

## SEPTEMBER QUARTERLY UPDATE – BIDENERGY CONTINUES STRONG GROWTH –

ASX RELEASE

31 October 2016

### Highlights

- Five new Australian customers commenced contracts during the September quarter; including BP (AUS/NZ), Yarra Valley Water, and Holcim - taking a range of packages
- 100% retention of existing customer base
- Launch of platform in the US market increasing BidEnergy's global reach and capability
- Strengthening of Board and Executive Management team with addition of GM Sales and Marketing, Head of Delivery, Chief Financial Officer and US SVP Sales
- Strong balance sheet with \$8.1m in cash at 30 September 2016, following ASX listing and \$7M capital raise; cash deployed to execute on 3-pronged strategy: enterprise sales, global sales, channel sales

Australian technology company, BidEnergy Limited (**ASX: BID**) ("Bid" or "the Company") is pleased to provide its quarterly update for the three months ended 30 September 2016.

BidEnergy officially started trading on the Australian Securities Exchange under the ticker "BID" in July 2016 following the successful acquisition of BidEnergy by Cove Resources Limited and an oversubscribed A\$7 million capital raising. BidEnergy's cloud-based SaaS platform underpins a business model that features both strong recurring revenue and high customer satisfaction which were key reasons investors supported the raise.

### Operating Overview

During the quarter, BidEnergy made significant progress with its roll out strategy, putting it in a strong position to achieve further growth over the remainder of FY2017.

#### New customers

New customers in the domestic market increased during the quarter, with the addition of five new subscription customers.

In late July, the Company signed a subscription agreement to provide its platform to the Australian and New Zealand businesses of global resources giant, BP plc, marking BidEnergy's emergence as a platform for global customers. Under the 24-month contract, BidEnergy is providing source-to-pay services to BP's Australian and New Zealand business units, simultaneously providing data and reporting access to business analysts in Europe and the US.

Also in July, the Company signed a 24-month subscription agreement with Yarra Valley Water, marking its continued growth in the Australian market. Yarra Valley Water joins BidEnergy's other multi-site subscription customers, including Sunshine Coast utility, Unity Water. Under the move, Yarra Valley will use BidEnergy's energy spend

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management platform across all its 300+ electricity sites enabling the utility to focus on managing the cost of water and sanitation services for its customers.

Three further Australian subscription contracts were also added in the quarter, including Holcim, a leading supplier of aggregates, concrete (readymix) and concrete pipe and products.

The modular nature of BidEnergy's platform enabled customers to access specific packages suited to their business needs with the opportunity to upgrade over the life of the service contract.

Also during the quarter, BidEnergy continued its 100% customer renewal and retention record, with many customers accessing additional service packages, such as source-to-pay for gas and enhanced data capture and reporting functionality.

#### US expansion

Following solid progress with its operations in Australia and New Zealand, BidEnergy also launched its US offering, following extensive beta testing in the June quarter. The US launch included the development of the US-specific customer visualisation process through which prospective customers are walked through the rich platform functionality using their own data. This approach has been deployed successfully in Australia, contributing to shorter sales cycles and high conversion rates.

### **Corporate and Financials**

#### Board and Management

BidEnergy has continued to strengthen its board and management teams with the appointment of experienced executives:

- Leanne Graham joined the Board as a Non-Executive Director. Leanne has extensive experience of software-as-a-service to the enterprise and finance sectors.
- Domenic Chiavone was recruited to lead the Global Service Delivery team, driving consistency of customer experience and customer outcomes.
- Damian Martina joined as General Manager Sales and Marketing. Damian has a background in enterprise software sales including SaaS with Salesforce.com and is deploying salesforce methodologies and performance metrics for BidEnergy.
- Matthew Watson joined BidEnergy as Chief Financial Officer. Matthew has strong financial experience in SaaS for Australian businesses, including international expansion to the US market.
- Tony Barnhart joined BidEnergy US Inc as SVP Sales. Tony has an extensive personal and corporate network to deliver direct and channel sales.

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## Financials

As at 30 September 2016, the Company's total cash was approximately \$8.1 million, in line with the company's expectations given the investment in expanding its business and securing clients across key geographic markets. Operating costs for the September 2016 quarter of \$2.1 million included significant one off expenditure related to the BidEnergy acquisition and related capital raising. Operating costs for the upcoming December quarter 2016 are expected to decrease to \$1.8M due to a reduction of acquisition and capital raising costs, however, staff costs are expected to increase due to additional investment in resources to execute on the company's sales and platform development strategy.

## **Outlook**

BidEnergy's customer pipeline and geographic reach has strengthened considerably since the Company's listing on the Australian Securities Exchange in July 2016, with the proven ability to access customer utility data across three continents without disruption to their business as usual - giving customers the ability to deploy energy management spend systems rapidly and to access value and performance that is not accessible by traditional manual energy spend management methods.

"Our achievements this quarter demonstrates our ability to grow sales in our home market whilst developing a pipeline of international opportunities using our proven visualisation sales methodology. Our experience to date gives us great confidence we are solving a global problem and enabling our customers to take control of this complex spend category to a whole new level. Our performance this quarter puts us in a very strong position to accelerate growth through the remainder of this financial year, including in the US and European markets," said BidEnergy Managing Director, Stuart Allinson.

-ENDS-

### Further Information:

Stuart Allinson

Managing Director

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## **About BidEnergy Ltd**

BidEnergy is an Australian-based technology company. Based in Melbourne, its cloud-based platform gives organisations control over their energy spend throughout the contract lifecycle. By automatically capturing and validating invoices and meter data, customers can streamline their accounting and payments processes, go to market at short notice to optimise their supply contracts and reduce on-bill charges using sophisticated analytics and reporting.

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## Appendix 4C

### Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

**Name of entity**

BID ENERGY LIMITED

**ABN**

94 131 445 335

**Quarter ended ("current quarter")**

30 SEPTEMBER 2016

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	338	338
1.2 Payments for		
(a) research and development	(304)	(304)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(142)	(142)
(d) leased assets	-	-
(e) staff costs	(636)	(636)
(f) administration and corporate costs	(1,013)	(1,013)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	17	17
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (deposit held on trust)	249	249
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,491)</b>	<b>(1,491)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-

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Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
(d) intellectual property	-	-
(e) other non-current assets	-	-
<b>2.2 Proceeds from disposal of:</b>		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
<b>2.3 Cash flows from loans to other entities</b>	-	-
<b>2.4 Dividends received (see note 3)</b>	-	-
<b>2.5 Other</b>	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	-	-

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	(462)	(462)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>(462)</b>	<b>(462)</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of quarter/year to date	7,387	7,387
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,491)	(1,491)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(462)	(462)

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<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	(1)	(1)
	Cash acquired on Acquisitions	2,619	2,619
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>8,052</b>	<b>8,052</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	8,052	7,386
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (Cash acquired on Acquisitions)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>8,052</b>	<b>7,386</b>

<b>6.</b>	<b>Payments to directors of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to these parties included in item 1.2	154
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Consultancy fees and wages paid to director related entities and directors during the September 2016 quarter.

<b>7.</b>	<b>Payments to related entities of the entity and their associates</b>	<b>Current quarter \$A'000</b>
7.1	Aggregate amount of payments to these parties included in item 1.2	-
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

Nil

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8. <b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

Nil

9. <b>Estimated cash outflows for next quarter</b>	\$A'000
9.1 Research and development	285
9.2 Product manufacturing and operating costs	-
9.3 Advertising and marketing	94
9.4 Leased assets	-
9.5 Staff costs	840
9.6 Administration and corporate costs	561
9.7 Other (provide details if material)	-
<b>9.8 Total estimated cash outflows</b>	<b>1,780</b>

10. <b>Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b>	Acquisitions	Disposals
10.1 Name of entity	BidEnergy (Operations) Pty Ltd (formerly BidEnergy Pty Ltd)	-
10.2 Place of incorporation or registration	Victoria	-
10.3 Consideration for acquisition or disposal	-201,396,700 fully paid ordinary shares - 43,557,350 options (being the total of Class A, B & C Options) - 70,000,000 performance shares (being the total of Class A & B Performance Shares)	-
10.4 Total net assets	\$366,944	-
10.5 Nature of business	An innovative cloud-based source to pay platform for energy.	-

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### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:  .....  
(Company secretary)

Date: 31 October 2016

Print name: Erlyn Dale

### Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

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