

## BIDENERGY ACQUIRES REALWINWIN, A LEADER IN ENERGY EFFICIENCY REBATE CAPTURE

ASX RELEASE

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### Highlights

- BidEnergy acquires leading independent energy rebate capture specialist, Philadelphia-based RealWinWin (“RWW”) via an asset purchase and hire of employees
- Acquisition executes on previously announced strategy, target-marketing to customers in BidEnergy’s sweet spot being up-selling platform subscription services
- As a data business, RWW is a highly complementary acquisition providing a significant opportunity to accelerate growth in the US market - accessing upwards of 100,000 sites through more than 100 multi-site prospects in BidEnergy’s target market
- Delivers BidEnergy a proven sales and service team with the skills and experience to sell subscription services to existing customers and support the BidEnergy deployment more broadly
- Initial purchase consideration comprised of cash and escrowed shares and options, with a subsequent earn out arrangement to incentivise revenue growth and cross-selling of subscription services

Australian technology company, BidEnergy Limited (**ASX: BID**) (“BidEnergy” or “the Company”) is pleased to announce it has acquired the business of US channel partner, RealWinWin (“Acquisition”).

RealWinWin ([www.realwinwin.com](http://www.realwinwin.com)) secures rebates from utilities on behalf of customers via energy efficiency programmes. Acting as agent, RWW delivers a data service that is highly complementary to BidEnergy’s integrated source-to-pay platform in serving customers with large geographic footprints.

Founded in 2001, RWW is a pioneer in the development of Rebate Administration as a third-party service and the first company in North America to provide Rebate Administration for all geographies and all types of projects as a sole service offering. RWW has worked with over 100 customers and equipment vendors and today has more than fifty accounts, including national retail and retail service chains and Fortune 500 organisations, as customers under contract. Clients include drug and grocery store chains, department store chains, restaurant and food service, office supplies, clothing chains, hotels and other hospitality, distribution centers, property management companies, senior living operators and commercial office buildings. RWW’s customer base gives BidEnergy access to individual portfolios varying in size from hundreds to more than 10,000 locations per customer.

RealWinWin has established revenues from a proven sales and service team who have a deep utility knowledge. The Acquisition delivers BidEnergy a functioning channel and immediate and direct access to energy category managers in over 100 multisite prospects.

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The Acquisition further strengthens the compelling value proposition for customers and significantly increases the US sales capability to accelerate growth both through the existing RWW customer base and in the broader US market. The combined RWW business and BidEnergy platform is applicable to customers and utilities in all US states.

BidEnergy has undertaken detailed strategy development, informed by the due diligence process, and will now implement that strategy, marketing to RWW's customer base to drive revenue growth and integrate the RWW service offering into the BidEnergy platform.

### Transaction Framework

The consideration payable under the Acquisition is structured as follows:

- a) **Upfront Consideration** comprised of:
- (i) US\$220,000 cash;
  - (ii) 8,682,331 BidEnergy shares ("Closing Shares") (6,752,924 of which were issued at closing and 1,929,407 of which will be issued in January 2017). The Closing Shares were issued at an issue price of A\$0.07 per share, being equal to the volume weighted average price ("VWAP") of BidEnergy shares traded on the ASX during the 5-day period immediately prior to closing of the Acquisition ("Closing VWAP") and representing a total value of US\$450,000; and
  - (iii) 3,858,814 unlisted options exercisable at A\$0.07 from 24 November 2017 until the expiry date of 24 November 2021 ("Closing Options") issued at closing.
- b) **Earn-out Consideration** which is subject to the achievement of agreed rebate revenue targets, and is calculated with reference to the Annual Contract Value of BidEnergy subscription services sold by re-hired RWW employees to existing and future customers of the RWW business.

The Earn-out Consideration will be calculated over two consecutive terms, being:

- (i) From 24 November 2016 to 31 December 2017, with Earn-out Consideration payable no later than 31 March 2018; and
- (ii) From 1 January 2018 to 31 December 2018, with Earn-out Consideration payable no later than 31 March 2019.

(each an "Earn-out Period")

If Earn-out Consideration is payable for any Earn-out Period, the vendors of RWW will be entitled to a further issue of shares ("Earn-Out Shares") equal to the Annual Contract Value (in US dollars) of BidEnergy subscription services sold by RWW during the Earn-Out Period. The issue price for any Earn-Out Shares will be the higher of A\$0.07 and the VWAP of shares traded on the ASX during the 5-day period immediately prior to the public release of BidEnergy's December 31 financial results.

The Closing Shares, Closing Options and any Earn-Out Shares issued will be escrowed for 12 months.

The total number of Closing Shares, Closing Options and Earn-Out Shares to be issued is capped at 48 million, which is less than 15% of the Company's ordinary issued capital at closing of the Acquisition. If the issue of Earn-Out Consideration would exceed the 48 million cap, then BidEnergy is only required to issue such number of Earn-Out Shares as will take it to the 48 million cap, and may then satisfy the shortfall by the issue of additional shares (at its discretion and dependent on whether it is able to do so) and cash. If the amount to be paid in cash exceeds \$100,000 in any Earn-Out Period, BidEnergy may issue a promissory note for the Earn-Out Consideration amount in excess of \$100,000, which will be repayable in cash or shares (at BidEnergy's election and subject to its ability to do so at the time) within 2 years and will accrue interest at the US Prime Rate.

Phil Adams, BidEnergy's US Chief Executive Officer, who is leading the acquisition and business integration, said: "RWW has an enviable set of name brand national multi-site customers in BidEnergy's sweet spot. The combination of BidEnergy's revolutionary source-to-pay platform with RWW rebate services can be packaged into a compelling platform proposition, with customers increasingly requesting this bundle of services."

BidEnergy Managing Director Stuart Allinson added: "This acquisition delivers on our US entry strategy – we have secured an ideal channel to market with established multi-site customers and utility relationships delivering complementary data services. This simultaneously accelerates our sales pipeline and de-risks our US roll-out."

-ENDS-

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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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