units on issue.

3. Distribution of Shareholders

i) Fully Paid Ordinary Shares

Shares Range	Holders	Units	%
1 – 1,000	609	280,896	0.17
1,001 – 5,000	691	1,863,882	1.14
5,001 – 10,000	407	3,288,521	2.02
10,001 – 100,000	647	21,805,843	13.38
100,001 and above	172	135,704,557	83.28
Total	2,526	162,943,699	100.00%

On 16 August 2021, there were 652 holders of unmarketable parcels of less than 327,630 ordinary shares (based on the closing share price of \$0.435).

Bill Identity Limited
(Formerly known as BidEnergy Limited)
Shareholder information
30 June 2021

ii) Class N Performance Rights

Shares Range	Holders	Units	%
1 – 1,000	-	-	-
1,001 – 5,000	-	-	-
5,001 – 10,000	5	41,304	7.4%
10,001 – 100,000	30	516,254	92.6%
100,001 and above			
Total	35	557,558¹	100%

¹ Securities were issued under an Employee Share Scheme, therefore disclosure of holders with more than 20% of securities is not required under ASX Listing Rule 4.10.16

i) Class O Performance Rights

Shares Range	Holders	Units	%
1 – 1,000	-	-	-
1,001 – 5,000			
5,001 – 10,000			
10,001 – 100,000	6	102,780 ¹	
100,001 and above			
Total	6	102,780	100%

¹ Securities were issued under an Employee Share Scheme, therefore disclosure of holders with more than 20% of securities is not required under ASX Listing Rule 4.10.16

i) Class P Performance Rights

Shares Range	Holders	Units	%
1 – 1,000			-
1,001 – 5,000			
5,001 – 10,000			
10,001 – 100,000	1	93,458 ¹	100%
100,001 and above			
Total	1	93,458	100%

¹ Securities were issued under an Employee Share Scheme, therefore disclosure of holders with more than 20% of securities is not required under ASX Listing Rule 4.10.16

Bill Identity Limited
(Formerly known as BidEnergy Limited)
Shareholder information
30 June 2021

ii) Class E Options exercisable at \$0.476 on or before 24 November 2021

Shares Range	Holders	Units	%
1 – 1,000	-	-	-
1,001 – 5,000	-	-	-
5,001 – 10,000	-	-	-
10,001 – 100,000	-	-	-
100,001 and above	1	189,159 ¹	100.00
Total	1	189,159	100.00%

¹Holders who hold more than 20% of securities are:

Mr Douglas A Bloom – 189,159 options

iii) Class J Options exercisable at \$0.136 on or before 16 January 2022

Shares Range	Holders	Units	%
1 – 1,000	-	-	-
1,001 – 5,000	-	-	-
5,001 – 10,000	-	-	-
10,001 – 100,000	-	-	-
100,001 and above	1	1,505,883	100.00
Total	1	1,505,883	100.00%

¹Holders who hold more than 20% of securities are:

3XC Pty Ltd <Maine Family A/C> – 1,505,883 options

iv) Class K Options exercisable at \$1.19 on or before 26 November 2022

Shares Range	Holders	Units	%
1 – 1,000	-	-	-
1,001 – 5,000	-	-	-
5,001 – 10,000	-	-	-
10,001 – 100,000	-	-	-
100,001 and above	2	441,177 ¹	100.00
Total	2	441,177	100.00%

¹Holders who hold more than 20% of securities are:

L Graham Trustees Limited + Erca Trustees (LG) Limited <L Graham A/C> - 294,118 options

Mr Andrew David Dyer - 147,059 options

v) Class M Options exercisable at \$1.93 on or before 29 January 2023

Shares Range	Holders	Units	%
1 – 1,000	-	-	-
1,001 – 5,000	-	-	-
5,001 – 10,000	-	-	-

Bill Identity Limited
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Shareholder information
30 June 2021

10,001 – 100,000	-	-	-
100,001 and above	1	300,000 ¹	100.00
Total	1	300,000	100.00%

¹Holders who hold more than 20% of securities are:
3XC Pty Ltd <Maine Family A/C> – 300,000 options

vi) Class N Options exercisable at \$0.85 on or before 14 October 2023

Shares Range	Holders	Units	%
1 – 1,000	-	-	-
1,001 – 5,000	-	-	-
5,001 – 10,000	-	-	-
10,001 – 100,000	-	-	-
100,001 and above	3	596,863 ¹	100.00
Total	3	596,863	100.00%

¹Holders who hold more than 20% of securities are:
3XC Pty Ltd <Maine Family A/C> – 180,447 options
Farrelly Investments Pty Ltd <Farrelly Super Fund A/C> – 208,208 options
L Graham Trustees Limited + Erca Trustees (LG) Limited <L Graham A/C> – 208,208 options

vii) Class P Options exercisable at \$1.70 on or before 7 February 2024

Shares Range	Holders	Units	%
1 – 1,000	-	-	-
1,001 – 5,000	-	-	-
5,001 – 10,000	-	-	-
10,001 – 100,000	1	51,127 ¹	-
100,001 and above	1	153,380 ¹	100.00
Total	2	204,507	100.00%

¹Holders who hold more than 20% of securities are:
Anthony DuPreez – 153,380 options
Mr Matthew Watson – 51,127 options

i) Class Q Options exercisable at \$1.26 on or before 17 August 2024

Shares Range	Holders	Units	%
1 – 1,000	-	-	-
1,001 – 5,000	-	-	-
5,001 – 10,000	-	-	-
10,001 – 100,000	1	-	-
100,001 and above	3	2,300,000 ¹	100.00
Total	3	2,300,000	100.00%

¹Holders who hold more than 20% of securities that are required to be disclosed are:
3XC Pty Ltd <Maine Family A/C> – 1,000,000 options

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i) Class R Options exercisable at \$1.64 on or before 5 October 2024

Shares Range	Holders	Units	%
1 – 1,000			-
1,001 – 5,000			
5,001 – 10,000			
10,001 – 100,000			
100,001 and above	3	2,100,000 ¹	100%
Total	3	2,100,000	100%

¹ Securities were issued under an Employee Share Scheme, therefore disclosure of holders with more than 20% of securities is not required under ASX Listing Rule 4.10.16

i) Class S Options exercisable at \$1.55 on or before 29 September 2024

Shares Range	Holders	Units	%
1 – 1,000			-
1,001 – 5,000			
5,001 – 10,000			
10,001 – 100,000			
100,001 and above	1	650,000 ¹	100%
Total	1	650,000	100%

¹ Securities were issued under an Employee Share Scheme, therefore disclosure of holders with more than 20% of securities is not required under ASX Listing Rule 4.10.16

i) Class T Options exercisable at \$1.74 on or before 8 December 2024

Shares Range	Holders	Units	%
1 – 1,000			-
1,001 – 5,000			
5,001 – 10,000			
10,001 – 100,000			
100,001 and above	3	975,000 ¹	100%
Total	3	975,000	100%

¹ Holders who hold more than 20% of securities are:
Farrelly Investments Pty Ltd <Farrelly Super Fund A/C> –375,000 options
L Graham Trustees Limited + Erca Trustees (LG) Limited <L Graham A/C> –300,000 options
DCH Holdings Pty Ltd –300,000 options

i) Class U Options exercisable at \$1.46 on or before 1 September 2024

Shares Range	Holders	Units	%
1 – 1,000			-
1,001 – 5,000			
5,001 – 10,000			

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10,001 – 100,000			
100,001 and above	1	225,000 ¹	100%
Total	1	225,000	100%

¹ Holders who hold more than 20% of securities are:
DCH Holdings Pty Ltd –225,000 options

ii) Class D Restricted Stock Units

Shares Range	Holders	Units	%
1 – 1,000	-	-	-
1,001 – 5,000	-	-	-
5,001 – 10,000	1	9,853	3.8%
10,001 – 100,000	15	246,893	94.2%
100,001 and above	-	-	-
Total	16	256,746¹	100.00%

¹ Securities were issued under an Employee Share Scheme, therefore disclosure of holders with more than 20% of securities is not required under ASX Listing Rule 4.10.16

4. Substantial Shareholders

The names of the substantial shareholders listed on the Company's register as at 16 August 2021 are:

Name: Blue Lagoon International Corporation

Holder of: 52,766,975 fully paid ordinary shares (pre share consolidation), representing 8.18% as at 8 August 2017

Notice Received: 14 August 2017

Name: TIGA Trading Pty Ltd and associated entities

Holder of: 8,974,296 fully paid ordinary shares, representing 6.87% as at 27 March 2020

Notice Received: 31 March 2020

5. Restricted Securities

There are 3,094,301 Fully Paid Ordinary shares listed on the Company's register as at 16 August 2021 that are escrowed until the following dates respectively:

- 3 September 2021: 846,000
- 3 December 2021: 1,692,000
- 3 March 2022: 846,000

6. On market buy-back

There is currently no on market buy back in place.

7. Twenty Largest Shareholders

The twenty largest shareholders of the Company's quoted securities as at 16 August 2021 are as follows:

	Name	# of Shares	%
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	16,964,612	10.41
2	UBS NOMINEES PTY LTD	11,410,600	7.00
3	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	11,191,479	6.87
4	CITICORP NOMINEES PTY LIMITED	9,680,061	5.94
5	NATIONAL NOMINEES LIMITED	8,546,054	5.24
6	BLUE LAGOON INTERNATIONAL CORPORATION	5,824,545	3.57
7	CG NOMINEES (AUSTRALIA) PTY LTD	3,014,706	1.85
8	BLUE LAGOON INTERNATIONAL CORPORATION	2,797,666	1.72
9	BNP PARIBAS NOMS PTY LTD <DRP>	2,618,660	1.61
10	MR STEPHEN JOHN WRIGHT + ROSEMARY DIANN WRIGHT	2,475,396	1.52
11	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	2,359,651	1.45
12	HAINASON HOLDINGS PTY LTD <HAINASON HOLDINGS A/C>	2,295,404	1.41
13	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	1,971,767	1.21
14	CAROLYN PALMER	1,888,216	1.16
15	G4 INVESTORS PTY LTD <G4 INVESTORS A/C>	1,876,314	1.15
16	NAILO PTY LTD	1,604,152	0.98
17	RJIR PTY LTD	1,548,356	0.95
18	EMHAL PTY LTD	1,500,000	0.92
19	CS FOURTH NOMINEES PTY LIMITED <HSBC CUST NOM AU LTD 11A/C>	1,126,481	0.69
20	ALLINSON TRAUTS PTY LTD <ALLINSON FAMILY A/C>	1,071,392	0.66
Totals: Top 20 holders of ORDINARY FULLY PAID SHARES (Total)		91,765,512	56.32