

## BidEnergy to Acquire Approximately 50 US Clients and Critical Capability in Transaction with Ameresco

ASX RELEASE

3 JULY 2017

Melbourne, Victoria: BidEnergy Ltd (ASX: BID) ("BidEnergy" or the "Company") today announces a deal that will extend its energy management capabilities in the US.

### **BidEnergy to acquire approximately 50 US clients**

BidEnergy executed an agreement on 28 June 2017 to purchase the assets of Ameresco, Inc.'s (NYSE:AMRC) Axis utility bill management business ("Axis"). The transaction is expected to close on or about 31 August 2017, subject to further due diligence by BidEnergy and the satisfaction of closing conditions. Among the conditions to closing are; completion of the transaction is subject to Ameresco entering into a 3-year software license agreement for BidEnergy's platform and both parties executing a bi-lateral channel agreement.

Phil Adams, Managing Director of BidEnergy said, "When closed, this deal will take our US presence to a national scope as Axis clients have presence in over 8,000 US utilities. We will gain critical capabilities for the US market including paper bill handling and bill payment treasury functions, and a team of US bill processing experts. It also accelerates cross-selling opportunities both to the national multi-site clients of our rebate capture business (formerly RealWinWin) and to the Axis client base."

Please refer to the Investor Presentation dated 3 July 2017 for further information.

#### Further Information:

Mr Bob Browning  
Chairman  
0011 1 251 928 988  
[bob.browning@bidenergy.com](mailto:bob.browning@bidenergy.com)

#### **About BidEnergy Ltd**

BidEnergy is an Australian-based technology company. 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 process, go to market at short notice to optimize their supply contracts and reduce on-bill charges using sophisticated analytics and reporting.

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**Investor Presentation**  
**3 July 2017**

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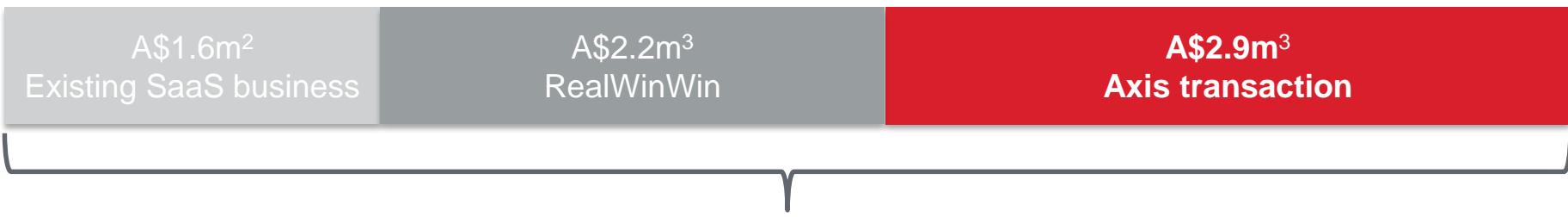


# BidEnergy Overview

- BidEnergy (ASX:BID) utilises its global source-to-pay SaaS platform to generate energy cost savings, typically in the range of 10% - 40%, for its clients
  - Fully automated platform manages the end-to-end process of collecting, validating and paying energy bills
  - Reduces energy costs by:
    - Running online auctions to achieve lowest market price
    - Reducing labour and bill payment costs through robotic process automation
  - Enables budgeting, benchmarking and other value-added analysis
  - Maximises energy efficiency rebates (US only)

# BidEnergy Overview (cont.)

- Proven technology and business model with presence in Australia, New Zealand, UK and USA
  - ~125 clients (including ~50 clients from acquisition of Axis)
  - 100% client renewal rate in Australia with 28% increase in existing contracts upselling in FY17
  - Revenue run-rate of A\$6.7 million<sup>1</sup>, comprises:



1. Revenue run-rate assumes completion of Axis transaction on 31 August 2017. Run-rate based on BidEnergy's SaaS contracted revenue at June 2017, and annualised May calendar year-to-date revenue for RWW and Axis utility bill management business. Axis utility bill management run-rate also includes US\$120,000 annual license fee which is a condition precedent to completion of the Axis transaction.
2. Revenue run-rate based on BidEnergy's SaaS contracted revenue at June 2017. The SaaS Annual Recurring Revenue added for the June 2017 quarter to date is A\$150,000. There is still one client deal which may close before the end of the June 2017 quarter – full report in the Appendix 4C due at the end of July 2017.
3. Converted from USD to AUD at the rate of AUD1 = USD0.7539 per the average historical exchange rate January 2017 to June 2017 (x-rates.com).

# BidEnergy Leadership

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## Phil Adams

### *Managing Director*

- Highly experienced energy management executive with 13+ year tenure at World Energy Solutions (“WES”) as COO, President, and CEO and Board member
- Responsible for WES’ establishment as the electricity online-auction leader:
  - Grew revenue from US\$0.25m to US\$40m+
  - IPO on the TSX
  - Migration to NASDAQ
  - Acquisitive growth strategy (4 accretive bolt-on acquisitions)
  - Acquisition by EnerNOC
- Previously held senior executive roles in sales, marketing and product management at several major software and internet companies
- B.A. in Economics from Williams College and an M.S. from MIT’s Sloan School of Management



## Matthew Watson

### *Chief Financial Officer*

- 15+ years of experience in financial roles at venture-backed private and listed companies
- Significant experience managing international expansion of SaaS and IoT industries
- Previously Financial Controller at Pageup, an Australian SaaS-based talent management software provider
- Also held management roles at ASX-listed Tabcorp, and professional services firm Deloitte
- Chartered Accountant and holds a Bachelor of Commerce from the University of Melbourne



# BidEnergy Board

## Robert Browning

### *Independent Non-Executive Chairman*

- 30+ years of experience across consumer products, utilities, shipbuilding, and financial technology industries
- Previously Managing Director of Alinta Ltd, Managing Director of Austal Ltd, and Managing Director of Emerchants Ltd
- Also held chairman and/or directorships of Alinta, Austal, and Emerchants Ltd
- Holds a BS from San Diego State Univ, an MBA from the University of Phoenix and an MS from Massachusetts Institute of Technology



## James Baillieu

### *Independent Non-Executive Director*

- Highly experienced investor and consultant to early-stage technology businesses
- Previously an early investor in and consultant to Aconex and later SVP of Business Development
- Previously a consultant with McKinsey & Co assisting businesses in Australia and internationally with strategy and operational improvement, and commercial lawyer at Mallesons Stephen Jaques
- Holds an LLB (First Class Honours) and BA from the University of Melbourne



## Stuart Allinson

### *Executive Director*

- Co-founder of BidEnergy with 30+ years' experience in engineering, business services and energy and utilities
- Previously Director at Exigency Management, Director at Ernst & Young, and a Principal of the Energy & Utilities division of Capgemini
- Holds an MBA from the Royal Victoria University of Manchester, a Master of Engineering from the Royal School of Mines and a Bachelor of Science in Mathematics from Imperial College London



## Leanne Graham

### *Independent Non-Executive Director*

- IT entrepreneur with 30+ years' executive experience in the software sector
- Has enabled multiple cloud, mobility and SaaS companies to maximise their global go-to-market opportunities
- Director of iExecute SaaS, and Chairperson of Cognitive
- Previously General Manager of Sales at Xero



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Axis Transaction

# BID to Acquire ~50 Clients

- Will bring BID to A\$6.7 million revenue run-rate<sup>1</sup>
- BID to acquire Ameresco's Axis utility bill management business ("Axis"). Ameresco is NYSE listed with ~US\$350 million market capitalisation

<b>~50</b> new clients	<b>US\$2.0m (A\$2.7m<sup>2</sup>)</b> CY16 revenue	<b>US\$1.4m (A\$1.9m<sup>2</sup>)</b> CY16 net loss	<b>20k+</b> new sites	<b>55k</b> bills per month
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- BID to acquire certain Axis assets<sup>3</sup> for <US\$20,000<sup>4</sup> (Asset Purchase Agreement executed, expected to close 31 August 2017)
- Conditions to completion include (but not limited to<sup>4</sup>):
  - 3-year agreement to licence the BidEnergy platform to Ameresco for US and UK procurement
    - US\$120,000 revenue per annum for 3 years, starting in CY18
  - Bi-lateral worldwide channel partnership, leveraging each other's core strengths and geographic coverage

1. Revenue run-rate assumes completion of Axis transaction on 31 August 2017. Run-rate based on BidEnergy's SaaS contracted revenue at June 2017, and annualised May calendar year-to-date revenue for RWW and Axis utility bill management business. Axis utility bill management run-rate also includes US\$120,000 annual license fee which is a condition precedent to completion of the Axis transaction.

2. Converted from USD to AUD at the rate of AUD1 = USD0.7539 per the average historical exchange rate January 2017 to June 2017 (x-rates.com).

3. Assets include: customer contracts; software and other intellectual property; equipment (scanners, computers); rental lease.

4. Further disclosure on conditions precedent to completion and further information about the purchase price are detailed in Appendix 1.

# Strategic Rationale – To Provide Significant US Traction

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- Once closed, the Axis transaction to accelerate entry to the US market and immediately provide critical references and infrastructure

Immediate access to infrastructure	<ul style="list-style-type: none"><li>Expertise to process and understand bill formats for 8,000+ utilities</li><li>Key utility and banking relationships with verified electronic linkages (US requirement)</li><li>Critical infrastructure, including a US mail room and equipment</li></ul>
Immediate credibility	<ul style="list-style-type: none"><li>Immediately provides ~50 clients with a national footprint and strong references</li><li>Accelerates cross-selling opportunities</li></ul>
US entry costs significantly reduced	<ul style="list-style-type: none"><li>Provides immediate and significant traction in the US that would otherwise have taken substantial expense and time to build organically</li></ul>
Immediate scale	<ul style="list-style-type: none"><li>Increases clients to ~125<sup>1</sup> and revenue run-rate to A\$6.7 million<sup>2</sup></li><li>Axis staff hires accelerates US presence without the need for recruitment</li></ul>
Strategic partnership	<ul style="list-style-type: none"><li>Partnership with Ameresco to collaborate on RFPs and share expertise</li><li>Drive new partnerships and revenue opportunities</li><li>Validation of the BID platform by US market leader</li></ul>

1. Total clients inclusive of SaaS business, RealWinWin and Axis business.

2. Revenue run-rate assumes completion of Axis transaction on 31 August 2017. Run-rate based on BidEnergy's SaaS contracted revenue for June 2017, and annualised May calendar year-to-date revenue for RWW and Axis utility bill management business. Axis utility bill management run-rate also includes US\$120,000 annual license fee which is a condition precedent to completion of the Axis transaction.

# Axis Integration and Turnaround Strategy

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- Clear pathway to achieve Axis profitability

Automation	<ul style="list-style-type: none"><li>• Integrate BID's robotic process automation and Axis' existing billing and payment functions</li></ul>
Data	<ul style="list-style-type: none"><li>• Integrate BID's parsing technology to reduce bill capture costs</li></ul>
Accounts	<ul style="list-style-type: none"><li>• Optimise pricing on unprofitable Axis clients</li></ul>
Synergies	<ul style="list-style-type: none"><li>• Realise further synergies</li></ul>

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Capital Raising

# Capital Raising Overview

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Offer Structure	BID is raising approximately A\$6.7 million via: <ul style="list-style-type: none"><li>• A fully underwritten non-renounceable 1:1 entitlement offer</li><li>• New shares will rank pari-passu with BID's existing shares</li></ul>												
Offer Price	The Offer Price is A\$0.02 per new share. This represents a discount of: <ul style="list-style-type: none"><li>• 9.1% to the last close</li><li>• 16.5% to the 5 day VWAP</li><li>• 18.0% to the 30 day VWAP</li><li>• 4.8% to the TERP<sup>1</sup> of A\$0.021</li></ul>												
Use of Funds	<table><thead><tr><th>Description</th><th>A\$ '000s</th></tr></thead><tbody><tr><td>Business development, sales, marketing and operations</td><td>\$3,932</td></tr><tr><td>Product and software development</td><td>\$1,402</td></tr><tr><td>Working capital</td><td>\$910</td></tr><tr><td>Costs of the Entitlement Offer</td><td>\$463</td></tr><tr><td><b>Total</b></td><td><b>\$6,707</b></td></tr></tbody></table>	Description	A\$ '000s	Business development, sales, marketing and operations	\$3,932	Product and software development	\$1,402	Working capital	\$910	Costs of the Entitlement Offer	\$463	<b>Total</b>	<b>\$6,707</b>
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<b>Total</b>	<b>\$6,707</b>												
Underwriting	The Offer is fully underwritten by Canaccord Genuity (Australia) Limited												

1. TERP is the theoretical ex-rights price of BidEnergy's shares assuming the Offer is successfully completed and all shares under the Offer are issued based on the closing price of BidEnergy on 27 June 2017 of A\$0.022. TERP is a theoretical calculation only and the actual price at which BidEnergy shares trade will depend on many factors and may not be equal to the TERP.



# Capital Raising Timetable

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Event	2017 Date
Trading Halt	Wednesday, 28 June 2017
Announcement of Entitlement Offer	Monday, 3 July 2017
'Ex' Date	Tuesday, 11 July 2017
Record Date	Wednesday, 12 July 2017
Prospectus dispatched to eligible shareholders	Monday, 17 July 2017
Entitlement Offer opens	Monday, 17 July 2017
Entitlement Offer closes	Monday, 31 July 2017
Shortfall announced to ASX	Thursday, 3 August 2017
Settlement	Monday, 7 August 2017
Allotment of new shares under Entitlement Offer	Tuesday, 8 August 2017
New shares expected to commence trading on ASX	Wednesday, 9 August 2017



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## Operational Update

# A&NZ and Europe Operational Update

## Australia and New Zealand

- ~A\$1.6 million revenue run-rate<sup>1</sup>
- 100% retention rate since inception
- 28% increase in existing contract upsell in FY17
- 43 clients across broad range of industries:
  - Energy: BP Australia & New Zealand, Jemena
  - Government: NSW Procurement
  - Utilities: Unity Water
  - Select other clients are set out below
- Transition to SaaS culture:
  - Hired Damian Martina – Chief Revenue Officer
  - Shift in sales hiring strategy
  - Management focus on SaaS KPIs
- Strong and growing pipeline

## Selected A&NZ Clients



## Europe

- Remains attractive target market
- BP UK signed April 2017
  - Third country after Australia and New Zealand
  - 300 sites managed
- Intention to expand across Europe
- New channels are building pipeline
  - 4C&Associates (procurement outsourcer)
  - Pursuing additional partnership channels

1. Revenue run-rate based on BidEnergy's A&NZ SaaS contracted revenue and BP UK contracted revenue at June 2017.

# US Operational Update

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- Recruited high calibre management and sales staff
  - Tony Barnhart – EVP, US country manager (formerly World Energy Solutions)
  - Mick Rookwood – CTO (formerly World Energy Solutions)
- Successfully turned around RWW acquisition
  - Revamped revenue growth, reversed losses, and initiated early cross-sell meetings
- Signed first two regional deals
  - XSport Fitness
  - Global Energy
- Solid client pipeline
  - Includes several regional hospitals and RWW cross-sell opportunities
- Ameresco partnership increases US revenue to approximately US\$5.1 million<sup>1</sup> run-rate and provides immediate US traction

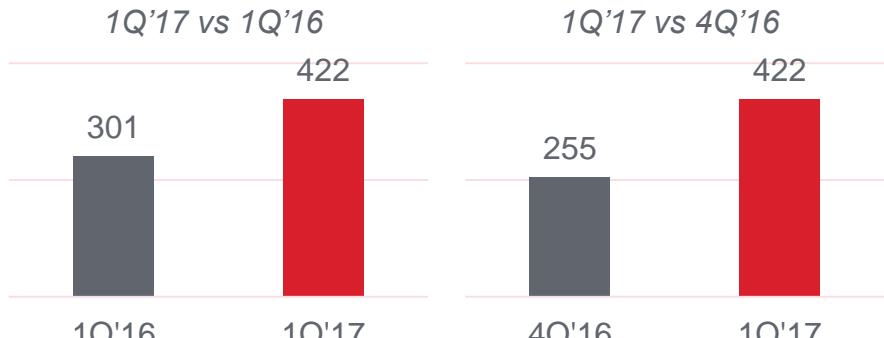
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# RWW Turnaround

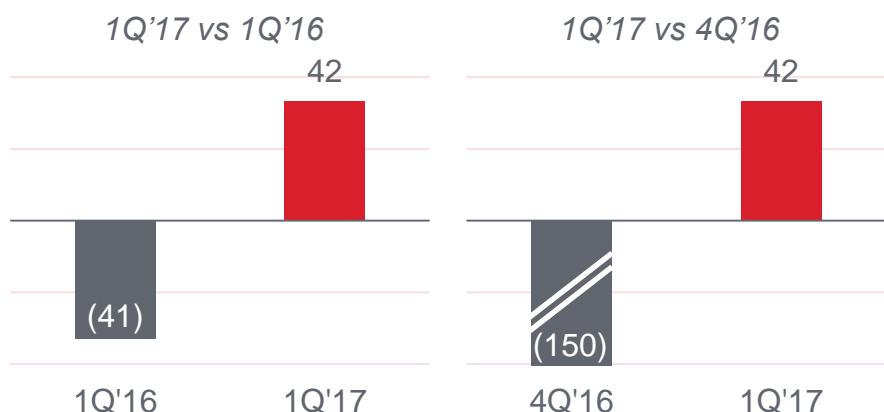
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- Significant RWW turnaround since acquisition<sup>1</sup>
  - 1Q'17 revenue of US\$422,000
    - Up 40% from US\$301,000 in 1Q'16
    - Up 65% from US\$255,000 in 4Q'16<sup>1</sup>
  - 1Q'17 EBITDA of US\$42,000
    - Up from US\$41,000 loss in 1Q'16
    - Up from US\$150,000 loss in 4Q'16<sup>1</sup>
- Successful business integration
  - Completed staff integration
  - Recently launched software integration
  - Motivated team focused on delivering clear KPIs
- Access to database of 100,000 sites
  - Direct sales leads to 100+ multi-site clients
  - Significant cross-selling opportunities

## Revenue (US\$000s)



## EBITDA (US\$000s)



1. RWW acquisition completion announced on 24 November 2016.

# Summary and Outlook

## Summary

- Strengthened Board (James Baillieu) and US management team (Tony Barnhart & Mick Rookwood)<sup>1</sup>
- Once Axis transaction is closed:
  - Axis provides an additional ~50 clients, critical infrastructure and substantial traction in the US; and
  - Ameresco partnership to drive revenue opportunities to new and existing clients
- Funded to drive the next stage of growth

## Outlook

- Leverage Ameresco to win US blue chip clients
- Drive cross-selling opportunities to existing client base
- Pursue opportunistic acquisitions that are complementary to growth and scale

1. There are no changes to the BidEnergy Board arising from the Axis transaction or the Entitlement Offer.

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## Appendix 1

# Purchase Price and Conditions to Completion

## Purchase Price

- US\$16,250<sup>1</sup> for certain Axis assets<sup>2</sup> (with no material liabilities acquired) on 31 August 2017

## Conditions Precedent to Completion

- Subject to the satisfaction of conditions precedent customary for an asset acquisition agreement, including the following (which may be waived by BidEnergy):
  - Signing of a 3-year agreement to licence the BidEnergy platform to Ameresco for US and UK procurement
  - Signing of a bi-lateral worldwide channel partnership, leveraging each other's core strengths and geographic coverage
  - Assignment of contracts for at least 80% of Axis revenue from commercial, industrial and institutional clients
  - Certain Axis staff to accept an employment offer from BidEnergy
  - Consent of the landlord to assignment of lease

1. If completion is delayed, an additional US\$21,000 is payable for each seven-day period between 31 August 2017 and the date of completion.

2. Assets include: customer contracts; software and other intellectual property; equipment (scanners, computers); rental lease.

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source to pay