

**DECEMBER 2016 QUARTERLY UPDATE
BIDENERGY ACCELERATES GROWTH**

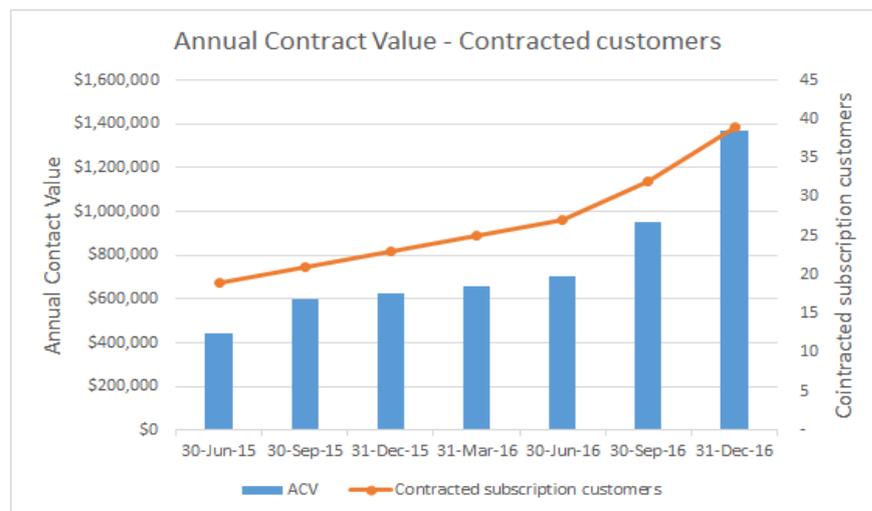
ASX RELEASE

31 January 2017

BidEnergy Limited (ASX: BID) (“Bid” or “the Company”) is pleased to provide an update on its activities for the quarter ending 31 December 2016. BidEnergy also released its Appendix 4C today.

Highlights

- **Subscription Annual Contract Values of \$1.4 million as at 31 December 2016, up 94% since 30 June 2016**
 - **\$0.42 million Annual Contract Value added in the quarter**



- **Outstanding customer retention and strong growth in new subscriptions**
 - **100% subscription contract renewal since inception**
 - **Double-digit uplift in value of renewed contracts since inception**
 - **7 New customers during the quarter: including NSW Procurement, Flight Centre Travel Group Ltd, Chemist Warehouse, Fulton Hogan, Jemena and Invocare**
- **Significant progress in strategic initiatives**
 - **Development of Partner network: Commenced alliance agreement with KPMG, targeted at Australian market**
 - **Continued International expansion: Completed acquisition of US based rebate and data capture business RealWinWin enabling accelerated expansion in to US market via acquired marquee customer base**

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BidEnergy is a Melbourne-based software-as-a-service (SaaS) company that uses state-of-the-art robotic process automation (RPA) to optimise the energy spend of national and international multi-site customers. RPA is the application of software, or a "robot", with artificial intelligence (AI) and machine learning capabilities to handle high-volume, repeatable tasks for processing transactions. BidEnergy provides RPA software for high volume data capture, invoice processing, contract sourcing and sophisticated analytics in the energy and utility space.

Operating Overview

During the quarter, BidEnergy experienced strong customer growth, with a total of 39 clients as at 31 December 2016, a 22% increase from the September quarter. BidEnergy also enjoyed a 100% subscription customer retention rate and has successfully sustained this level since its inception in 2013.

The Company's subscription Annual Contract Values also increased by 94% between 30 June 2016 to 31 December 2016 to a total of \$1.4 million. Annual Contract Value represents the total amount paid by BidEnergy clients over a yearly period.

BidEnergy's ACV increased by \$416,00 during the quarter. During the same quarter, BidEnergy customers renewing subscription contracts increased their spend, adding additional service packages, such as source-to-pay for gas and enhanced data capture and reporting functionality to their existing subscriptions.

First government contract signed

During the quarter, BidEnergy launched into the lucrative Government sector, securing a contract with NSW government organisation, NSW Procurement. Under the agreement, BidEnergy will provide automated invoice verification and monthly reporting on 3,100 gas accounts.

The government sector is a major new frontier for BidEnergy, due to the drive by governments worldwide to reduce the cost of energy and utility services via the cloud.

New customers

Retail continued to be BidEnergy's leading growth sector, with the Company securing seven new subscriptions signed in the December quarter. New subscriptions included global travel agency company, Flight Centre Travel Group Ltd (ASX:FLT) for its Australian sites and Australian pharmacy giant, Chemist Warehouse.

Chemist Warehouse signed a subscription agreement with BidEnergy in December, after identifying costs savings that could deliver a proven return on investment. While a bottom-line improvement was a key driver, Chemist Warehouse also identified data transparency and administrative efficiencies as important factors for signing the deal.

BidEnergy also continued its expansion into the utilities and infrastructure sectors, securing subscriptions with New Zealand infrastructure group, Fulton Hogan, Singapore energy company, Jemena and Australia's largest funeral services organisation, Invocare.

Alliance agreement with KPMG

BidEnergy's commitment to developing strategic and valuable channel partnerships also came to fruition during the quarter, with the signing of an alliance agreement with global professional services firm, KPMG for the Australian market.

Under the move, KPMG has committed resources to work with BidEnergy in jointly pursuing opportunities to deploy the BidEnergy platform with KPMG's value-adding consulting services to KPMG's Australian client base.

The agreement gives BidEnergy access to a range of Australian-based clients and illustrates the successful implementation of the Company's strategy to grow its business through the promotion of its innovative platform through key channel partnerships.

US Acquisition of RealWinWin

During the quarter, BidEnergy acquired leading US-based independent energy rebate firm, RealWinWin, providing BidEnergy with a significant opportunity to accelerate growth in the US market with access to nearly 100 multi-site customers in target sectors.

The deal also delivered BidEnergy a sales and service team that can upsell subscription services to existing customers and support the BidEnergy deployment more broadly.

Following the acquisition, the RealWinWin sales and service team has been integrated into the BidEnergy business, and is now pursuing early opportunities to cross-sell BidEnergy subscriptions to its national customer base.

Corporate and Financials

Financials

As at 31 December 2016, the Company's total cash was \$6.3 million. The total cash outflow for the quarter of \$1.8 million included cash payment of \$0.4M as part of the RealWinWin acquisition. BidEnergy's operating costs, excluding RealWinWin, of \$1.6m were in line with forecast and reflect BidEnergy's increased investment in expanding its business and securing clients across key geographic markets.

Amendment to Management Contracts

Following advice received from an independent remuneration consultant, the Company advises in accordance with ASX Listing Rule 3.16.4 that it has approved an increase to the annual base salaries payable to each of Mr Stuart Allinson, Managing Director, and Anthony Du Preez, Chief Technology Officer and Executive Director, from \$120,000 to \$180,000, effective from 1 July 2016. The Company has also increased the termination notice period required in the event that either party wishes to terminate the respective employment agreements of Mr Allinson or Mr Du Preez from one month to three months' notice in line with industry standards.

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All other material terms and conditions of the employment agreements of Messrs Allinson and Du Preez remain unchanged to those disclosed in the Prospectus dated 29 April 2016.

The changes reflect the Company commitment to ensuring its remuneration practices are equitable, competitive and enable the Company to retain appropriately qualified executive talent for the benefit of the Company.

Outlook

The Company is well positioned for further growth in 2017 with a robust customer pipeline driven by new opportunities spanning Australasian, US and European markets.

“We are at an inflection point in our trajectory following our successful listing on the ASX in July 2016. The success during the quarter shows that we are on track with our three-part growth strategy: drive rapid growth in our home market; leverage partners to access the top end of the market and pursue a global footprint to access larger markets than Australia and New Zealand,” said BidEnergy Managing Director, Stuart Allinson.

“Our channel partnership with KPMG will facilitate access to executive teams in some of Australia’s leading organisations and we are in discussions with other potential channel partners in Australia and New Zealand, the US and Europe, and expect to build significant indirect distribution capability over time.”

“We also continue to expand in the US with the RealWinWin acquisition giving us a revenue stream and a talented team that can leverage sales and operations capability and access to a set of attractive prospects for cross-sell. We expect further growth in the US as well as Europe over the months ahead and look forward to updating investors on our progress,” Mr Allinson said.

-ENDS-

Further Information:

Stuart Allinson

Managing Director

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About BidEnergy Ltd

BidEnergy is an Australian-based technology company with offices overseas in the USA and UK. BidEnergy’s cloud-based platform simplifies the complex energy spend management process by using robotic process automation, enabling organisations to have complete control over their energy spend. Unlike manual consulting and business

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services, the platform automates the management of every component of the process for multi-site organisations. 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.

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")

31 December 2016

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	372	710
1.2 Payments for		
(a) research and development	(274)	(578)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(122)	(264)
(d) leased assets	-	-
(e) staff costs	(939)	(1,575)
(f) administration and corporate costs	(439)	(1,452)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	10	27
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)	(22)	227
1.9 Net cash from / (used in) operating activities	(1,414)	(2,905)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(4)	(4)
(b) businesses (see item 10)	-	-
(c) investments	-	-

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Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
(d) intellectual property	-	-
(e) other non-current assets	(356)	(356)
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other	-	-
2.6 Net cash from / (used in) investing activities	(360)	(360)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	(462)
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	-	-
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)	-	-
3.10 Net cash from / (used in) financing activities	-	(462)

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	8,052	7,387
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,414)	(2,905)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(360)	(360)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	(462)

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	5	4
	Cash acquired on Acquisitions	-	2,619
4.6	Cash and cash equivalents at end of quarter	6,283	6,283

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	4,283	8,052
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (Term deposit)	2,000	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	6,283	8,052

6.	Payments to directors of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	101
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 December 2016 quarter.

7.	Payments to related entities of the entity and their associates	Current quarter \$A'000
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. Financing facilities available <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. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	(380)
9.2 Product manufacturing and operating costs	-
9.3 Advertising and marketing	(170)
9.4 Leased assets	-
9.5 Staff costs	(1,435)
9.6 Administration and corporate costs	(630)
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	(2,615)

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	-	-
10.2 Place of incorporation or registration	-	-
10.3 Consideration for acquisition or disposal	-	-
10.4 Total net assets	-	-
10.5 Nature of business	-	-

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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: 
.....
(Director)

Date: 31 January 2017

Print name: Stuart Allinson

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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