

## **BIDENERGY ACHIEVES RECORD REVENUE, CAPS YEAR WITH STRATEGIC ACQUISITION – APPENDIX 4C**

**ASX RELEASE**

**31 JULY 2017**

BidEnergy Limited (ASX: BID) (“Bid” or “the Company”), a software company changing the way companies manage their energy spend to lower costs, is pleased to provide a summary of achievements for Fiscal 2017 and Q4, in conjunction with its Appendix 4C – Quarterly Cash Flow report for the period ended 30 June 2017.

### **Highlights**

- **Successfully entered the US market on the strength of two strategic acquisitions**
- **Annual revenue tripled to A\$2.6 million (FY17 unaudited) from A\$0.85 million (FY16)**
  - **Driven by Real Win Win acquisition revenue, new client acquisitions, and recurring revenue from BidEnergy platform**
- **Subscription Annual Contract Value grew by 129%**
  - **46 total subscription clients, including our first two in the US, up from 27 at 30 June 16**
  - **100% retention rate in Australia**
  - **Contract values increased at renewal by an average of 28%**
- **Executed channel partnership with KPMG, generated first client contract in Q4**
- **Expanded into the UK with BP client contract**
- **Launched a fully-underwritten Entitlement Offer to raise A\$6.7m**
- **Promoted US CEO to Managing Director**
- **Strengthened Board of Directors and added key advisor**

“In the last quarter, the Company has undergone a significant transformation. We have established a credible presence in the US, proven the channel partnership model in Australia, recapitalised the balance sheet, and strengthened the Board and management team. The Company is now in the best position it’s ever been to deliver on its exciting growth opportunities and to create long term, sustained success.” said BidEnergy Managing Director, Phil Adams.

### **Expanded Global Footprint – US**

The Company completed two acquisitions in the US, which form the cornerstones of the US strategy:

1. RealWinWin, acquired in November 2016; and
2. Ameresco’s AXIS bill pay division, with an Asset Purchase Agreement executed in June 2017, with expected closing by 31 August.

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RealWinWin adds a complementary rebate capture product and approximately 100 clients, who are ideal targets for cross-selling procurement and bill payment processing. Over the first two full quarters since the acquisition by BidEnergy, RealWinWin's financial performance has been significantly improved. Revenue has increased by 56%, as compared with the same period in 2016, and a US\$139k loss has been turned into a US\$82k contribution.

The AXIS acquisition, once completed, will immediately provide BidEnergy with approximately 50 clients, a team of US experts, and software customised to process 55,000 bills a month in over 8,000 utilities. AXIS will also add the infrastructure capability to handle paper bills and a treasury function that pays US\$650m worth of bills a year on behalf of clients.

Like RealWinWin, AXIS was loss-making under its previous ownership, and is expected to become profitable under BidEnergy through:

- Outsourcing labour for rote data-intensive tasks;
- Integrating BID's robotic process automation for bill data capture and validation;
- Applying virtual payment processing technology to the bill pay function, which could save fees and add a new revenue stream as initial research shows that 70% of the top payees accept virtual payments;
- Cross-selling and price increases for existing clients; and
- Licensing the BidEnergy software to Ameresco.

Commenting on the acquisitions, Mr Adams remarked, "We are pleased with the speed at which we have been able to turn around the performance of RealWinWin. Acquiring assets where we can quickly add value and realise synergies is an important part of international growth, and we have a clear strategy in place to achieve similar results with AXIS."

#### **Expanded Global Footprint – UK**

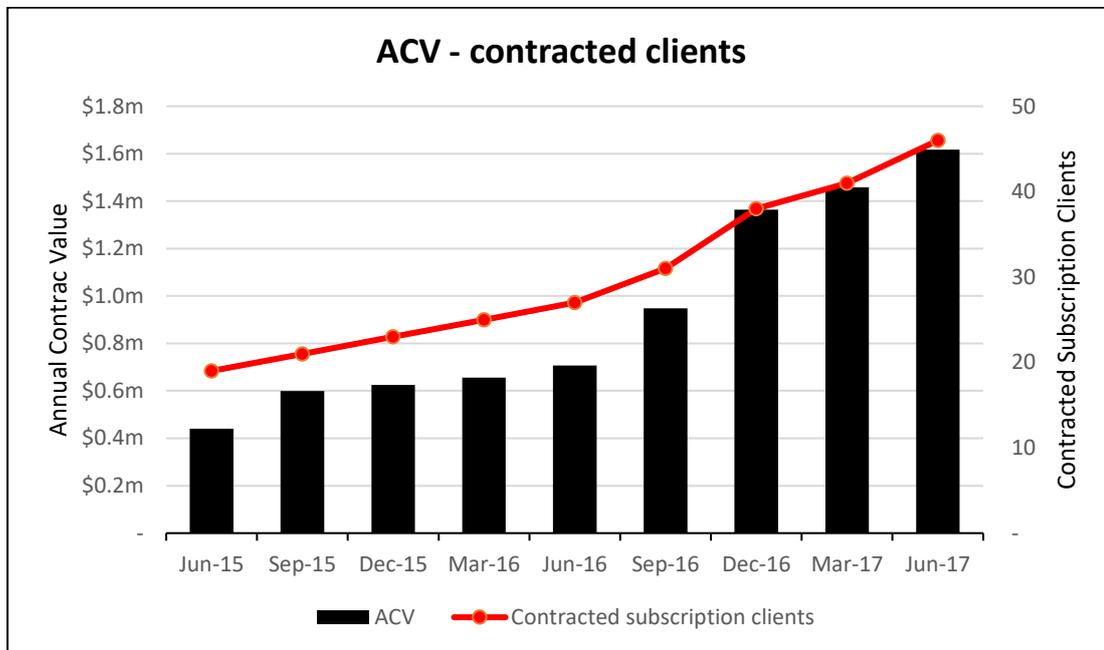
Shortly after the successful implementation in Australia during Q4, BP extended its commitment to the BID platform. BP has now contracted to use the BidEnergy platform at its UK facilities, significantly increasing its number of sites under BidEnergy management.

#### **Australian Sales and Client Retention – Record Subscription Revenue**

Over FY2017, Annual Contract Value grew by 129% with 17 household names added to the BidEnergy platform, with growth supported by the integration of new sales reps and increasing marketing capability. The number of clients increased from 27 to 44 during the year. The Company had a 100% retention rate of contracts due to expire during the year, and increased contract value at renewal time by an average of 28%.

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### Growing Channel Partner Network

The execution of the KPMG channel agreement highlighted a strong year of partner recruitment, which included adding several channel partners across Australia, US, and the UK. KPMG was responsible for introducing the Company to a quick serve restaurant chain that subsequently began utilising the BidEnergy platform. The first US client, signed during the year, was also sourced via a channel partner.

### Leveraging Software Partners

As part of the Asset Purchase Agreement with Ameresco, the Company will sign a channel agreement to cross-sell and integrate each firm's capabilities. Early stage discussions have taken place with other software companies on the demand side of energy management and in the broader category management arena.

### Strengthened Leadership and Governance

During the quarter, the Company promoted Phil Adams to Managing Director of the Company. Previously, Mr. Adams was CEO of the Company's US subsidiary - BidEnergy, Inc. Mr. Adams' promotion was part of the Company's succession planning, and was to occur once the US operations became a major contributor to the business. Mr. Adams joined BidEnergy after guiding World Energy Solutions, Inc from less than US\$0.3m in revenue to greater than US\$40m and a successful exit to EnerNOC.

The Company also enhanced its Board with the appointment of:

- James Baillieu as a non-executive director; and
- Tom Cregan (CEO of EML Payments Limited) as an advisor to the Board.

### **Strengthened Balance Sheet to Support the Company's Growth Glans**

As at 30 June 2017, the Company's total cash was A\$3.6 million. At the end of Q4 FY2017, BidEnergy launched a fully underwritten Entitlement Offer to raise A\$6.7 million. The Entitlement Offer closes on 31 July with the new shares expected to be issued on 8 August 2017. Canaccord Genuity (Australia) Limited acted as lead manager to the Entitlement Offer.

## **Corporate and Financials**

### Financials

During the quarter ended 30 June 2017, BidEnergy achieved revenue of A\$963,000. Real WinWin contributed A\$578,000, whilst BidEnergy existing business contributed A\$385,000 of subscription fees. Cash receipts from clients for the quarter totalled A\$1,006,000 in addition to a government R&D grant of A\$327,000. As at 30 June 2017, the Company's total cash was A\$3.6m. Net cash outflow from operations for the quarter was A\$1.4m, excluding the R&D rebate.

The turnaround of Real WinWin continued this quarter with the division contributing \$578,000 revenue and \$55,000 EBITDA. This compares with the quarter ending 30 June 2016, where the division generated A\$331,000 revenue and a A\$131,000 EBITDA loss, whilst under previous ownership and management.

Gross operating cash payments of A\$2.4m was lower than the previously forecasted A\$2.7m (March quarter 4C statement). Forecast gross operating cash payments for the September quarter total A\$3.3m (excluding costs of the Entitlement Offer), and the Company plans to undertake a strategic review to identify cost savings and efficiencies.

The forecast increase of A\$0.9m gross operating cash payments for quarter ending 30 September 2017 includes A\$0.6m relating to the AXIS business acquisition, expected to complete on 31 August. A\$250,000 of this relates to a one-off investment in technology and training as part of the transition plan, whilst the balance of A\$350,000 relates to operating costs of the business. It is expected that corresponding revenue of \$235,000 would be recorded, based on calendar 2016 average monthly revenue. Cash proceeds from this revenue are expected in October due to payment terms.

BidEnergy's turnaround strategy will reduce AXIS' losses in time through automation, labour outsourcing, virtual payments, extracting additional revenue from existing clients through cross-sell and pricing uplift, and a license agreement of US\$120k annually starting in calendar 2018 for Ameresco's US and UK clients. The other \$0.3M increase in

forecast cash outflows is driven by several annual payments including annual compliance and registration fees, and annual software and data licenses.

-ENDS-

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### **About BidEnergy**

BidEnergy's robotic process automation (RPA) allows large corporate and government organisations to generate significant savings on their energy costs by enabling them to buy energy at the lowest price and on the most economical rate structure, verify bills before payment, reduce the labour required to manage the energy category, and access a wealth of data for analysis and further cost reduction.

Founded in 2012 in Australia, BidEnergy now delivers source-to-pay services globally. In Australia, New Zealand, USA and United Kingdom we are the leaders for energy invoice and interval meter data processing. For procurement, finance and sustainability professionals, BidEnergy is transforming the energy category.

Energy is what powers our business and our clients. By reducing and optimising energy costs and usage, we're making a difference beyond our clients.

For more information, please visit [www.bidenergy.com](http://www.bidenergy.com)

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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 June 2017

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	1,006	2,850
1.2 Payments for		
(a) research and development	(385)	(1,306)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(88)	(502)
(d) leased assets	-	-
(e) staff costs	(1,409)	(4,326)
(f) administration and corporate costs	(546)	(3,150)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	11	51
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	327	327
1.8 Other (deposit held on trust)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,084)</b>	<b>(6,056)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(17)	(21)
(b) businesses (see item 10)	-	(356)
(c) investments	-	-

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Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
(d) intellectual property	-	-
(e) other non-current assets	-	-
<b>2.2</b> Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
<b>2.3</b> Cash flows from loans to other entities	-	-
<b>2.4</b> Dividends received (see note 3)	-	-
<b>2.5</b> Other - Cash acquired on reverse acquisition	-	2,619
<b>2.6</b> <b>Net cash from / (used in) investing activities</b>	<b>(17)</b>	<b>2,242</b>

<b>3.</b> <b>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	-	-
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</b> <b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>-</b>

<b>4.</b> <b>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	4,675	7,387
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,084)	(6,056)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(17)	2,242
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	-

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(1)	-
4.6	<b>Cash and cash equivalents at end of quarter</b>	<b>3,573</b>	<b>3,573</b>

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	2,073	2,675
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (Term deposit)	1,500	2,000
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>3,573</b>	<b>4,675</b>

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	339
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 June 2017 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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<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
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

<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Research and development	(530)
9.2 Product manufacturing and operating costs	-
9.3 Advertising and marketing	(75)
9.4 Leased assets	-
9.5 Staff costs	(1,560)
9.6 Administration and corporate costs	(1,130)
9.7 Other (cost of non-renounceable rights issue)	(464)
<b>9.8 Total estimated cash outflows</b>	<b>(3,759)</b>

<b>10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b>	<b>Acquisitions</b>	<b>Disposals</b>
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:

  
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(Company Secretary)

Date: 31 July 2017

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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