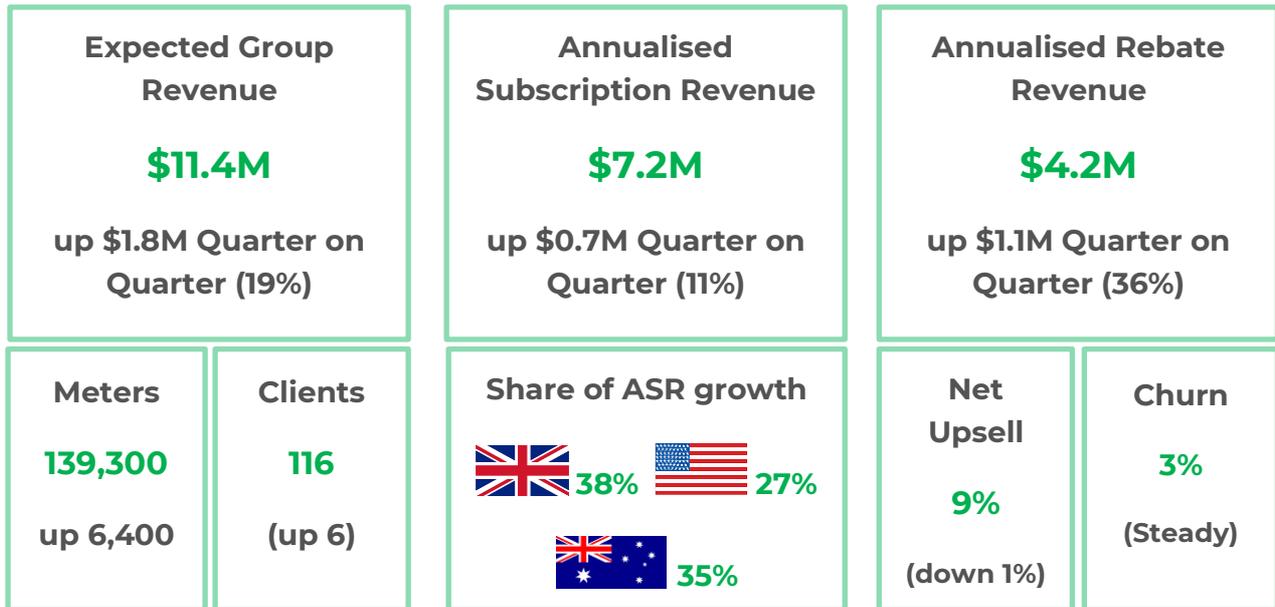


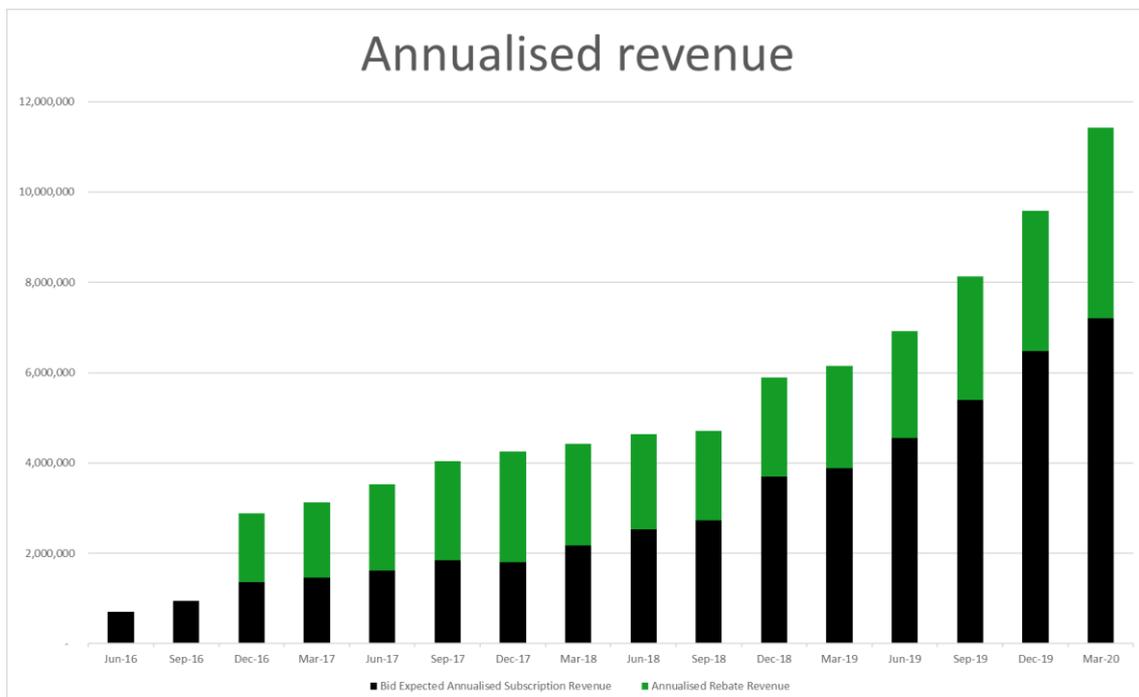
# BIDENERGY MARCH 2020 QUARTERLY APPENDIX 4C AND OPERATIONS REPORT

ASX Release  
6 April 2020

BidEnergy Limited (ASX: BID) ("BidEnergy" or "the Company"), is pleased to provide its quarterly report and Appendix 4C for the period ending 31 March 2020, which delivered continued strong growth as well as finishing the quarter with a solid cash balance of \$9.1M.



Refer to annexure A for glossary of terms. All numbers shown are rounded.



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## March 2020 Quarterly Highlights

- March 2020 was a strong quarter with Total Annualised Expected Group Revenue from contractual agreements as at 31 March 2020 increasing \$1.8m or 19% Quarter on Quarter (QoQ) to \$11.4M. These revenues comprised of:
  - BidEnergy Platform: Annualised Subscription Revenue (“ASR”)<sup>2</sup> of \$7.2M; and
  - US Rebate capture: Annualised Rebate Revenue (“AR”)<sup>3</sup> of \$4.2M.
  - BID’s USA operations delivered 70% of the Expected Group Revenue growth,
- Annualised Subscription Revenue (ASR) growth of \$0.7M, up 11% QoQ and 299% on PcP (\$0.19M) – a good result given seasonality associated with the January & February holiday season in Australia, balanced with new wins in the UK & USA.
- The Company was pleased to deliver significant ASR growth during the month of March 2020 given the global economic headwinds.
- Underlying revenue (unaudited) increased 30% to \$2.97M for the March 2020 quarter, up from \$2.28M in the December 2019 quarter, comprised of:
  - \$1.36M in BidEnergy subscription revenue (compared to \$1.13M in the Dec. Qtr.); and
  - \$1.53M in BidEnergy USA rebate capture revenue (compared to \$1.15M in the Dec. Qtr.)
  - \$80K in BidEnergy implementation fee revenue (new revenue source)
- Annualised Rebate Revenue in the USA accelerated through the quarter, increasing 36% QoQ or \$1.1M to a record \$4.2M on a last 12-months (LTM) rolling basis as large marquee clients continued with their energy efficiency programs.
- Cash receipts from customers increased 25% QoQ to \$3.0M (\$2.4M for December quarter) and net cash used in operating activities was considerably reduced to \$0.59M from \$1.4M (December quarter) driven by strong US revenue, strong cash collections across all markets and tight cost management in our operations.
- March 2020 quarter operational gross costs were less than forecast at \$3.6M (vs \$3.8M)
- Strong balance sheet with \$9.1m cash on hand at 31 March 2020. Our cash balance increased from \$8.1M in the previous quarter (December 2019) aided in part by the early realisation of options allocated in the October 2019 capital raise of \$1.3M as well as favourable changes to foreign exchange rates.

## Operational Highlights

- BID signed an agreement with Core Energy Services, a leading European energy consultancy operating in several countries, to launch services in Hungary in June 2020, utilising BID’s unique RPA cloud-based platform for up to an initial 1,000 sites over 12 months. BID is also appraising new business opportunities in Germany.
- Origin Energy portal rollout successfully launched in mid-February, with all accounts now active, and the first full monthly billing completed in March 2020. Phase 2 of the rollout commences



shortly with additional features to support Origin's broker community, together with other portal enhancements.

- Significant client up-sell contracted in the UK, with a large Energy Broker (TPI) taking on BID's full-service capabilities for their significant meter coverage. This roll out is set to launch through the first half of FY21.
- BID has seen increased interest in Energy retailer portals, specifically in late March, exemplified by a new portal pilot signed to commence in Australia in April 2020, and paid portal pilots with similar potential clients continuing in the UK.
- Client churn remains low at 3% annualised, with upsells contributing 9% of annualised revenues – from a larger new revenue base.

### BID's strategy to deal with COVID-19

- All BID staff, in all countries, have been operating remotely from the 1<sup>st</sup> week of March 2020, pre-empting government advice and to ensure full continuity of sales, operations and development.
- Our focus has been on ensuring that our existing clients are very well serviced throughout this period. We are extending our reach into the utilities ecosystem to provide as much benefit to our clients as possible.
- Whilst we are yet to see any material impact on our business, management is progressively taking precautions to further reduce our discretionary cost base. This review will include removal of all non-essential costs, a review and re-negotiation with all current suppliers on contracted costs, and assessing options for management and staff regarding remuneration structures to assist right sizing of our cost base over the near term, whilst preserving our valued talent pool.
- BID is well positioned in this market. We help materially reduce our client's costs, both in their energy and commodity spend as well as reducing internal costs by performing the utility bill management process for them. For example:
  - BidEnergy generates an "automation dividend" by taking out costs across the utility value chain (i.e. bill validation, exceptions management and Energy procurement). For every subscription dollar our clients paid for BidEnergy services we have returned \$1.11 of savings through Energy Bill cost avoidance savings and returned a further \$1.96 where we have procured energy contracts on our client's behalf (Source: Australian client analysis - CY2019 data). These significant returns to our clients are before they take into account any further internal cost savings achieved through outsourcing their bill management process and responsibilities to BID.
  - We deal with essential services, electricity, gas, water and other commodities, and as such, in tumultuous times we manage a large number of operational requests from our clients. Whilst trading terms may be temporarily altered, bills will continue to be issued, and we are very well positioned and prepared to assist our clients when their particular markets recover.

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- Today, BID manages well over \$1 billion of energy and commodity spend for our client base and we are tightly integrated into our client's business operations
  - Digitisation of internal processes and utilisation of cloud-based RPA remains a world-wide opportunity for large enterprises to remove unnecessary costs and improve customer interactions. BID remains a world leader in delivering this technology in a pragmatic way to our clients and prospects.
- As a business, we are dealing with a fluid operating environment whilst staying proactive and responsive, and will keep the market informed if any material changes occur.

## Client & Service Update

- During the March 2020 quarter, BidEnergy secured contracts with ten new clients to provide our Utility Bill Management (“UBM”) services:
  - **Hayden Real Estate** (USA)
  - **A large Dental practice management corporation** in the (USA)
  - **North American Dental** (USA)
  - **Cedar Pacific** (AUS)
  - **Deakin University** (AUS)
  - Adding another Water Utility to the platform with **City West Water** (AUS)
  - An initial small sustainability portfolio for a **large facilities management company** (UK)
  - **Evolution Mining** (AUS)
  - Exclusive wholesale, white label agreement with **Core Energy Services** (Hungary)
  - A parsing as a service deal for a **major Australian energy management company** (AUS)

And in addition, a **paid pilot for a major Australian Energy retailer** (AUS)

- BID also secured additional upsell revenues and/or contract re-negotiations with five existing clients for Utility Bill management (UBM) services:
  - **A large TPI** in the (UK) taking on our full UBM solution
  - **Goodyear** (AUS) renewal
  - **Aqua America** rollout to an additional four states (USA)
  - **Fletcher Building** renewal (AUS) and (NZ)
  - **QMS** (AUS) Site count uplift

## Self Service Update

The **Self-Service** “*conciERGE*” channel extends BidEnergy’s reach into large and high growth revenue markets, that will be distributed or white labelled via channel partners.



Given the emerging challenging environment especially for Small Medium Enterprises (SME's), and the volatility in energy markets, BID is looking to bring forward its plans to assist SME's to access better tariffs in the energy markets.

## Management Commentary

We are pleased with the company's performance in the March 2020 quarter, which benefitted from strong results across both our Utility Bill Management platform and the Rebate business. It is clear that our now globally, diversified business has driven the positive growth when compared to the March 2019 quarter results which was primarily derived from the Australian market.

BID remains in a strong position as a cost reduction and cost avoidance solution for our clients, dealing with commodities that are essential services, across three tier 1 markets. Our capabilities, together with our robust and loyal client base, provision us with a deep sales pipeline, reduced impacts of seasonality and numerous early stage growth opportunities. We therefore remain cautiously optimistic that we can weather the current economic and Covid-19 related issues well.

Our robotic workforce provides a significant competitive and delivery advantage across multiple fronts, relative to our competitors or in-house management, and this distinctive capability continues to be highly attractive to new client opportunities, especially clients that are looking to solutions as a result of a dispersed workforce through remote working.

The intent to digitise across all our customer channels remains. In fact, we believe the current economic headwinds may accelerate the process.

We remain focussed on our existing clients in terms of what BID can offer across our value chain. The signing and upgrading of many new and existing clients during the March 2020 quarter further gives us confidence in BID's strong product offering. In many instances, existing BID clients are asking us to step in and assist them to manage their cashflows and payments to their utility and commodity providers, uniquely positioning BID to be "part of the solution" for our clients. We are well connected to achieve a win-win solution for them.

Lastly, BID is well prepared for the period ahead, with a strong balance sheet and growing revenues. Importantly, BID continues to have significant opportunities across our three primary market regions, placing the company in a strong position for the remainder of CY2020.

This announcement has been authorised for release by the Board of BidEnergy Limited. Further information;

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## About BidEnergy

BidEnergy is an Australian-based technology company with offices in Australia, the USA and UK. BidEnergy's cloud-based platform simplifies the complex energy spend management process by using automation, enabling organisations to have complete control over their energy spend. Unlike manual consulting and business services, the platform automates the management of every component of the process for multi-site companies. By automatically capturing and validating invoices and meter data, BidEnergy clients can streamline their accounting and payments processes, go to market at short notice to optimise their supply contracts and reduce billing charges using sophisticated analytics and reporting.

BidEnergy's innovative Robotic Process Automation ("RPA") platform gives small to large enterprises greater control over the full energy spend lifecycle, particularly where there is a national multi-site configuration. Further, under these agreements, BidEnergy's RPA platform is utilised to automatically capture and validate invoices, automating the payable function, discovering cost reduction opportunities and providing real-time Energy information and accurate financial capabilities at the touch of a button, as and when they need it.

### Disclaimer

This announcement may contain forward-looking statements which may be identified by words such as 'believes', 'estimates', 'expects', 'intends', 'may', 'will', 'would', 'could', or 'should' and other similar words that involve risks and uncertainties. From time to time, the Company may also use industry-specific terminology such as "Annualised Subscription revenue" which refers to the annualised value of active client contracts under management by BidEnergy at a particular point in time and should not be interpreted as a financial forecast. Such statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Announcement, are expected to take place.

Such forward-looking statements are not a guarantee of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and management of the Company.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Announcement, except where required by law.

The Company cannot and does not give assurances that any results, performance or achievements expressed or implied in any forward-looking statements contained in this Announcement will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.



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## Annexure A: Glossary of Terms

<sup>1</sup>**Expected Group Revenue** – refers to the sum of total of Annualised Subscription Revenue (ASR) and Annualised Rebate Revenue (AR).

<sup>2</sup>**Annualised Subscription Revenue (ASR)** – refers to the annualised revenues from BidEnergy platform client accounts, and is comprised of both billable revenue and expected long-tail revenue:

- billable revenue is attributable to active client accounts, which is the annualised monthly fee billed on active accounts; and
- expected long-tail revenue is attributable to:
  - contracted client accounts that are yet to complete the onboarding process for their portfolio of sites; and
  - annualised monthly revenue from meters expected to be onboarded over the next 12 months.

<sup>3</sup>**Annualised Rebate Revenue or AR** – refers to BidEnergy USA rebate capture revenues, which are project based and are annualised on a rolling basis based on the last 12 months of project activity to allow for seasonality inherent in the rebate business.

<sup>4</sup>**Meters** – Number of energy, gas, and water meters for our subscribers. Meters corresponding to ASR include those meters onboarded and being serviced, those being onboarded from contracts, and those expected to be onboarded in the next twelve months from contracted clients.

<sup>5</sup>**Net Upsell** – Calculated as the net revenue improvement for combined contract renewals for the preceding twelve months to date.

<sup>6</sup>**Churn** – Clients loss represented as the net revenue loss of any existing subscriber for the preceding twelve months to date.

**BidEnergy (BID)** – Utility Bill Management platform (UBM), utilising Robotic Process automation (RPA) charged on a monthly or annual subscription basis in Australia, NZ, UK and the USA.

**BidEnergy Inc. USA (Formerly RWW)** – Rebate Capture Business operating in the USA (Philadelphia based) that manages the process of claiming rebates from Energy retailers for energy efficiency programs such as LED lighting changeout for clients on a fee for service basis.

**BID Clients** – Number of Paying subscribers on BIDs utility Bill Management platform, not including rebate clients in the USA.

**\$XM** – Value in AUD millions of dollars.

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## Appendix 4C

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

**Name of entity**

BidEnergy Ltd

**ABN**

94 131 445 335

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

31 March 2020

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	2,970	7,487
1.2 Payments for		
(a) research and development	(519)	(1,448)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(61)	(289)
(d) leased assets	-	-
(e) staff costs	(2,132)	(5,632)
(f) administration and corporate costs	(860)	(3,683)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	12	19
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(590)</b>	<b>(3,546)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	(28)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)		
	- Lease deposits	42	(18)
	- Proceeds received from employees for company tax on vesting of securities	142	142
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>184</b>	<b>96</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	6,678
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	1,311	2,032
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(26)	(500)
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>1,285</b>	<b>8,210</b>

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
<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 period	<b>8,081</b>	<b>4,199</b>
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(590)	(3,546)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	184	96
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,285	8,210
4.5	Effect of movement in exchange rates on cash held	168	169
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>9,128</b>	<b>9,128</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	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	3,828	4,181
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (term deposits)	5,300	3,900
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>9,128</b>	<b>8,081</b>

**6. Payments to related parties of the entity and their associates**

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter  
\$A'000**

-

-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

**7. Financing facilities**

Note: the term "facility" includes all forms of financing arrangements available to the entity.

Add notes as necessary for an understanding of the sources of finance available to the entity.

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 <b>Total financing facilities</b>	-	-

7.5 **Unused financing facilities available at quarter end** -

7.6 **Financing Facility Description: N/A**

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (Item 1.9)	(590)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	9,128
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	9,128
8.5 <b>Estimated quarters of funding available (Item 8.4 divided by Item 8.1)</b>	15.47

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

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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.

Date: 6 April 2020

Authorised by: By the Board

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