

BidEnergy Limited
Appendix 4E
Preliminary final report

1. Company details

Name of entity:	BidEnergy Limited
ABN:	94 131 445 335
Reporting period:	For the year ended 30 June 2019
Previous period:	For the year ended 30 June 2018

2. Results for announcement to the market

			\$
Revenues from ordinary activities	up	30.4% to	5,304,110
Loss from ordinary activities after tax attributable to the owners of BidEnergy Limited	up	45.4% to	(6,566,405)
Loss for the year attributable to the owners of BidEnergy Limited	up	45.4% to	(6,566,405)

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Comments

BidEnergy's total operating revenue grew to \$5.3M in FY19 (FY18: \$4.1M) representing a 30% increase year on year. Importantly this growth was achieved primarily through growth in BidEnergy subscription fee revenue up 53% to \$2.9M. This was delivered through a combination of revenue from significant growth in new client contracts, here in Australia and overseas, as well as recurring revenue from existing clients who took up additional commodities and platform services. BidEnergy clients grew to 92 at 30 June 2019, from 53 at 30 June 2018. US energy rebate revenues also grew during the year contributing revenue of \$2.4M (FY18: \$2.1M).

Underlying EBITDA* loss increased 20% to \$4.7M for FY19 as the Company chose to invest this year in its salesforce, product development and operations to enable it to execute and deliver on growing opportunities domestically and overseas. The company has made significant investment in its solution for facilities management, energy brokers, and energy retailer portals. The company is well advanced onboarding several channel opportunities that will make growing financial contributions in FY20. The company has a strong sales pipeline on which to execute and the investment made in advancing the companies technology provides a solid platform for growth in FY20.

The statutory loss for the Consolidated Entity after providing for income tax amounted to \$6.6M (30 June 2018: \$4.5M). A reconciliation of underlying EBITDA to statutory profit is contained in note 3, operating segments.

At 30 June 2019 the Company held \$4.2M in cash, with gross proceeds of \$0.7M received from exercise of company options subsequent to financial year end in July 2019.

	FY19 \$'000	FY18 \$'000	% Favourable/ (Unfavourable)
BidEnergy Subscription Fee Revenue	2,924	1,908	53%
Rebate Revenue	2,353	2,101	12%
BidEnergy non-subscription fee revenue	27	58	(53%)
Total Revenue	5,304	4,067	30%
Underlying EBITDA	(4,662)	(3,900)	(20%)
Statutory net profit after tax	(6,566)	(4,518)	(45%)

* Underlying EBITDA is a non-IFRS measure calculated as earnings before income tax, and before depreciation and amortisation, capitalised salaries, share based payments, reorganisation costs, transaction fees, net finance costs and foreign exchange as detailed in note 3 of the preliminary financial report.

For further detail and commentary on the financial results please refer to the attached preliminary financial report.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>3.48</u>	<u>4.28</u>

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period

There were no dividends paid, recommended or declared during the current financial period.

Previous period

There were no dividends paid, recommended or declared during the previous financial period.

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

BidEnergy Limited holds 100% ownership in two foreign entities, BidEnergy Ltd (UK) and BidEnergy Inc. (US). Both these companies prepare their financial statements in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

10. Audit qualification or review

The financial report is in the process of being audited.

At this point in the audit process there have not been any disputes nor issues raised that will be subject to audit qualification.

The audited financial report is scheduled for release in September 2019.

11. Attachments

The Preliminary financial report of BidEnergy Limited for the year ended 30 June 2019 is attached.

12. Signed

Signed _____

A handwritten signature in black ink, appearing to be 'A. Dyer', written over a horizontal line.

Date: 29 August 2019

Andrew Dyer
Non-Executive Chairman

BidEnergy Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2019

	Note	Consolidated 2019 \$	2018 \$
Revenue	4	5,304,110	4,066,742
Other income		135,440	397,551
Expenses			
Third party support and development costs		(1,253,374)	(698,518)
Depreciation and amortisation expense		(542,858)	(707,415)
Employee benefits expense		(5,471,025)	(4,669,059)
Share based payments		(2,540,114)	(331,673)
Administration expense		(1,388,034)	(711,023)
Marketing expense		(243,702)	(248,497)
Occupancy expense		(388,236)	(351,297)
Travel expense		(212,164)	(149,899)
Ameresco transaction costs		-	(308,694)
Reorganisation costs		-	(458,612)
Ameresco break fee		-	(357,128)
Loss before income tax benefit		(6,599,957)	(4,527,522)
Income tax benefit		33,552	9,891
Loss after income tax benefit for the year attributable to the owners of BidEnergy Limited		(6,566,405)	(4,517,631)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		69,552	(185,829)
Other comprehensive income for the year, net of tax		69,552	(185,829)
Total comprehensive income for the year attributable to the owners of BidEnergy Limited		(6,496,853)	(4,703,460)
		Cents	Cents
Basic earnings per share	10	(6.00)	(4.47)
Diluted earnings per share	10	(6.00)	(4.47)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

BidEnergy Limited
Statement of financial position
As at 30 June 2019

	Note	Consolidated 2019 \$	2018 \$
Assets			
Current assets			
Cash and cash equivalents	5	4,198,978	5,275,956
Trade and other receivables		287,745	187,861
Financial assets at fair value through profit or loss		37,500	37,500
Other current assets		662,971	65,567
Total current assets		<u>5,187,194</u>	<u>5,566,884</u>
Non-current assets			
Property, plant and equipment		40,514	28,247
Intangibles	6	2,198,309	2,033,759
Other		70,008	51,716
Total non-current assets		<u>2,308,831</u>	<u>2,113,722</u>
Total assets		<u>7,496,025</u>	<u>7,680,606</u>
Liabilities			
Current liabilities			
Trade and other payables		748,090	378,069
Employee benefits		317,362	198,809
Other		182,162	355,880
Total current liabilities		<u>1,247,614</u>	<u>932,758</u>
Non-current liabilities			
Deferred tax liabilities		165,719	189,154
Employee benefits		92,793	49,229
Total non-current liabilities		<u>258,512</u>	<u>238,383</u>
Total liabilities		<u>1,506,126</u>	<u>1,171,141</u>
Net assets		<u>5,989,899</u>	<u>6,509,465</u>
Equity			
Issued capital	7	25,797,430	22,360,257
Reserves	8	3,714,150	1,104,484
Accumulated losses		<u>(23,521,681)</u>	<u>(16,955,276)</u>
Total equity		<u>5,989,899</u>	<u>6,509,465</u>

The above statement of financial position should be read in conjunction with the accompanying notes

BidEnergy Limited
Statement of changes in equity
For the year ended 30 June 2019

Consolidated	Issued Capital \$	Accumulated Losses \$	Reserves \$	Total equity \$
Balance at 1 July 2017	16,021,604	(12,496,931)	1,017,926	4,542,599
Loss after income tax benefit for the year	-	(4,517,631)	-	(4,517,631)
Other comprehensive income for the year, net of tax	-	-	(185,829)	(185,829)
Total comprehensive income for the year	-	(4,517,631)	(185,829)	(4,703,460)
<i>Transactions with owners in their capacity as owners:</i>				
Shares issued in lieu of accrued corporate advisory services fees	110,000	-	-	110,000
Issue of shares (Rights issue)	6,706,774	-	-	6,706,774
Cost of capital raising	(478,121)	-	-	(478,121)
Transfers	-	59,286	(59,286)	-
Share based payments to advisors	-	-	264,417	264,417
Share based payments to employees	-	-	67,256	67,256
Balance at 30 June 2018	<u>22,360,257</u>	<u>(16,955,276)</u>	<u>1,104,484</u>	<u>6,509,465</u>
Consolidated	Issued Capital \$	Accumulated Losses \$	Reserves \$	Total equity \$
Balance at 1 July 2018	22,360,257	(16,955,276)	1,104,484	6,509,465
Loss after income tax benefit for the year	-	(6,566,405)	-	(6,566,405)
Other comprehensive income for the year, net of tax	-	-	69,552	69,552
Total comprehensive income for the year	-	(6,566,405)	69,552	(6,496,853)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 7)	3,303,489	-	-	3,303,489
Shares issued to RWW vendors for earn out settlement	133,684	-	-	133,684
Share based payments	-	-	2,540,114	2,540,114
Balance at 30 June 2019	<u>25,797,430</u>	<u>(23,521,681)</u>	<u>3,714,150</u>	<u>5,989,899</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

BidEnergy Limited
Statement of cash flows
For the year ended 30 June 2019

	Note	Consolidated 2019 \$	2018 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		5,502,945	4,242,879
Payments to suppliers and employees (inclusive of GST)		(8,753,301)	(8,191,648)
Receipts from research and development incentive		474,455	729,547
Interest received		52,561	67,871
		<u> </u>	<u> </u>
Net cash used in operating activities		(2,723,340)	(3,151,351)
Cash flows from investing activities			
Payments for term deposit		-	(37,500)
Payments for property, plant and equipment		(28,158)	(95,787)
Payments for intangibles (capitalised development costs)	6	(1,019,496)	(900,175)
Proceeds from disposal of plant and equipment		-	20,274
Ameresco break fee		-	(357,128)
		<u> </u>	<u> </u>
Net cash used in investing activities		(1,047,654)	(1,370,316)
Cash flows from financing activities			
Proceeds from issue of shares	7	2,686,856	6,706,774
Share issue transaction costs		-	(478,120)
		<u> </u>	<u> </u>
Net cash from financing activities		2,686,856	6,228,654
Net increase/(decrease) in cash and cash equivalents			
		(1,084,138)	1,706,987
Cash and cash equivalents at the beginning of the financial year		5,275,956	3,568,969
Effects of exchange rate changes on cash and cash equivalents		7,160	-
		<u> </u>	<u> </u>
Cash and cash equivalents at the end of the financial year	5	<u><u>4,198,978</u></u>	<u><u>5,275,956</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

The preliminary financial statements cover BidEnergy Limited as a consolidated entity consisting of BidEnergy Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is BidEnergy Limited functional and presentation currency.

BidEnergy Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

Registered office:
Suite 5, CPC
145 Stirling Highway
Nedlands, Western Australia 6009

Principal place of business

Principal place of business:
Floor 7, Suite 9,
530 Little Collins Street
Melbourne, Victoria 3000

Note 2. Significant accounting policies

This preliminary financial report has been prepared in accordance with International Financial Reporting Standards, other authoritative pronouncements and Interpretations of the Australian Standards Board and the Corporations Act 2001.

This preliminary financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2018 and any public announcements made by BidEnergy Limited during the reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year end.

Note 3. Operating segments

Identification of reportable operating segments

The Consolidated Entity is organised into operating segments: based on the business activities in Australia and UK, US and UK. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

Basis of accounting for purposes of reporting by operating segments

Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors as the chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent with those adopted in the annual financial statements of the Combined entity.

For financial year 2019 the entity has altered its accounting segments to align with its three separate operating regions – Australia, the USA, and the UK. The UK was previously reported with Australia as an operating segment, however in financial year 2019 the UK is being managed by UK based employees as distinct from financial year 2018. Also, in financial year 2019, the US is being reported as one segment rather than separately for energy spend management and rebate businesses. USA staff are responsible for jointly servicing energy spend management and rebate clients and as such the USA staff will be reported as one segment going forward.

The principal continuing activities of the entity consisted of carrying on its business as a provider of energy spend management services through the deployment of the Company's proprietary cloud-based software platform in Australia, UK and the USA. In the US only, the entity also earns revenue from its rebate management business whereby fees are earned from clients for managing the submission of information to energy retailers to facilitate the processing of rebates under the 'Energy Efficient Infrastructure Program' applicable in the US.

BidEnergy Limited
Notes to the financial statements
30 June 2019

Note 3. Operating segments (continued)

Operating segment information

Consolidated – 2019	Australia \$	UK \$	USA \$	Total \$
Platform subscription fees	2,697,784	44,207	181,950	2,923,941
Non-subscription revenue	27,080	-	-	27,080
RWW rebate revenue	-	-	2,353,089	2,353,089
Revenue	2,724,864	44,207	2,535,039	5,304,110
Third party support and development costs	(1,090,396)	-	(162,978)	(1,253,374)
Administration expense	(1,030,166)	(23,612)	(324,256)	(1,378,034)
Employee benefits expense	(4,381,297)	(254,841)	(1,854,384)	(6,490,522)
Marketing expense	(108,399)	(37,718)	(97,585)	(243,702)
Travel expense	(151,629)	(15,537)	(44,998)	(212,164)
Occupancy expense	(221,071)	-	(167,165)	(388,236)
Total operating expenses	(6,982,958)	(331,708)	(2,651,366)	(9,966,032)
Underlying EBITDA from core operations	(4,258,094)	(287,501)	(116,327)	(4,661,922)
Government grants	82,880	-	-	82,880
Income tax	-	-	33,552	33,552
Capitalised labour (software)	1,019,497	-	-	1,019,497
Depreciation and amortisation	(415,264)	-	(127,594)	(542,858)
Share based payments	(2,540,114)	-	-	(2,540,114)
Interest – other	51,441	-	1,119	52,560
Foreign exchange	(14,445)	4,445	-	(10,000)
Loss after income tax benefit for the year attributable to the owners of BidEnergy Limited	(6,074,099)	(283,056)	(209,250)	(6,566,405)

BidEnergy Limited
Notes to the financial statements
30 June 2019

Note 3. Operating segments (continued)

Consolidated – 2018	Australia \$	UK \$	USA \$	Total \$
Platform subscription fees	1,876,195	16,234	15,490	1,907,919
Non-subscription revenue	57,835	-	-	57,835
RWW rebate revenue	-	-	2,100,988	2,100,988
Revenue	1,934,030	16,234	2,116,478	4,066,742
Third party support and development costs	(698,519)	-	-	(698,519)
Administration expense	(700,779)	(15,248)	(233,431)	(949,458)
Employee benefits expense	(3,645,102)	-	(1,924,128)	(5,569,230)
Marketing expense	(172,676)	-	(75,822)	(248,498)
Travel expense	(94,406)	-	(55,493)	(149,899)
Occupancy expense	(193,517)	-	(157,780)	(351,297)
Total operating expenses	(5,504,999)	(15,248)	(2,446,654)	(7,966,901)
Underlying EBITDA from core operations	(3,570,969)	986	(330,176)	(3,900,159)
Reorganisation costs	(229,226)	-	(229,386)	(458,612)
Ameresco transaction costs	-	-	(308,694)	(308,694)
Ameresco break fee	-	-	(357,127)	(357,127)
Government grants	329,680	-	-	329,680
Income tax	-	-	9,891	9,891
Capitalised labour (software)	900,175	-	-	900,175
Depreciation and amortisation	(589,135)	-	(118,281)	(707,416)
Share based payments	(331,673)	-	-	(331,673)
Interest – other	67,852	-	19	67,871
Foreign exchange	54,299	22,259	161,875	238,433
Profit/(loss) after income tax benefit for the year attributable to the owners of BidEnergy Limited	(3,368,997)	23,245	(1,171,879)	(4,517,631)

Note 4. Revenue

	Consolidated	
	2019	2018
	\$	\$
Platform subscription fees	2,923,941	1,907,919
Non-subscription revenue	27,080	57,835
RWW Rebate Revenue	2,353,089	2,100,988
Revenue	5,304,110	4,066,742

BidEnergy Limited
Notes to the financial statements
30 June 2019

Note 4. Revenue (continued)

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	Consolidated	
	2019	2018
	\$	\$
<i>Major product lines</i>		
Platform subscription fees	2,923,941	1,907,919
Non-subscription revenue	27,080	57,835
RWW Rebate Revenue	2,353,089	2,100,988
	<u>5,304,110</u>	<u>4,066,742</u>
<i>Geographical regions</i>		
Australia	2,724,864	1,934,030
USA	2,535,039	2,116,478
UK	44,207	16,234
	<u>5,304,110</u>	<u>4,066,742</u>
<i>Timing of revenue recognition</i>		
Services transferred over time	2,923,941	1,907,919
Services transferred at point in time	2,380,169	2,158,823
	<u>5,304,110</u>	<u>4,066,742</u>

Note 5. Current assets - cash and cash equivalents

	Consolidated	
	2019	2018
	\$	\$
Cash at bank	<u>4,198,978</u>	<u>5,275,956</u>

BidEnergy Limited
Notes to the financial statements
30 June 2019

Note 6. Non-current assets - intangibles

	Consolidated	
	2019	2018
	\$	\$
Goodwill - at cost	693,472	657,767
Customer list - at cost	156,479	148,422
Less: Accumulated amortisation	(53,895)	(31,332)
	<u>102,584</u>	<u>117,090</u>
Software - at cost	2,168,632	1,534,471
Less: Accumulated amortisation	(1,078,158)	(631,428)
	<u>1,090,474</u>	<u>903,043</u>
Brand - at cost	475,559	451,073
Less: Accumulated amortisation	(163,780)	(95,214)
	<u>311,779</u>	<u>355,859</u>
	<u><u>2,198,309</u></u>	<u><u>2,033,759</u></u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Goodwill	Software	Brands	Customer Lists	Total
	\$	\$	\$	\$	\$
Consolidated					
Balance at 1 July 2017	634,503	1,008,534	401,282	132,037	2,176,356
Additions	-	900,175	-	-	900,175
R&D refund	-	(399,867)	-	-	(399,867)
Foreign exchange differences	23,264	(229)	15,953	5,249	44,237
Amortisation	-	(605,570)	(61,376)	(20,196)	(687,142)
	<u>657,767</u>	<u>903,043</u>	<u>355,859</u>	<u>117,090</u>	<u>2,033,759</u>
Balance at 30 June 2018	657,767	903,043	355,859	117,090	2,033,759
Capitalised development costs	-	1,019,496	-	-	1,019,496
R&D refund	-	(391,575)	-	-	(391,575)
Foreign exchange differences	35,705	(4,477)	24,486	8,057	63,771
Amortisation	-	(436,013)	(68,566)	(22,563)	(527,142)
	<u>693,472</u>	<u>1,090,474</u>	<u>311,779</u>	<u>102,584</u>	<u>2,198,309</u>
Balance at 30 June 2019	<u><u>693,472</u></u>	<u><u>1,090,474</u></u>	<u><u>311,779</u></u>	<u><u>102,584</u></u>	<u><u>2,198,309</u></u>

Note 7. Equity - issued capital

	2019	Consolidated	
	Shares	2018	2019
		Shares	\$
			\$
Ordinary shares - fully paid	113,770,785	740,677,364	25,797,430
	<u><u>113,770,785</u></u>	<u><u>740,677,364</u></u>	<u><u>22,360,257</u></u>

BidEnergy Limited
Notes to the financial statements
30 June 2019

Note 7. Equity - issued capital (continued)

Movements in ordinary share capital

Details	Shares	\$
Balance as at 1 July 2017	329,838,682	16,021,604
Shares issued in lieu of accrued corporate advisory services fees	5,500,000	110,000
Issue of shares (rights issue)	335,338,682	6,706,774
Costs of capital raising	-	(478,121)
Conversion of performance shares	70,000,000	-
Balance as at 30 June 2018	740,677,364	22,360,257
Share consolidation	(631,753,532)	-
Exercise of options	3,683,371	2,692,856
Issue of Earn Out Shares to RWW Vendors	112,566	133,684
Issue of Shares pursuant to BIDO option underwriting	1,051,016	714,691
Costs of capital raising	-	(104,058)
Balance as at 30 June 2019	113,770,785	25,797,430

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Note 8. Equity - reserves

	Consolidated	
	2019	2018
	\$	\$
Foreign currency reserve	(59,590)	(129,142)
Options reserve	3,773,740	1,233,626
	3,714,150	1,104,484

Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Foreign currency reserve \$	Options reserve \$	Total \$
Balance at 1 July 2017	56,687	961,239	1,017,926
Foreign currency translation	(185,829)	-	(185,829)
Share based payments for Advisors	-	264,417	264,417
Share based payments for employees	-	67,256	67,256
Transfer to retained earnings	-	(59,286)	(59,286)
Balance at 30 June 2018	(129,142)	1,233,626	1,104,484
Foreign currency translation	69,552	-	69,552
Share based payments for employees and directors	-	2,540,114	2,540,114
Balance at 30 June 2019	(59,590)	3,773,740	3,714,150

Note 9. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2019 %	2018 %
BidEnergy (Operations) Pty Ltd	Australia	100%	100%
BidEnergy Limited	United Kingdom	100%	100%
BidEnergy Inc	United States	100%	100%

Note 10. Earnings per share

	Consolidated	
	2019 \$	2018 \$
Loss after income tax attributable to the owners of BidEnergy Limited	<u>(6,566,405)</u>	<u>(4,517,631)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>109,517,914</u>	<u>101,019,387</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>109,517,914</u>	<u>101,019,387</u>
	Cents	Cents
Basic earnings per share	(6.00)	(4.47)
Diluted earnings per share	(6.00)	(4.47)