

## BidEnergy Half Year Results Commentary and Operations Update

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### Highlights

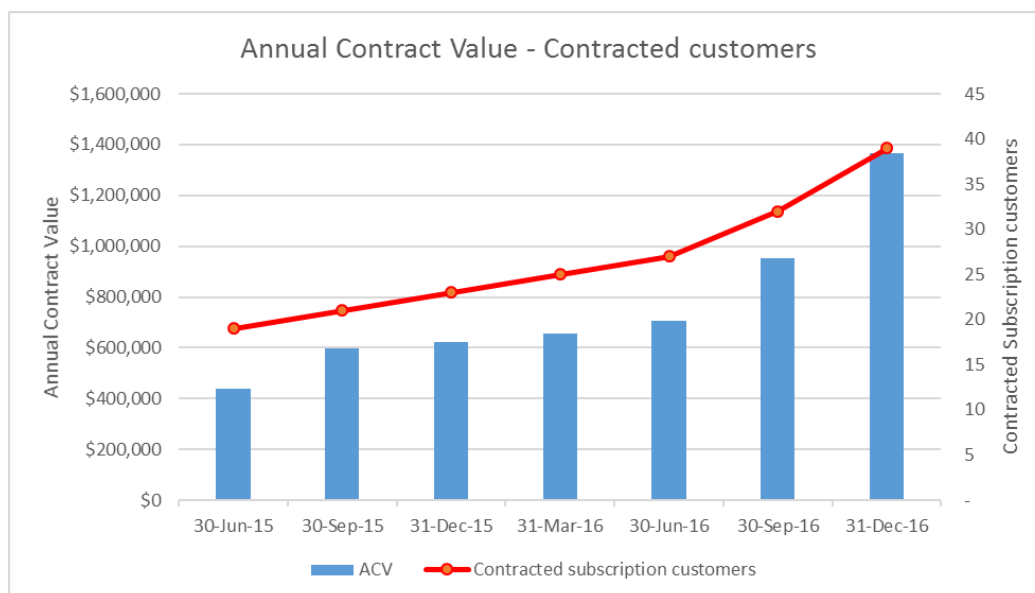
- **Increased annual contract value (ACV), revenues and customers**
  - Subscription ACV, a leading indicator of future revenue grew 119% to \$1.4M at 31 December 2016 v \$0.6M at 31 December 2015
  - Revenue increased 58% on prior period to \$710,429 vs \$448,831
  - Platform subscription revenues increase of 93% to \$503,297 v \$260,819
  - Customers increased 56% since 1 July 2016 to 39 v 25
- **New subscription customers:**
  - Large Enterprise & International: BP Australia & New Zealand, Flight Centre Travel Group Ltd;
  - Retail: Chemist Warehouse;
  - Utility & Infrastructure: Yarra Valley Water, Jemena, Invocare, Fulton Hogan;
  - Government: NSW Procurement
- **Continued outstanding customer retention and strong revenue expansion**
  - 100% contract renewal for those expiring in 1H2017
  - 37% uplift in value of renewed contracts since 1 July 2016
- **Significant progress in strategic initiatives: alliance agreement with KPMG, expansion into US market, including acquisition of RealWinWin.**
- **Cash balance at 31 December \$6.28M**

Australian technology company, **BidEnergy Limited (ASX: BID)** ("Bid" or "the Company") is pleased to provide the following commentary on its financial results for the half year ended 31 December 2016.

BidEnergy is a Melbourne-based enterprise software-as-a-service (eSaaS) company that uses proprietary state-of-the-art robotic process automation (RPA) to optimise the energy spend of national and international multi-site customers. RPA is the application of software, or a "robot", with artificial intelligence (AI) and machine learning capabilities to handle high-volume, repeatable tasks for processing transactions such as high volume data capture, invoice processing, analytics and contract sourcing.

### Corporate and Financials

This first half year was the first six month period as a public company, and the fruits of the company's use of proceeds are readily apparent. The period marked the transition of software platform sales entirely to recurring eSaaS platform subscriptions, with some minor legacy revenues from one-off events \$44,855 plus revenues from RWW of \$162,277 for the period since acquisition (24 November). eSaaS platform subscription revenue nearly doubled (93% growth) as compared to 1H2016. The eSaaS platform subscription revenues, represented 92% of the revenue from the company's flagship software platform. Sales performance was similarly strong with growth in eSaaS platform subscription ACV of 119% as compared to 1H2016. Non-eSaaS revenues reflect legacy arrangements entered into prior to 1 July 2016.



The strong sales results reflect a shift in recruiting strategy, as the company has brought in a leader formerly with salesforce.com and is now hiring eSaaS software sales talent. New reps hired in the period closed deals in their first quarter with the company.

The company maintained 100% customer retention, renewing all of the customers whose contracts expired in the period. Importantly the company increased the ACV of those renewals by 37%, creating revenue expansion or “negative churn”. Customers increased spend by adding service packages, such as gas commodity and enhanced reporting functionality to their existing subscriptions.

The platform continued to deliver for customers during the period. Key indicators such as customer savings, and number of bills processed are better than industry benchmarks due to the automation and functionally rich analytics.

In the period, the company announced its channel partnership with KPMG. Subsequent to the end of this reporting period, KPMG has generated meetings with select clients and as a result, the company is building a pipeline of channel-led opportunities enabling BidEnergy to bring its RPA technology to a wider audience at Director/C-suite level.

The Company’s net operating loss for the period was \$4.01M, up 175% from the previous corresponding period. This included a listing fee of \$1.25M relating to the RTO of Cove Resources Limited, of which \$1.1M is a non-cash book entry. Operating cost increases reflect BidEnergy’s increased investment in the US, building out the digital infrastructure connecting customers to utilities via the BidEnergy platform plus the expansion of sales team to better position the Company for its next phase of growth.

As at 31 December 2016, the Company’s total cash was \$6.28M. The total cash outflow for the half year of \$3.66M included a cash payment of \$0.4M as part of the RealWinWin acquisition.

## Operating Overview

During the half year, BidEnergy experienced strong customer growth, with a total of 39 clients as at 31 December 2016, a 56% increase since 1 July 2016. BidEnergy also enjoyed a 100% subscription customer retention rate and has successfully sustained this level since its inception in 2013.

### New customers

During the half year, BidEnergy confirmed its emergence as a platform for global customers with a subscription agreement to provide its innovative cloud-based platform to the Australian and New Zealand businesses of global resources giant, BP plc.

Under the contract, BidEnergy is providing source-to-pay services to BP's Australian and New Zealand business units, simultaneously providing data and reporting access to business analysts in Europe and the US.

Retail continued to be a strength for BidEnergy. New subscriptions included global travel agency company, Flight Centre Travel Group Ltd (ASX:FLT) for its Australian sites and Australian pharmacy giant, Chemist Warehouse.

Chemist Warehouse signed a subscription agreement with BidEnergy in December, after identifying costs savings that could deliver a proven return on investment. While a bottom-line improvement was a key driver, Chemist Warehouse also identified data transparency and administrative efficiencies as important factors for signing the deal.

BidEnergy also continued its expansion into the utilities and infrastructure sectors, securing subscriptions with New Zealand infrastructure group (Fulton Hogan), Singapore energy network services company (Jemena), Melbourne-based water utility (Yarra Valley Water) and Australia's largest funeral services organisation (Invokecare).

### First government contract signed

During 1H2017, BidEnergy launched into the lucrative Government sector, securing a contract with NSW government organisation, NSW Procurement. Under the agreement, BidEnergy is providing automated invoice verification and monthly reporting on 3,100 gas accounts.

The government sector is a major focus for BidEnergy, due to the drive by governments worldwide to reduce the cost of energy and utility services via the cloud.

### Launch of platform in the US and Acquisition of RealWinWin

During 1H2017, BidEnergy formally launched its proprietary software platform in the US market following extensive beta testing and building on its success in the Australian and New Zealand markets.

Internationally, the company has augmented its entry into the US with the strategic acquisition of leading energy rebate and data capture business, RealWinWin. This acquisition jumpstarts the US entry with a profitable revenue stream, a marquee customer base of some of the largest multi-sites in the US, and a critical mass of sales and operations capability. The acquisition provides BidEnergy with a significant opportunity to accelerate growth in the US market with access to nearly 100 Tier-1 multi-site customers. It also provides a third product line, rebate capture, which shares the same scope complexity value-add as invoice processing and accounting.

The deal also delivered BidEnergy a sales and service team that can upsell subscription services to existing customers and support the BidEnergy deployment more broadly.

### Alliance agreement with KPMG

BidEnergy's commitment to developing strategic and valuable channel partnerships also came to fruition during the half year, with the signing of an alliance agreement with global professional services firm, KPMG for the Australian market. KPMG is a leader in the field business transformation and views the BidEnergy platform as leading in its class.

Under the move, KPMG has committed resources to work with BidEnergy in jointly pursuing opportunities to deploy the BidEnergy platform with KPMG's value-adding consulting services to KPMG's Australian client base.

The agreement gives BidEnergy access to a range of Australian-based clients and illustrates the successful implementation of the Company's strategy to grow its business through the promotion of its innovative platform through key channel partnerships.

### Appointment of Non-Executive Director

During the half year, BidEnergy also strengthened its Board, appointing SaaS industry expert, Leanne Graham, as a Non-Executive Director.

Ms Graham brings more than 28 years of experience at the top of the software sector, with specialist expertise in growing SaaS Businesses embracing the global opportunities created with the arrival of the Cloud.

## Outlook

The Company is well positioned for further growth over the second half of 2017 with a robust customer pipeline driven by new opportunities spanning both local Australian, US and European markets.

“We are at an inflection point in our trajectory following our successful listing on the ASX in July 2016. The success during 1H2017 shows that we are on track with our three-part growth strategy: drive rapid growth in our home market; leverage partners to access the top end of the market and pursue a global footprint to access larger markets than Australia and New Zealand,” said BidEnergy Managing Director, Stuart Allinson.

-ENDS-

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## About BidEnergy Ltd

BidEnergy is an Australian-based technology company with offices overseas in the USA and UK. BidEnergy’s cloud-based platform simplifies the complex energy spend management process by 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.