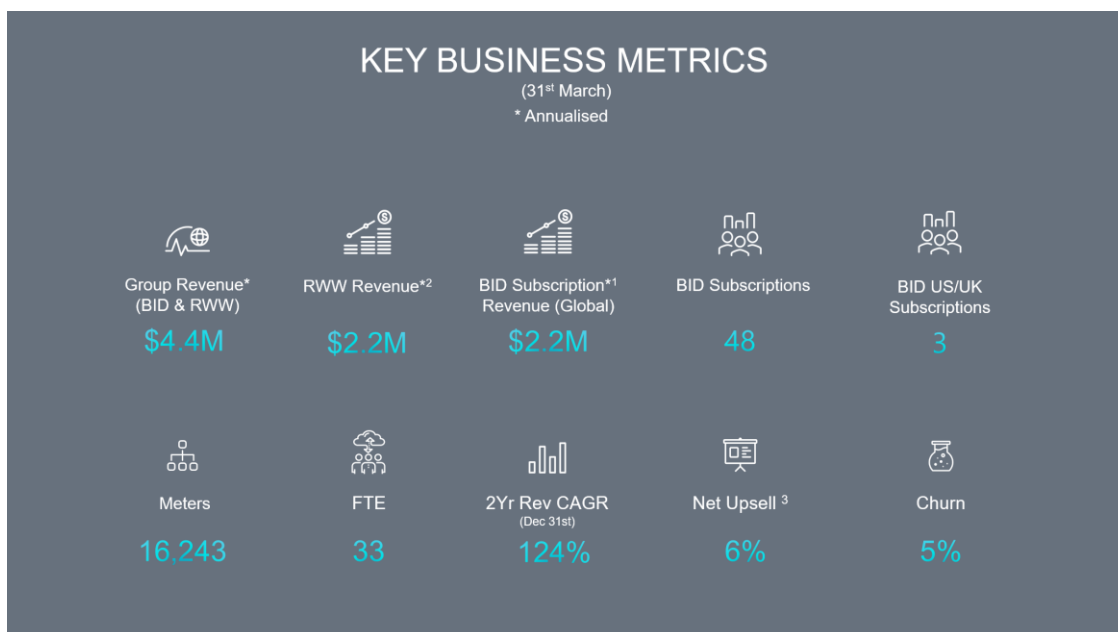


BIDENERGY OPERATING REPORT AND MAR-18 APPENDIX 4C

ASX RELEASE

26 April 2018

BidEnergy Limited (ASX: BID) ("BidEnergy" or "the Company"), is pleased to provide its operations update and quarterly cashflow report for the quarter ended 31 March 2018.



(refer to appendix for glossary of terms)

HIGHLIGHTS FOR THE QUARTER ENDED 31 MARCH 2018

- **Underlying revenue (unaudited) of \$0.8M for the March 2018 quarter**
 - \$0.5 million in BidEnergy subscription revenue; and
 - \$0.3 million in RealWinWin rebate capture revenue.
- **Total combined annualised revenue of the Group was \$4.4M, as at 31 March 2018**
 - *Platform Subscriptions*: \$2.2 million of Annualised Subscription Revenue (ASR)¹;
 - *Rebate Capture (RealWinWin USA)*: \$2.2 million Annualised Revenue (AR)²

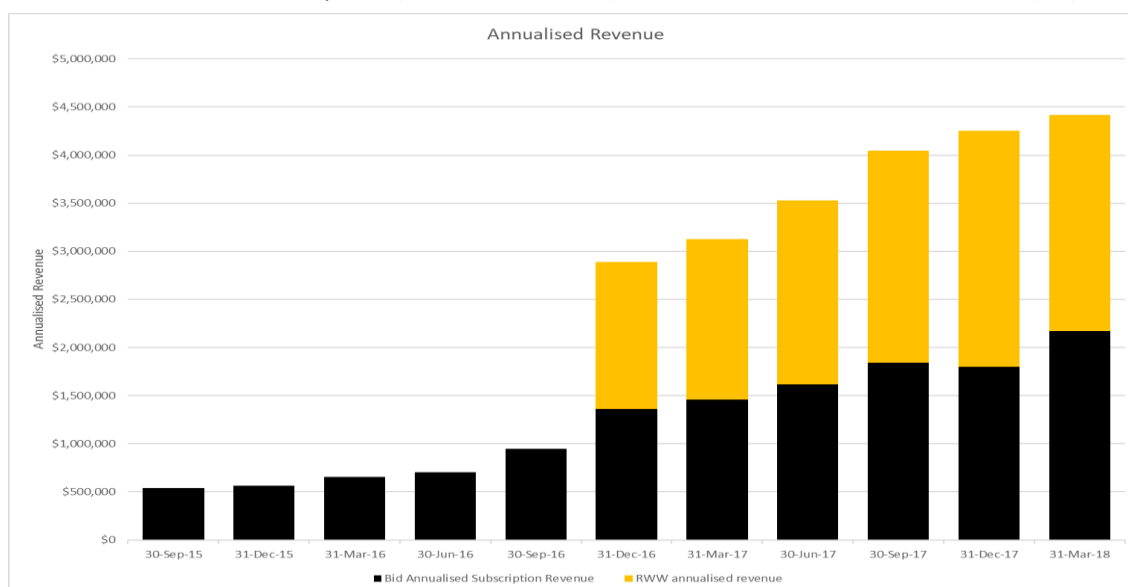


Figure 1: Combined (global) Annualised Revenue Performance by quarter

For personal use only

- **Major BidEnergy account wins during the March Quarter**
 - Singtel Optus, Property NSW, The Australian Venue Company, and Berkshire Hathaway
- **BidEnergy begins Q4 FY2018 with the signing of a material contract with The Salvation Army, which will drive a further substantial uplift in ASR**
- **BidEnergy's RPA platform continues to be validated by renewals from existing contracted customers**
- **Positive net upsells of 6% YTD³**
- **Revenue based churn since June 17 remains at 5%**
- **Strong sales growth - number of Meters under Management increased from 10,065 at 31 December to 16,243 at 31 March 2018 and 18,641 as at 26 April 2018**
- **Cash balance of \$5.4M as at 31 March 2018**
- **Average monthly burn under \$300K for Q3 FY2018 following cost reduction initiatives.**
- **Company budgeted to become cash flow positive by December quarter 2019**

Operating Overview

Upon the commencement of the March 2018 quarter, BidEnergy set itself the following goals:

- Become a focused sales and marketing business that delivers on the automation dividend that our customers expect;
- Broaden our customer target market beyond multi-site and major corporate businesses to include the SME and Consumer & Industrial marketplace, which has more than 2 million customers;
- Provide entry-level pricing across a suite of our services with flexibility on contracts;
- Enable prospective customers to further interact with our solutions;
- Refresh and reinvigorate our presence across the web, social marketing and direct communications;
- Remove barriers to ensure ease of access and simplification of customer relationships; and
- Increase the breadth and geography of sales channels to broaden the reach of our products.

We are pleased to report that our activities during the March 2018 quarter were largely ahead of the previously stated goals. In addition, we provide the following update:

Major account wins to start 2018

Led by the announcement of Singtel Optus as a major customer for BidEnergy and a milestone for the Company, lifecycle energy management is resonating in the broader marketplace as more businesses want proactive, rather than reactive, spend management solutions.

The addition of one of Australia's largest not for profit organisations in The Salvation Army (announced last week), in addition to three other accounts, to our portfolio of customers provides increasing validation of our RPA Platform.

These new customers highlight the critical importance of an RPA solution for managing the energy spend for leading enterprise customers, and the success BidEnergy is achieving with its revitalised approach to market.

Major customers are recognising that services provided by their incumbent providers can be significantly improved thanks to robotic automation. BidEnergy's robotic solution provides critical information faster, more accurately and at a fraction of the cost of competitors.

BidEnergy's pricing to the enterprise market reveals our "Automation Dividend", in that we can price aggressively in relation to our competitors as the only RPA player in the market.

BidEnergy's solution costs substantially less than our competitors, a cost advantage that extends to new customer acquisitions, where robots take the majority of the workload. This provides BidEnergy with a substantial market pricing advantage whilst maintaining solid gross profit margins.

BidEnergy broadens reach through new sales channels

BidEnergy has further increased its sales reach through the development of agency relationships with key individuals in Victoria, New South Wales and South Australia. These relationships add to our direct sales teams' "feet on the ground" to provide introduction and sales facilitation through industry verticals and have already added significantly to our sales pipeline of opportunities.

UK Market update

BidEnergy successfully implemented its RPA solution into the UK market during the quarter and can now utilise its BP experience in the UK to further develop that market. Whilst BP will stay at the forefront of our thinking, and we are working in concert with them to constantly improve our service, organic local growth can now be entertained.

The UK presents a very large, sophisticated and concentrated market; at least five times the size of the Australian market with a digitised energy supply chain. Bills are in electronic format, interval data is readily available in standard formats, and energy is highly competitive with over 50 energy retailers operating in most areas of the country. The UK is structurally very similar to the Australian market and is prime territory for an expanded BidEnergy solution. The UK also further provides a great launch pad into the larger, but more fragmented European market.

USA market growth opportunities

The RealWinWin business results were in line with forecast after its record first half, with revenue of \$350K, versus \$596k in the preceding quarter. As previously disclosed in the half yearly report commentary, the RWW rebate business is cyclical and rebate claims slow through the retail Christmas trading period. The slow down affects the third quarter with regards to rebate receipts. Performance is improving and the business forecast remains with a positive EBITDA contribution for the full Australian financial year.

Separately, the BidEnergy RPA platform in the USA, supported through our team on the ground in Philadelphia, has substantial scope for upside. Adding Berkshire Hathaway, one of the world's leading brands, to our global portfolio is an exciting forward step. BidEnergy recognises the US as a significant growth opportunity and have commenced recruitment to appoint a dedicated sales executive to propagate our subscription solution. Our Energy Spend Management platform can be deployed into many states, and work is underway to accelerate that deployment. Our RealWinWin business in the USA

For personal use only

provides us the opportunity to approach existing clients with our RPA platform as a natural extension to their energy saving initiatives delivered through rebate capture.

Financials - Cash burn and breakeven

The Company announced in its January 2018 operating report a target of average monthly cash burn of \$300K. Total cash burn for the March quarter was \$974K, and after excluding the one-off payments previously highlighted in January (CEO Termination payment), the underlying cash burn for the March quarter was \$675K. This substantially beat our internal target of \$900K, with the strong result assisted by the receipt of some up-front annual subscription payments.

BidEnergy makes the following comments with regards quarterly cash burn;

- As the Company continues to add new business the current burn levels will continue to reduce on average over time.
- Cashflows can be impacted by one-off quarterly costs which include a number of annual expenses (e.g. insurance, tax, audit, ASX and license fees), which are expected around the end of financial year.
- In the December quarter with fewer annual payments forecast, and with sales momentum in hand, cash burn will be substantially less than our current trend.
- Outside of these annual one-off costs, the company forecasts no meaningful increase in its underlying cost base as the business moves towards breakeven.
- Based on Internal forecasts with current sales momentum and underlying cost structures the company is budgeting becoming cash flow positive in the December quarter of 2019.

-ENDS-

Further Information:

Guy Maine
Managing Director
guy.maine@bidenergy.com
+61 484 524 815

For personal use only

About BidEnergy

BidEnergy is an Australian-based technology company servicing customers in Australia, New Zealand, UK and the USA. BidEnergy's cloud-based platform simplifies the complex energy spend management process using robotic process 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 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.

Australian Market receptiveness to RPA

Whilst most ASX companies have no RPA plans, there are an increasing number who are becoming well advanced in their deployment and 2018 seems set to become a benchmark year for RPA and AI evolution. These companies are moving to deploy RPA across all business functions - finance, sales, operations, and their supply chain. Whilst off-shoring sought to reduce labour costs last decade, it did not improve accuracy, speed and control and added some risk to business processes. Major companies are now looking at "reshoring" through RPA as it does all these things locally for a substantial further discount.

BidEnergy's RPA specialisation in energy and utility bill management provides the business a significant first mover advantage locally and globally as the RPA Revolution takes hold. As companies seek RPA solutions across business functions, they can act immediately with our platform to cross energy spend off their business improvement list.

Our core focus remains building a substantial, sound and growth-oriented business within Australia which can then be applied globally to comparable markets. Our partner presence in the USA and UK provide obvious next stage growth opportunities.

For more information, please visit www.bidenergy.com

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 customer 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 guarantees 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.

For personal use only

Appendix – Glossary of terms

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

RealWinWin (RWW) – Rebate Capture Business operating in the USA (Philadelphia based) that manages the process of claiming rebates from Energy retailers for LED lighting changeout for customers on a fee for service basis.

¹ **Annualised Subscription Revenue or ASR** – refers to the annualised value of active customer contracts under management by BidEnergy, calculated by reference to the monthly fixed fee for BidEnergy's services. To the extent a monthly fee is varied (including by reason of services being added or removed, or the numbers of meters managed under the contracted being increased or decreased) this may impact BidEnergy's ASR. To the extent that BidEnergy's ASR is materially impacted, BidEnergy will provide a market update.

BID Subscriptions – Number of Paying subscribers on BIDs ESM.

² **Annualised Revenue or AR** – refers to RealWinWin rebate capture revenues, which are project based and are annualised on a rolling basis on the last 12 months of project activity. To the extent that any single month's rebate capture performance may vary, the corresponding AR will be affected and updated quarterly. This allows for seasonality inherent in the RWW business.

BID US/UK Subscriptions – Number of paying subscribers on BIDs ESM internationally. N.B. In the case of BP, they are counted in both Aus. and the UK.

Meters – Number of Energy, Gas and Water meters for our paying subscribers. As our charges vary based on a client's meter portfolio, this is an important data point.

FTE – Number of fulltime equivalent staff, not including contractors.

2Yr Revenue CAGR – reported in the half yearly and full year accounts, our compound annual growth rate over the preceding two years for the combined group.

³ **Net Upsell** – Calculated as the net revenue improvement for combined contract renewals for the current financial year to date.

Churn – Customer loss represented as the net revenue loss of any existing subscriber for the current financial year to date.

For personal use only

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

BIDENERGY LIMITED

ABN

94 131 445 335

Quarter ended ("current quarter")

31 March 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,023	3,063
1.2 Payments for		
(a) research and development	(240)	(936)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(21)	(223)
(d) leased assets	-	-
(e) staff costs	(1,204)	(3,968)
(f) administration and corporate costs	(528)	(1,943)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	19	50
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	40	151
1.8 Other – Axis non-completion payment	-	(358)
1.9 Net cash from / (used in) operating activities	(911)	(4,164)

2. Cash flows from investing activities

2.1 Payments to acquire:

(a) property, plant and equipment	-	(109)
(b) businesses (see item 10)	-	-
(c) investments	-	-

For personal use only

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
(d) intellectual property	-	-
(e) other non-current assets	-	-
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 – Deferred Consideration on RWW acquisition completed Nov-16	(63)	(63)
2.6 Net cash from / (used in) investing activities	(63)	(172)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	6,707
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	-	(504)
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	-	6,203

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	6,410	3,569
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(911)	(4,164)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(63)	(172)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	6,203

For personal use only

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	5,436	5,436

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	1,036	2,910
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (Term deposit)	4,400	3,500
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	5,436	6,410

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

**Current quarter
\$A'000**

136

-

- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Director fees

7. Payments to related entities of the entity and their associates

- 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

**Current quarter
\$A'000**

-

-

- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Nil

For personal use only

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	(220)
9.2 Product manufacturing and operating costs	-
9.3 Advertising and marketing	(20)
9.4 Leased assets	-
9.5 Staff costs	(1,035)
9.6 Administration and corporate costs	(650)
9.7 Other (Real Win Win final purchase consideration)	-
9.8 Total estimated cash outflows	(1,925)

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	-	-

For personal use only

