




BIDENERGY DECEMBER 2019 QUARTERLY APPENDIX 4C AND OPERATIONS REPORT

ASX Release

20 January 2020

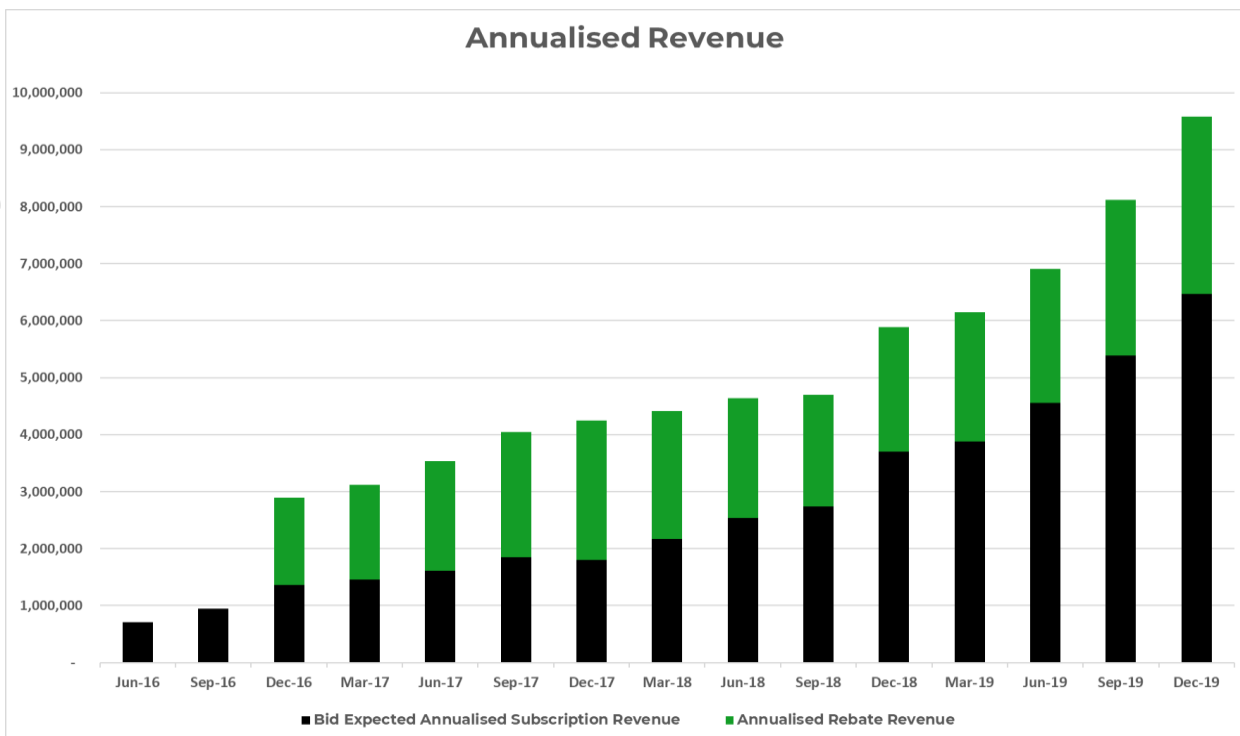
BidEnergy Limited (ASX: BID) ("BidEnergy" or "the Company"), is pleased to provide its quarterly report and Appendix 4C for the period ending 31 December 2019.

Expected Group Revenue \$9.6M up \$1.5M Quarter on Quarter (18%)		Annualised Subscription Revenue \$6.5M up \$1.1M Quarter on Quarter (20%)		Annualised Rebate Revenue \$3.1M up \$0.4M Quarter on Quarter (14%)	
Meters 132,900* up 17,000	Clients 111 (up 12)	Share of ASR growth  27%  36%  37%		Net Upsell 10% (up 2%)	Churn 3% (Steady)

Refer to annexure A for glossary of terms. *Meter numbers exclude any assumptions for iSelect & UK Energy retailer Parsing as a service web acquisition bill quantities. All numbers shown are rounded.



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December 2019 Quarterly Operational Highlights

- Record quarter with overall Expected Group Revenue of \$9.6M, up \$1.5M or 18% compared to the last quarter;
 - BID's USA operations delivered 53% of the overall Expected Group Revenue growth,
- Record quarter for Annualised Subscription Revenue growth, adding \$1.1M in ASR from 16 new clients across our three geographic regions;
 - BID's combined USA and UK operations delivered more than half of new ASR growth, as new sales staff in both regions continue to build momentum in those jurisdictions.
- Annualised Rebate Revenue continues to grow in the USA, now at \$3.1M on a last twelve months (LTM) rolling basis, with major new client programs commencing, together with a number of new clients contracting BID for both Rebates and Utility Bill Management service offerings;
- Cushman and Wakefield rollout to selected Australian clients now complete with full revenue commencing as of December 2019;
- iSelect bill parsing service launch went live on 17 January 2020, ahead of schedule;
- Origin Energy portal rollout to be completed in February 2020, at which point recognition of all contract revenues will commence;
- Significant client upsells, with eight existing clients upgrading and/or expanding their use of BID services (and/or meter count) notably driving net upsell to 10%. This includes:



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- Aqua America increasing its state rollout to now include Virginia and Texas, adding a further 1,200 accounts;
- Specsavers completing a national rollout to include all of Australia and NZ after an initial 45 store pilot; and
- a number of our existing clients in Australia now taking up our Energy Procurement and Bill Payment (Trust account) service.
- BID continues to progress a number of paid pilot programs and proof of concept initiatives worldwide for a range of different services supported by BID's unique RPA platform;
- Client churn remains low at 3% annualised;
- Strong balance sheet with \$8.1M cash on hand as at 31 December 2019.

Client & Service Update

- During the December 2019 quarter, BidEnergy secured contracts with sixteen new clients to provide our Utility Bill Management (“UBM”) services:
 - **QBE Insurance** (AUS, UK, USA)
 - **A large regional based convenience store chain** (USA)
 - **Sweetgreen** (USA)
 - **Monash University** (AUS)
 - **ESS** (UK)
 - **iSelect** web acquisition tool (AUS)
 - **One of the top 5 largest archdioceses in the United States** (USA)
 - **Power solutions** (UK)
 - **BP Chargemaster** the UK's biggest name in electric vehicle charging (UK)
 - **National Energy Hub** (UK)
 - **John Holland** (AUS)
 - **Spotlight and Anaconda** (AUS)
 - An SME web acquisition tool for a major **UK Energy retailer** (UK)
 - **AXIOM** a large Energy Broker (TPI) (UK)
 - **The Australian arm of a Multinational insurance company** (AUS)
 - **Tafe NSW** (AUS)
- BID also secured additional notable upsell revenues with eight existing clients for UBM services:
 - **Australian Venue Company** (AUS) additional Gas sites

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- **PUMA** (AUS) Procurement and Payment Upsell
- **Aqua America** rollout to Texas and Virginia (USA)
- **Specsavers** national rollout (AUS) and (NZ)
- **ISS** (AUS) Site count uplift
- **Holcim** (AUS) Site count uplift
- **Peter Stevens** (AUS) Site count uplift
- **Australian owned leisure management provider** (AUS) upgrading to full UBM

December 2019 Quarterly Financial Highlights

Underlying revenue (unaudited) of \$2.28M for the December 2019 quarter, up from \$2.0M in the September 2019 quarter, representing growth of 15% quarter on quarter, comprised of:

- \$1.13M in BidEnergy subscription revenue (compared to \$1.0M in the Sept. 2019 Qtr.); and
- \$1.15M in BidEnergy USA rebate capture revenue (compared to \$1.0M in the Sept. 2019 Qtr.)

Total Annualised Expected Group Revenue from contractual agreements is \$9.6M, comprised of:

- BidEnergy Platform: Annualised Subscription Revenue (“ASR”)² of \$6.5M; and
- US Rebate capture: Annualised Rebate Revenue (“AR”)³ of \$3.1M.
- Cash on hand at 31 December 2019 was \$8.1M.
- December 2019 Operational Quarterly Gross Costs less than forecast at \$3.8M (vs \$4.1M)
- Forecast March 2020 Operational Quarterly Gross costs to remain flat at \$3.8M
- Receipts from Clients for the December 2019 quarter totalled \$2.4M (vs \$2.2M for the September 2019 quarter).
- Quarterly net operating cash burn improved for the December 2019 quarter to \$1.4M (vs \$1.5M for the September 2019 Quarter).
- March 2020 quarterly revenues expected to increase as;
 - Large new client rollouts are completed and fully invoiced, together with December 2019 quarter new clients commencing onboarding (at which point invoicing commences),
 - Existing client upsell incremental invoicing commencing, and
 - Revenues being further underpinned by a strong November 2019 and December 2019 Rebate program approval rate, whereby revenues flow into the following quarter.
 - Collectively this revenue increase is expected to drive cash burn lower, as the company remains committed to maintaining Operational gross costs flat.

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Self Service Update

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

The Company is currently completing a number of proof of concepts with large trusted brands utilising the BIDBilly product. Further updates will be provided to the market on these activities as they are completed.

Management Commentary

December 2019 was a record quarter for BID, with strong momentum in all three key markets (Australia, USA, and UK). International markets contributed significantly to the result as BID capitalises on its growing international and domestic pipeline. BID's strong foundation in all of its key markets and global footprint positions the Company for substantial growth in 2020.

Key operational highlights include: the recent wins in the USA, continued growth in Australia with new client wins and client upsells, and further positive developments in the Broker (TPI) and Energy retailer sectors in the UK, now that the budgeted sales and operations team is in place.

The Company's focus on realising upsell opportunities from our existing clients is delivering results, with clients increasing their meter count through geographical expansion, taking up new services (such as Bill Payments via trust accounts), or adding new commodity verticals (such as water bills and other outgoings). Realising upsell opportunities will remain a focus for BID as we also continue to win new clients.

BID is progressing a number of paid pilot programs and proof of concept initiatives worldwide for a range of different services supported by our unique RPA platform. BID's positioning as a world leading RPA-powered solutions provider is driving significant interest from major local and global brands across a number of different portfolios including: Enterprise Multi-site clients, Energy Brokers, Facility Managers, and more recently; Comparison sites and Energy retailers. We will update shareholders accordingly as these programs and initiatives develop.



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This announcement has been authorised for release in accordance with BidEnergy's Continuous Disclosure Policy:

<https://bidenergy.com/wp-content/uploads/2018/08/2018-BID-Corporate-Governance-Plan.pdf>



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[About BidEnergy](#)

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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.



Annexure A: Glossary of Terms

¹ **Expected Group Revenue** - refers to the sum of total of Annualised Subscription Revenue (ASR) and Annualised Rebate Revenue (AR).

² **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.

³ **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.

⁴ **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.

⁵ **Net Upsell** - Calculated as the net revenue improvement for combined contract renewals for the preceding twelve months to date.

⁶ **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.



+Rule 4.7B

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 December 2019

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	2,364	4,517
1.2 Payments for		
(a) research and development	(432)	(929)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(84)	(228)
(d) leased assets	-	-
(e) staff costs	(1,831)	(3,500)
(f) administration and corporate costs	(1,457)	(2,823)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	4	7
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other	-	-
1.9 Net cash from / (used in) operating activities	(1,436)	(2,956)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments (term deposit)	-	-

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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	-	-
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments (term deposit)	-	-
(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 – lease deposit	-	(60)
2.6 Net cash from / (used in) investing activities	-	(60)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	6,678	6,678
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	721
3.4 Transaction costs related to issues of shares, convertible notes or options	(367)	(474)
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	6,311	6,925

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	3,233	4,199
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,436)	(2,956)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	(60)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	6,311	6,925

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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	(27)	(27)
4.6	Cash and cash equivalents at end of quarter	8,081	8,081

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	4,181	2,333
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (Term deposit)	3,900	900
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	8,081	3,233

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

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

**Current quarter
\$A'000**

190

-

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

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

**Current quarter
\$A'000**

-

-

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	(590)
9.2 Product manufacturing and operating costs	-
9.3 Advertising and marketing	(80)
9.4 Leased assets	-
9.5 Staff costs	(2,060)
9.6 Administration and corporate costs	(1,110)
9.7 Other	-
9.8 Total estimated cash outflows	(3,840)


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:


.....
(Company Secretary)

Date: 20 January 2020

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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