

SEPTEMBER 2019 APPENDIX 4C AND QUARTERLY OPERATIONS REPORT

BidEnergy Limited (ASX: BID) ("BidEnergy" or "the Company"), is pleased to provide its quarterly report and Appendix 4C for the period ending 30 September 2019.

Highlights

- Quarter-on quarter ASR² increased 18% to \$5.4M (\$4.6M in the June 2019 quarter)
- Quarter-on quarter Expected Group Revenue¹ increased \$1.2m or 18% to \$8.1M (\$6.9M in the June 2019 quarter)
- Quarter-on quarter underlying revenue (unaudited) up 47% to \$2.0M for the September 2019 quarter (\$1.3M in the previous June 2019 quarter)
- Receipts from customers for the September 2019 quarter totalled \$2.2M (\$1.3M in the June 2019 quarter)
- Significant growth in Meters⁴, with over 115,000⁴ as at the end of the September 2019 quarter (85,182 Meters⁴ in the June 2019 quarter)
- The Company completed a placement to sophisticated and professional investors to raise A\$5.075M (before costs) and announced a Share Purchase Plan offer to raise a further A\$1.5M.

KEY BUSINESS METRICS

(As at 30 September 2019)

* Annualised



Expected Group
Revenue*¹

\$8.1M



ASR*²

\$5.4M



Rebate Revenue*³

\$2.7M



Meters*⁴

115,869



Total BID
Clients ^

99



BID AUS
Clients

84



BID NZ
Clients

14



BID UK
Clients

9



BID USA
Clients

10



Net Upsell *⁵

8%



Churn *⁶

3%

Refer to Annexure A for glossary of terms

^ Clients who operate in more than one country are counted individually in each country's subscription count



Management Commentary

BidEnergy achieved substantial growth during the September 2019 quarter, with a 47% increase from the June 2019 quarter in underlying revenues to \$2.0M with ASR² increasing to \$5.4M up 18%, and overall Expected Group Revenue¹ now at \$8.1M.

BidEnergy continues to build significant traction with a strong pipeline of prospects in Australia, UK and the USA across all sales channels. During the quarter BidEnergy signed a 3-year contract with Origin Energy, the Company's first energy retailer, and has also been engaged to conduct further paid pilots with energy retailers and some large-scale multi-site enterprises. The key to growth for FY20 will rest with the Company's core focus on delivering opportunities with large multi-site enterprises and energy retailers globally as a priority over other opportunities.

The Company is currently completing market tests with large trusted brands on the BIDBilly product. Further updates will be provided to the market on these as they are completed. These opportunities whilst offering potential future growth are being managed outside core imperatives identified above.

On 14th October 2019, the Company completed a capital raise for \$5.075M to sophisticated and professional investors. The Company also announced its intention to provide existing eligible shareholders with an opportunity to participate in a Share Purchase Plan to raise up to an additional \$1.5M. This funding will be used to accelerate growth opportunities and strengthen BidEnergy's position to deliver on larger tender opportunities.

During the quarter the Company continued the on-boarding of recent client wins including Origin, TPI's in the UK, Cushman and Wakefield (CW) and a host of smaller multi-site enterprises. As a result, the Company has seen a strong increase in revenues during the September quarter, and it is expected this will continue to improve as the on-boarding process is completed for these client portfolios.

The Company's rebate business in the US also experienced very strong growth as new clients started rolling out their energy improvement initiatives. In addition, the Company has completed some additional energy procurement tenders in the USA with the Company's partner, Apollo Edison, which are set to continue through FY20.



Finally, the Board and Management appreciates the continued support of shareholders and remains focused on the delivery, and prioritisation of opportunities that provide the best return for shareholders to drive a very successful FY20.

Highlights for the September 2019 Quarter

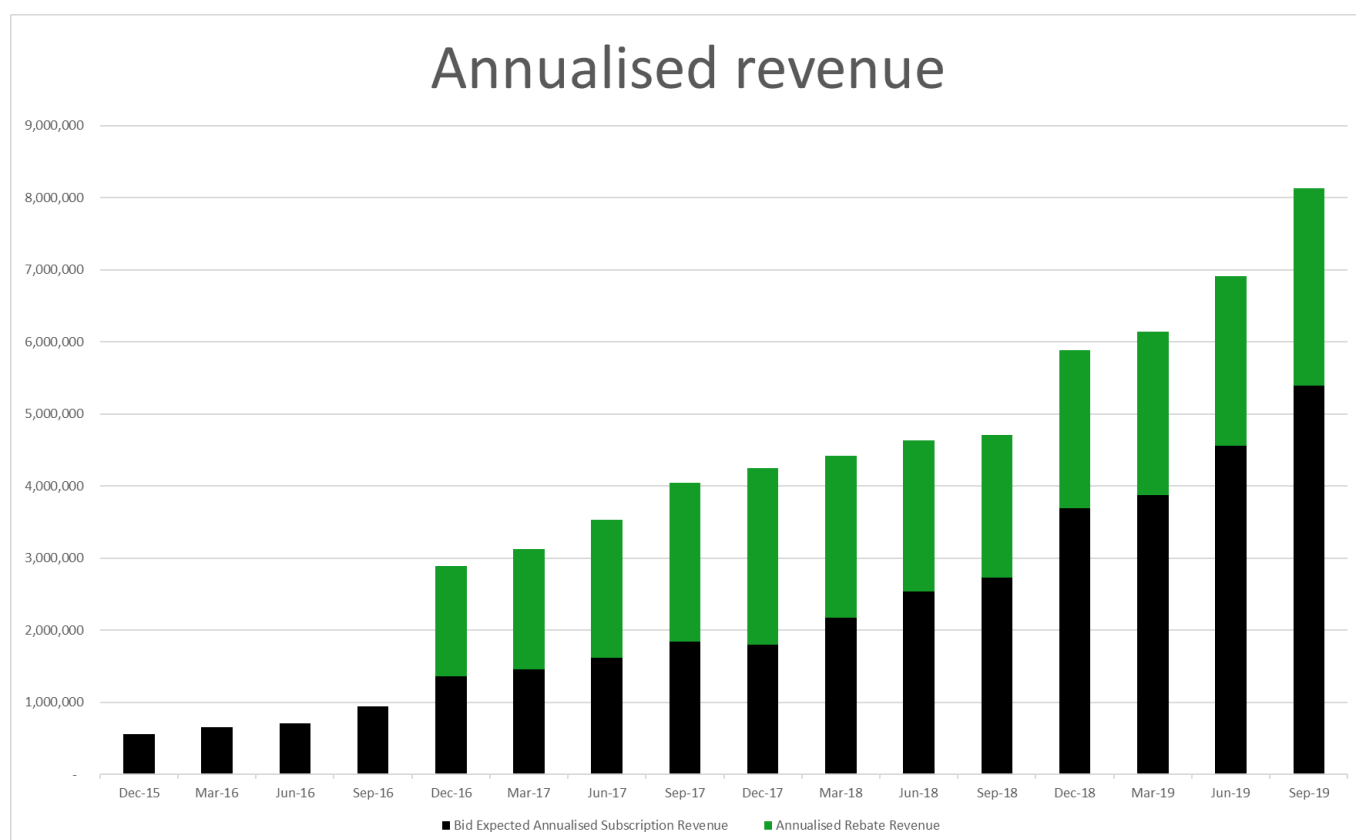
Underlying revenue (unaudited) of \$2.0M for the September 2019 quarter, up from \$1.3M in the June 2019 quarter, representing growth of 47% quarter on quarter, comprised of:

- o \$1.0M in BidEnergy Subscription Revenue (compared to \$0.8M in the June 2019 quarter); and
- o \$1.0M in BidEnergy USA Rebate Capture Revenue (compared to \$0.5M in the June 2019 quarter).

Total Expected Group Revenue from contractual agreements is \$8.1M, comprised of:

- o BidEnergy Platform: Annualised Subscription Revenue (“ASR”)² of \$5.4M; and
- o US Rebate capture: Annualised Rebate Revenue (“AR”)³ of \$2.7M.

Cash on hand at 30 September 2019 of \$3.2M, excluding capital raising proceeds of \$5.075M (before costs) completed on 14 October 2019.



Operational Highlights

- ASR² increased 18% to \$5.4M (compared to \$4.6M in the June 2019 quarter).
- Total Expected Group Revenue¹ increased 17% to \$8.1M (compared to \$6.9M in June 2019 Quarter)
- Major client win, with Origin Energy, BidEnergy's first energy retailer, providing a white label portal with an initial 14,500 clients across 28,000 meters
- 7 new clients contracted in the USA, and Australia, driving ASR growth
- 5 Energy Spend Management (**ESM**) contract renewals and 8% upsell from existing customers over the last 12 months
- Significant growth of sites, with over 115,000 meters⁴ across those managed by BidEnergy, facility manager partners, TPI's & consultants, and energy retailers.
- US Rebate revenues increased substantially to \$1.0M for the September 2019 quarter (compared to \$0.5M for the June 2019 quarter)
- 3,900 accounts⁺ for Cushman and Wakefield successfully onboarded and generating revenues, with the remaining 7,450⁺ accounts due to be onboarded by 30 November 2019
- The Company continues with its paid pilot approach with energy retailers for portal services, and has commenced market tests with some major trusted brands on "BIDBilly"

⁺ The term "accounts" is used as not every bill processed for C&W is tied to a meter.

Operational Update

BidEnergy's Energy Spend Management platform is now provided through three primary channels to market being; "Full Service", "As a Service", and "Self Service".

Full-Service Update

Full Service is BidEnergy's offering to multi-site enterprises and is a core focus of our direct sales.

During the September 2019 quarter, the Full-Service channel secured contracts with six new clients to provide our Energy Spend Management ("**ESM**") services, including:

- One of Australasia's largest food and beverage companies (AUS)
- Aurora Dairy (AUS)
- Parkers Corporation (USA)



- A leading provider of specialty packaging solutions in Australasia (AUS)
- Duluth Trading Company (USA)
- One of Australia's largest commercial real estate owners and managers (AUS) for an initial 3 sites

As A Service Update

As A Service utilises the Company's core IP to parse bills to help energy retailers, brokers, and consultants compare their clients' rates, offers the opportunity to validate energy retailer bills prior to customer receipt, and build customer portals for clients to access BidEnergy's suite of analytics and reports.

During the September 2019 quarter, the *As A Service* channel accelerated considerably, attracting a significant new client:

- **Origin Energy** (AUS) our first Energy retailer client providing a white label portal with an initial 14,500 clients across 28,000 meters, providing data access and analytics

The Company notes that traction within these large utilities continues globally and sees significant benefits in attracting these large-scale clients with portal solutions. Such services, whilst on a lower price per meter basis when compared to our full-service multi-site direct clients, offer significantly higher margin and significant scale opportunities as these retailers represent 100's of thousands of meters at a time. Further these relationships are particularly low touch requiring little to no manual service intervention on the Company's behalf. Increasingly management see energy and other utility retailers as an appropriate path to scale the business significantly and quickly, globally, whilst always growing and retaining a direct relationship with small and large multi-site enterprises.

Self Service Update

The **Self-Service** channel extends BidEnergy's reach into large and high growth revenue markets, previously not envisaged (e.g. BidBilly).

The Company is currently completing market tests with large trusted brands on the BIDBilly product. Further updates will be provided to the market on these as they are completed.

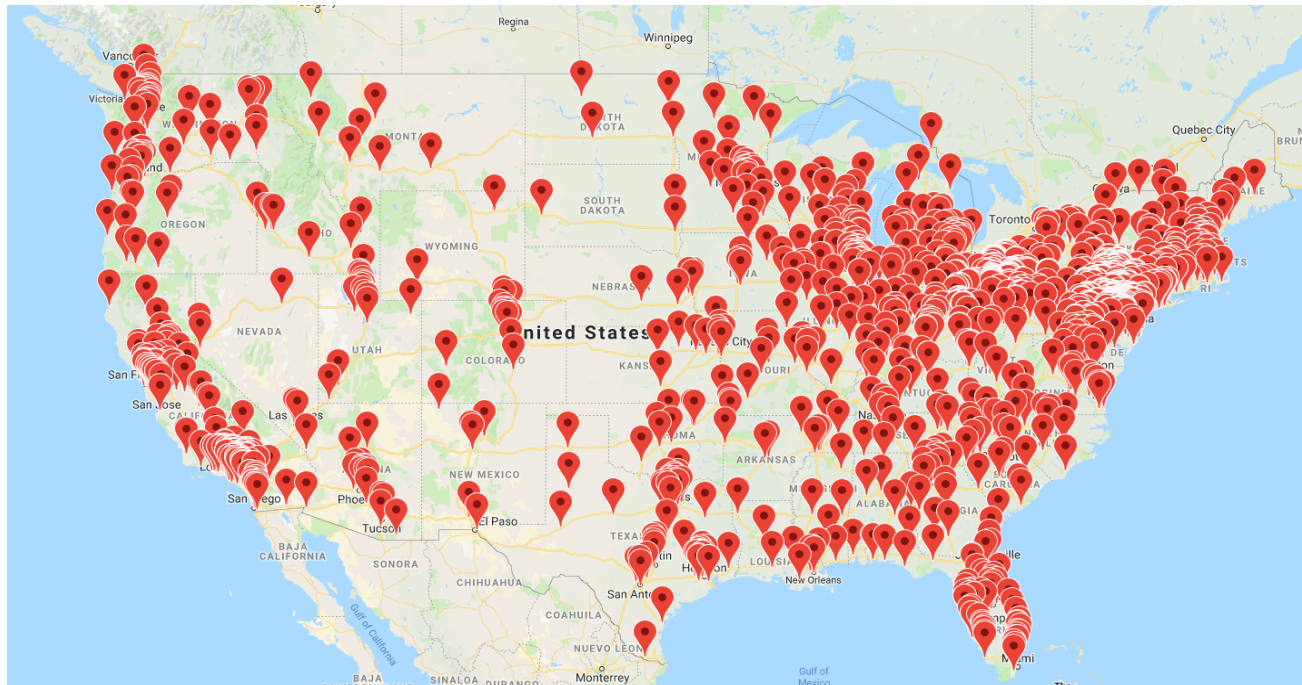


USA Rebate Revenue Update

BidEnergy's USA rebate capture business recorded two new client contracts:

- **Citizen's Bank;** and
- **Savers USA.**

Rebate revenues have accelerated considerably through the quarter as previously announced major client wins have started rolling out their energy efficiency programs, with rebate revenues for the September 2019 quarter of \$1.0M (compared to \$0.5M for the June 2019 quarter). Further, many of these contracts are multi-year agreements with large fortune 500 companies and as a result we continue to see the USA rebate capture business as an important and evolving channel to cross sell our ESM capabilities. Improved performance has also been driven by the recently added sales executive in the USA having success on both the rebate and ESM opportunities. Management intend to add further senior headcount to further assist ESM client growth, specifically targeting larger multi-site enterprises, energy brokers, facility management and utility retailers along the lines that have delivered us success both here and, in the UK.



(Electricity sites, only, under energy spend management in the USA – Source: BidEnergy platform as at 14/10/19)



Financial Highlights

- Operating cash burn for the September 2019 quarter was \$1.5M compared to \$1.4M for the June-19 quarter
- Receipts from customers for the September 2019 quarter totalled \$2.2M versus \$1.3M Jun-19 quarter
- Gross cash operating costs for the September 2019 quarter totalled \$3.7M versus \$3.6M estimated in Jun-19 Appendix 4C
- Gross cash operating costs estimated for the Dec-19 quarter forecast at \$4.1M[#] as the Company looks to implement its growth strategy by investing in sales, development and operations resources, with specific focus and investment in the UK for large potential contract opportunities within the next 12 months
- Cash on hand at 30 September 2019 of \$3.2M excluding capital raising proceeds of \$5.075M (before costs) completed on 14 October 2019

[#]Includes one-off items associated with the recent capital raising and other annual corporate overhead costs..

Capital Raising Update

On 14 October 2019, the Company completed a Placement to sophisticated and professional investors, raising \$5.075M (before costs) through the issue of 8,750,001 new fully paid ordinary shares (“**New Shares**”) at an issue price \$0.58 per New Share.

Subscribers under the Placement will also be entitled to subscribe for one free attaching option (“**Option**”) for each Share issued under the Placement. The Options will be issued upon completion of the Company’s planned Share Purchase Plan (“**SPP**”) and will be unlisted Options, exercisable at \$0.75, with an expiry date of 12 months from the date of issue.

Share Purchase Plan

In addition to the above, the Company announced its intentions to offer an SPP to eligible shareholders to raise up to \$1.5M, on the same terms as the Placement. Eligible shareholders will have the opportunity to apply for up to \$30,000 worth of New Shares at an issue price of \$0.58, each with a free attaching Option. No brokerage or commissions are payable in respect of New Shares applied for under the SPP.





Eligible shareholders are those shareholders who have a registered address in Australia and New Zealand at 7:00PM AEST on Friday, 4 October 2019. The SPP offer period is expected to open in late October, and the Company will provide further information on the SPP to shareholders shortly.

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 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.



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) – 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.

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 Subscriptions – Number of Paying subscribers on BIDs Energy Spend Management platform.

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



+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")

30 September 2019

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities			
1.1 Receipts from customers		2,153	2,153
1.2 Payments for			
(a) research and development		(497)	(497)
(b) product manufacturing and operating costs		-	-
(c) advertising and marketing		(144)	(144)
(d) leased assets		-	-
(e) staff costs		(1,669)	(1,669)
(f) administration and corporate costs		(1,366)	(1,366)
1.3 Dividends received (see note 3)		-	-
1.4 Interest received		3	3
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		(1,520)	(1,520)
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)		-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 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)	(60)
2.6	Net cash from / (used in) investing activities	(60)	(60)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	721	721
3.4	Transaction costs related to issues of shares, convertible notes or options	(107)	(107)
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	614	614

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	4,199	4,199
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,520)	(1,520)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(60)	(60)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	614	614

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	3,233	3,233

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	2,333	3,299
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (Term deposit)	900	900
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,233	4,199

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	110
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

Director fees

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

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	(450)
9.2 Product manufacturing and operating costs	-
9.3 Advertising and marketing	(130)
9.4 Leased assets	-
9.5 Staff costs	(2,170)
9.6 Administration and corporate costs	(1,390)
9.7 Other (financing activity - underwriting fee)	(337)
Other (investing activity - tenancy deposit)	-
9.8 Total estimated cash outflows	(4,477)

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	-	-

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: EDale
 (Company Secretary)

Date: 15 October, 2019

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.