

FY18 HALF YEAR REPORT AND COMMENTARY

ASX RELEASE

27 February 2018

BidEnergy Limited (ASX: BID) ("Bid" or "the Company"), is pleased to provide its operational highlights and Half Year Report for the six month period ended 31 December 2017.

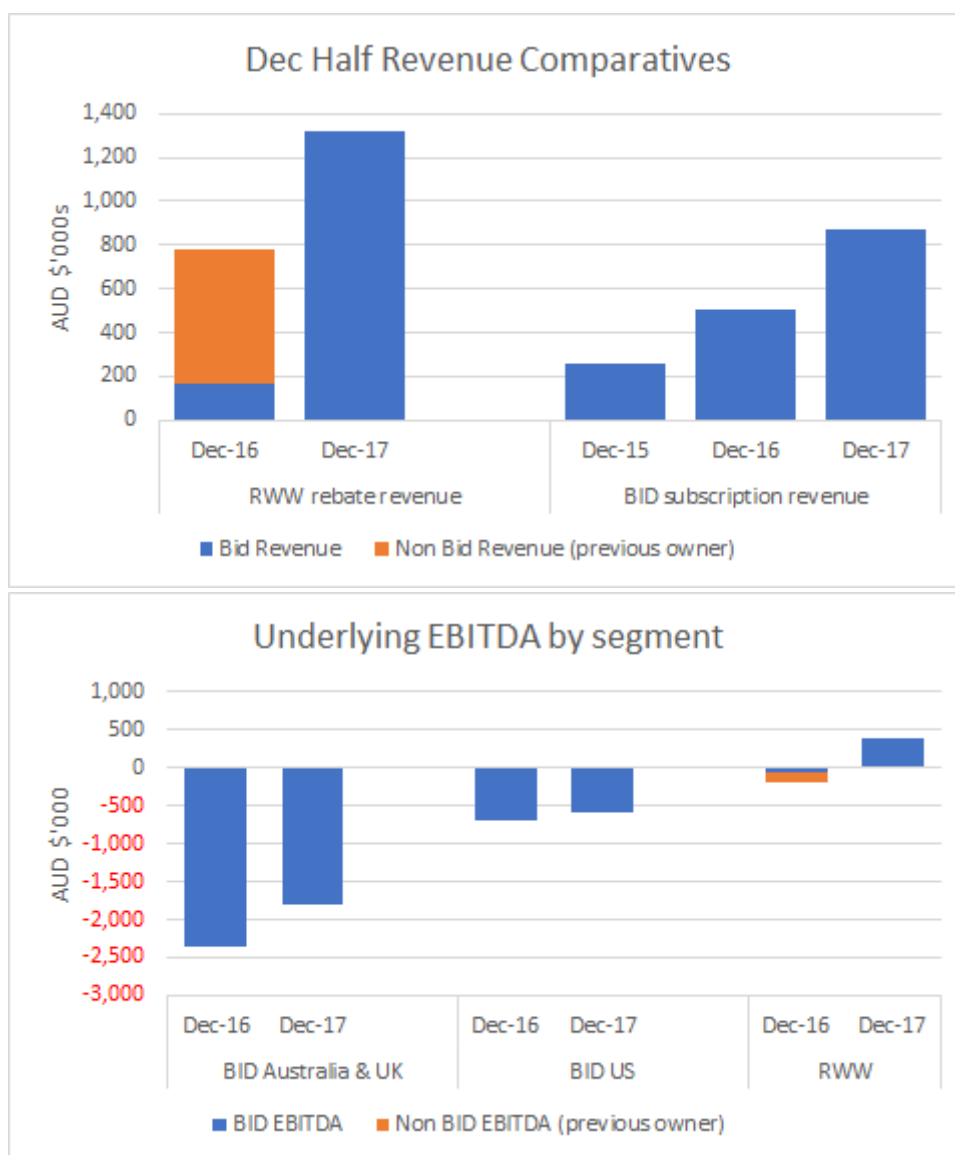
Highlights

- Revenues from ordinary activities of \$2.246M, up 216% compared to the previous corresponding period
- BID ACV and RWW (USA) annualised revenue of \$4.2M as at 31 Dec-17
- BID revenue of \$929k, up 70% compared to the previous corresponding period
- RWW (USA) revenue of \$1.317M and \$390K positive underlying EBITDA* contribution
- Overall underlying EBITDA* of -\$2.01M, compared to the previous corresponding period of -\$3.13M.
- 13 new business and recontracted revenue generating accounts for the half, with a customer churn rate at 5% of BID ACV since July 17, highlighting the loyalty towards the BidEnergy offering
- 10,065 paying subscription NOMS by 31 December 2017; with a current addressable market opportunity of 6M smart meters in Australia alone
- BP launches an initial 306 NOMS in the UK after 3 months of integration with revenue realisation for BID commencing January 2018
- Cash balance of \$6.4M at 31 December 2017, with average forward looking monthly cash burn targets of less than \$300K

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

NOMS means "number of meters managed"

ACV means "annual contract value"



Dec 17(H1) vs Dec 16 (H1) Performance graphs

Operating Update

Real Win Win (“**RWW**”) performed strongly through the half ended 31 December 2017, delivering significant revenue growth and a strong positive contribution to underlying EBITDA* (\$390K). It should be noted that RWW is traditionally cyclically stronger in the first half of each financial year.

After successfully integrating the platform for BP in the UK over the half, we went fully live at the end of December 2017. Revenue generation commenced from January 2018, representing 306 NOMS of the overall BP site presence in the UK. This was a milestone in the company's strategy to further develop our platform footprint in key countries for both existing and new potential clients.

Go to market strategy 2H FY2018

BidEnergy is revitalising its approach to market and is positioning itself as a challenger brand disrupting a staid energy marketplace. BidEnergy's pricing, target market and marketing initiatives will refocus on its core customer opportunities where automation can have a material impact.

There is a large untapped market representing 6M smart meters in Australia alone.

BidEnergy will focus on:

- Refreshing customer 'face to market' (achieved)
- Driving invigorated sales & marketing (ongoing)
- Investigating further organic growth opportunities with RWW (initialising)
- Investigating further partner opportunities to expand into the UK (initialising)
- Launch new sales channels to increase market reach (initialising)
- Drive into the SME and C&I marketplace (initialising)
- Provide potential customers the ability to interact with the BidEnergy solution (in development)

-ENDS-

Further Information:

Guy Maine
Managing Director
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About BidEnergy

BidEnergy is an Australian-based technology company servicing customers in Australia, New Zealand, 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.

For further information, visit www.bidenergy.com

BidEnergy Limited
Appendix 4D
Half-year report

1. Company details

Name of entity:	BidEnergy Limited
ABN:	94 131 445 335
Reporting period:	For the half-year ended 31 December 2017
Previous period:	For the half-year ended 31 December 2016

2. Results for announcement to the market

			\$
Revenues from ordinary activities	up	216.1% to	2,245,539
Loss from ordinary activities after tax attributable to the owners of BidEnergy Limited	down	27.7% to	(2,902,551)
Loss for the half-year attributable to the owners of BidEnergy Limited	down	27.7% to	(2,902,551)

Dividends

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

Comments

The loss for the Consolidated Entity after providing for income tax amounted to \$2,902,551 (31 December 2016: \$4,014,342).

Please refer to the Review of operations in the Directors' report in the attached financial report for further commentary.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>1.40</u>	<u>1.36</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 owns two wholly owned subsidiaries, being BidEnergy Ltd (UK) and BidEnergy Inc. (USA). 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

Details of audit/review dispute or qualification (if any):

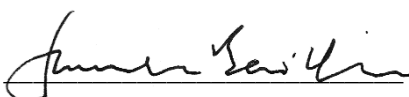
The financial statements were subject to a review by the Company's auditors, RSM Australia Partners, and the review report is attached as part of the Interim Financial Report.

11. Attachments

Details of attachments (if any):

The Interim Financial Report of BidEnergy Limited for the half-year ended 31 December 2017 is attached.

12. Signed

Signed 

Date: 26 February 2018

BidEnergy Limited

ABN 94 131 445 335

Interim Financial Report - 31 December 2017

BidEnergy Limited
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BidEnergy Limited
Corporate directory

Directors	James Baillieu (Non-Executive Chairman) Guy Maine (Managing Director) Anthony Du Preez (Executive Director and Chief Technology Officer) Leanne Graham (Non-Executive Director)
Company secretary	Erlyn Dale
Registered office	Suite 5, CPC 145 Stirling Highway Nedlands, Western Australia 6009 Phone: (08) 9389 3110 Fax: (08) 9389 3199
Principal place of business	Floor 7, Suite 9, 530 Little Collins Street Melbourne, Victoria 3000 Phone: (03) 9028 8752
Share register	Computershare Investor Services Pty Ltd Level 2, 45 St Georges Terrace, Perth, Western Australia 6000 Phone: (03) 9415 4062
Auditor	RSM Australia Partners Level 21, 55 Collins Street Melbourne VIC 3000
Stock exchange listing	BidEnergy Limited securities are listed on the Australian Securities Exchange (ASX code: BID and BIDO)
Website	www.bidenergy.com

BidEnergy Limited

Directors' report

The directors present their report, together with the financial statements, on the Consolidated Entity (referred to hereafter as the 'Consolidated Entity') consisting of BidEnergy Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2017.

Directors

The following persons were directors of BidEnergy Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

James Baillieu (Non-Executive Chairman) (appointed 1 June 2017 as Non-Executive Director, becoming Non-Executive Chairman on 18 November 2017)
Guy Maine (Managing Director) (appointed 17 January 2018)
Anthony Du Preez (Executive Director) (appointed 18 November 2017 as Managing Director, becoming Executive Director and Chief Technology Officer from 17 January 2018)
Leanne Graham (Non-Executive Director) (appointed 28 July 2016)
Robert Browning (Non-Executive Chairman) (resigned 18 November 2017)
Phillip Adams (Managing Director) (resigned on 18 November 2017)
Stuart Allinson (Executive Director) (resigned on 17 November 2017)

Principal activities

During the financial half-year the principal continuing activities of the Consolidated Entity consisted of:

Carrying on its business as a provider of energy management services to high energy use customers through the deployment of its cloud- based software platform.

Review of operations

During the half year period to December 2017 BidEnergy completed a significant organisational restructure with the intention of reducing average cash burn to below \$300,000 per month with a more streamlined and focused sales operation under the leadership of newly appointed Managing Director, Mr Guy Maine. Mr Maine has a successful history in taking new product and technology to market through sales and executive roles at Optus, Virgin Mobile and Foxtel.

During the half year period to 31 December 2017, subscription fee revenue increased to \$873,719, from \$503,297 in December 2016. RealWinWin contributed rebate revenue for December 2017 half year of \$1,317,010 and positive underlying EBITDA* of \$390,173. Overall underlying EBITDA* loss improved to \$2,009,540 December 2017 from \$3,132,425 December 2016.

Non-operating costs for the December 2017 half year period included \$458,612 of reorganisation costs, and \$569,177 costs relating to the planned Ameresco Asset Purchase including, a one off break fee of \$357,127.

During the December 2017 half year the company raised \$6,706,773 (before costs) through a non-renounceable 1:1 entitlement offer. The cash balance at 31 December 2017 was \$6,410,283 (30 June 2017: \$3,568,969).

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

Financial Position

The net assets of the Consolidated Entity increased by \$3,502,675 to \$8,045,274 as at 31 December 2017 (30 June 2017: \$4,542,599). The increase in net assets was mostly due to completion of capital raising during the half year, offset by capital raising cost and net loss for the period.

Working capital, being current assets less current liabilities, was \$5,918,261 (30 June 2017: \$2,688,029). The Consolidated Entity had negative cash flows from operating activities for the period of \$2,449,391 (31 December 2016: \$2,899,400). The total net cash increase during the financial half-year amounted to \$2,841,314 (31 December 2016: \$3,657,342).

Significant changes in the state of affairs

On 3 July 2017, the Company announced a non-renounceable 1:1 entitlement offer to raise approximately \$6.7 million (before costs), which was fully underwritten by Canaccord Genuity (Australia) Limited ("Canaccord") ("Entitlement Offer"). The company completed the allotment and issue of 335,338,682 shares pursuant to that Entitlement Offer on 8 August 2017. The Company also confirmed the appointment of Canaccord as its corporate advisor and issued 20.5 million options to the nominees of Canaccord in lieu of cash fees in respect of that engagement.

On 29 November 2017, the Company announced that it had agreed the mutual termination of the Asset Purchase Agreement entered into between the Company, its US subsidiary, BidEnergy, Inc. and Ameresco, Inc. (NYSE: AMRC) ("Ameresco") on or around 28 June 2017. and accordingly, would not proceed with the acquisition of Ameresco's Axis utility bill management business ("Axis").

Despite best endeavours by both parties, certain closing conditions relating to the transfer of an account holding Axis customer funds to a treasury account under BidEnergy's management were not able to be satisfied due to unforeseen banking challenges. In light of this, the parties elected to terminate the Asset Purchase Agreement on mutually agreeable terms, including the payment by BidEnergy to Ameresco of a one off break fee totalling AUD\$357,127 (US\$273,000) in full satisfaction of contractual penalties and any other liabilities under the Asset Purchase Agreement.


There were no other significant changes in the state of affairs of the Consolidated Entity during the financial half-year.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



James Baillieu
Non-Executive Chairman

26 February 2018

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of BidEnergy Limited for the half year ended 31 December 2017, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

A handwritten signature in blue ink, appearing to be 'RSM'.**RSM AUSTRALIA PARTNERS**A handwritten signature in blue ink, appearing to be 'J S Croall'.

J S CROALL
Partner

Dated: 26 February 2018
Melbourne, VIC

BidEnergy Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2017

		Consolidated	
	Note	31 December 2017	31 December 2016
		\$	\$
Revenue	4	2,245,539	710,429
Other income - interest		25,125	28,005
Expenses			
Third party support costs		(338,330)	(238,123)
Depreciation and amortisation expense		(289,775)	(173,597)
Employee benefits expense		(2,589,018)	(2,038,138)
Reorganisation costs		(458,612)	-
Listing fees		-	(1,245,276)
Administration expense		(475,766)	(530,615)
Ameresco breakfee		(357,127)	-
Ameresco transaction costs		(212,050)	-
Marketing expense		(168,606)	(330,783)
Occupancy expense		(202,671)	(127,288)
Travel expense		(88,179)	(133,221)
Loss before income tax benefit		(2,909,470)	(4,078,607)
Income tax benefit		6,919	64,265
Loss after income tax benefit for the half-year attributable to the owners of BidEnergy Limited		(2,902,551)	(4,014,342)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		52,372	(19,899)
Other comprehensive income for the half-year, net of tax		52,372	(19,899)
Total comprehensive income for the half-year attributable to the owners of BidEnergy Limited		(2,850,179)	(4,034,241)
		Cents	Cents
Basic earnings per share	15	(0.46)	(1.24)
Diluted earnings per share	15	(0.46)	(1.24)

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 31 December 2017

		Consolidated	
	Note	31 December	30 June
		2017	2017
		\$	\$
Assets			
Current assets			
Cash and cash equivalents		6,410,283	3,568,969
Trade and other receivables	5	407,169	138,142
Other	6	185,327	60,692
Total current assets		<u>7,002,779</u>	<u>3,767,803</u>
Non-current assets			
Property, plant and equipment	7	105,144	27,157
Intangibles	8	2,344,757	2,176,356
Deferred tax asset		-	8,558
Other - security deposits		55,043	45,915
Total non-current assets		<u>2,504,944</u>	<u>2,257,986</u>
Total assets		<u>9,507,723</u>	<u>6,025,789</u>
Liabilities			
Current liabilities			
Trade and other payables	9	375,760	582,261
Employee benefits		185,153	267,747
Other	10	523,605	229,766
Total current liabilities		<u>1,084,518</u>	<u>1,079,774</u>
Non-current liabilities			
Deferred tax liabilities		194,385	213,330
Employee benefits		39,618	43,569
Other	11	143,928	146,517
Total non-current liabilities		<u>377,931</u>	<u>403,416</u>
Total liabilities		<u>1,462,449</u>	<u>1,483,190</u>
Net assets		<u>8,045,274</u>	<u>4,542,599</u>
Equity			
Issued capital	12	22,360,257	16,021,604
Reserves		1,084,499	1,017,926
Accumulated losses		<u>(15,399,482)</u>	<u>(12,496,931)</u>
Total equity		<u>8,045,274</u>	<u>4,542,599</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 half-year ended 31 December 2017

Consolidated	Issued Capital \$	Accumulated Losses \$	Reserves \$	Total equity \$
Balance at 1 July 2016	2,892,079	(5,311,450)	2,786,312	366,941
Loss after income tax benefit for the half-year	-	(4,014,342)	-	(4,014,342)
Other comprehensive income for the half-year, net of tax	-	-	(19,899)	(19,899)
Total comprehensive income for the half-year	-	(4,014,342)	(19,899)	(4,034,241)
<i>Transactions with owners in their capacity as owners:</i>				
Conversion of Convertible Redeemable Preference Shares in vendor	4,576,827	-	(2,508,785)	2,068,042
Deemed value of shares deemed to be issued to existing Cove Resources Limited (former name of the legal parent) shareholders on acquisition date	1,375,434	-	-	1,375,434
Capital Raising	7,000,000	-	-	7,000,000
Costs of Capital Raising	(420,000)	-	-	(420,000)
Shares issued for RWW acquisition	472,705	-	-	472,705
Share based payments for RWW acquisition	-	-	270,116	270,116
Share based payments to employees	-	-	59,167	59,167
Balance at 31 December 2016	<u>15,897,045</u>	<u>(9,325,792)</u>	<u>586,911</u>	<u>7,158,164</u>
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 half-year	-	(2,902,551)	-	(2,902,551)
Other comprehensive income for the half-year, net of tax	-	-	52,372	52,372
Total comprehensive income for the half-year	-	(2,902,551)	52,372	(2,850,179)
<i>Transactions with owners in their capacity as owners:</i>				
Payment in lieu of accrued fees	110,000	-	-	110,000
Capital Raising	6,706,773	-	-	6,706,773
Costs of Capital Raising	(478,120)	-	-	(478,120)
Share based payments to employees	-	-	14,201	14,201
Balance at 31 December 2017	<u>22,360,257</u>	<u>(15,399,482)</u>	<u>1,084,499</u>	<u>8,045,274</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 half-year ended 31 December 2017

		Consolidated	
	Note	31 December 2017	31 December 2016
		\$	\$
Cash flows from operating activities			
Receipts from customers		2,154,251	1,034,493
Payments to suppliers and employees		(4,628,767)	(3,961,898)
Interest received		25,125	28,005
Net cash used in operating activities		(2,449,391)	(2,899,400)
Cash flows from investing activities			
Payments for property, plant and equipment		(87,049)	(11,737)
Payments for intangibles (software)	8	(468,128)	(462,508)
Payments for Ameresco breakfee		(357,127)	-
Cash acquired on reverse acquisition (net of transaction costs)		-	7,386,987
Cash paid for business acquisition, net of cash acquired		-	(356,000)
Net cash from investing activities		(912,304)	6,556,742
Cash flows from financing activities			
Proceeds from issue of shares	12	6,706,773	-
Payments for costs of capital raising		(503,764)	-
Net cash from financing activities		6,203,009	-
Net increase in cash and cash equivalents		2,841,314	3,657,342
Cash and cash equivalents at the beginning of the financial half-year		3,568,969	2,624,642
Cash and cash equivalents at the end of the financial half-year		<u>6,410,283</u>	<u>6,281,984</u>

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

Note 1. General information

The financial statements cover BidEnergy Limited as a Consolidated Entity consisting of BidEnergy Limited and its controlled entities at the end of, or during, the half-year period ended 31 December 2017. The financial statements are presented in Australian dollars, which is BidEnergy Limited's 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 located at:

Registered office

Suite 5 CPC
145 Stirling Highway
Nedlands WA 6009

Principal place of business

Floor 7, Suite 9,
530 Little Collins Street
Melbourne, Victoria 3000

A description of the nature of the Consolidated Entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 26 February 2018.

Note 2. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2017 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2017 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Consolidated Entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

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, Bid US and RealWinWin (RWW). 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.

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 last annual financial statements of the Combined entity.

Note 3. Operating segments (continued)

The principal business of the group is to provide cloud based software for energy management, procurement and rebate capture in Australia, UK and USA. Due to the significance of RWW, the USA segments split into Bid US and RWW. Management considers the UK operation to be immaterial to the Consolidated Entity, therefore transactions have been included together with the Australian operations segment.

Operating segment information

	Australia and UK \$	BID US \$	RWW \$	Total \$
Consolidated – 2017				
Platform subscription fees	866,785	6,934	-	873,719
Non-subscription revenue	54,810	-	-	54,810
RWW rebate revenue	-	-	1,317,010	1,317,010
Revenue	921,595	6,934	1,317,010	2,245,539
Third party support costs	(338,330)	-	-	(338,330)
Administration expense	(315,284)	(24,868)	(72,237)	(412,389)
Employee benefits expense	(1,801,710)	(483,029)	(760,165)	(3,044,904)
Marketing expense	(110,825)	(42,691)	(15,090)	(168,606)
Travel expense	(42,837)	(38,045)	(7,296)	(88,178)
Occupancy expense	(119,838)	(10,784)	(72,049)	(202,671)
Total operating expenses	(2,728,824)	(599,417)	(926,837)	(4,255,078)
Underlying EBITDA from core operations	(1,807,229)	(592,484)	390,173	(2,009,540)
Income tax	-	-	6,919	6,919
Reorganisation costs	(229,226)	(229,386)	-	(458,612)
Ameresco breakfee	-	(357,127)	-	(357,127)
Ameresco transaction costs	-	(212,050)	-	(212,050)
Capitalised labour (software)	470,087	-	-	470,087
Amortisation intangibles	(232,507)	-	(57,268)	(289,775)
Share based payments	(14,201)	-	-	(14,201)
Interest – other	25,112	13	-	25,125
Foreign exchange revaluation	6,398	(69,775)	-	(63,377)
Loss after income tax benefit for the year attributable to the owners of BidEnergy Limited	(1,781,566)	(1,460,809)	339,824	(2,902,551)

BidEnergy Limited
Notes to the financial statements
31 December 2017

Note 3. Operating segments (continued)

Consolidated - 2016	Australia and UK \$	BID US \$	RWW \$	Total \$
Platform subscription fees	502,736	560	-	503,296
Non-subscription revenue	44,855	-	-	44,855
RWW rebate revenue	-	-	162,277	162,277
Revenue	547,591	560	162,277	710,428
Third party support costs	(238,123)	-	-	(238,123)
Administration expense	(421,955)	(136,295)	(13,709)	(571,959)
Employee benefits expense	(1,873,168)	(366,963)	(201,348)	(2,441,479)
Marketing expense	(151,491)	(179,292)	-	(330,783)
Travel expense	(125,515)	(7,706)	-	(133,221)
Occupancy expense	(103,526)	(12,414)	(11,348)	(127,288)
Total operating expenses	(2,913,778)	(702,670)	(226,405)	(3,842,853)
Underlying EBITDA from core operations	(2,366,187)	(702,110)	(64,128)	(3,132,425)
Listing fees	(1,245,275)	-	-	(1,245,275)
Income tax	-	-	64,265	64,265
Capitalised labour (software)	462,508	-	-	462,508
Amortisation intangibles	(9,708)	-	(163,889)	(173,597)
Share based payments	(59,167)	-	-	(59,167)
Interest – other	28,005	-	-	28,005
Foreign exchange revaluation	(18,561)	59,905	-	41,344
Loss after income tax benefit for the year attributable to the owners of BidEnergy Limited	(3,208,385)	(642,205)	(163,752)	(4,014,342)

Note 4. Revenue

	Consolidated	
	31 December 2017	31 December 2016
	\$	\$
Service fees	873,719	503,297
Technology event revenue	54,810	44,855
RWW Rebate Revenue	1,317,010	162,277
Revenue	2,245,539	710,429

Note 5. Current assets - trade and other receivables

	Consolidated	
	31 December 2017	30 June 2017
	\$	\$
Trade receivables	410,194	184,141
Less: Provision for impairment of receivables	(3,025)	(45,999)
	407,169	138,142

BidEnergy Limited
Notes to the financial statements
31 December 2017

Note 6. Current assets - other

	Consolidated	
	31 December	30 June
	2017	2017
	\$	\$
Prepayments	177,697	56,555
Other	7,630	4,137
	<u>185,327</u>	<u>60,692</u>

Note 7. Non-current assets - property, plant and equipment

	Consolidated	
	31 December	30 June
	2017	2017
	\$	\$
Office equipment - at cost	169,111	82,062
Less: Accumulated depreciation	(63,967)	(54,905)
	<u>105,144</u>	<u>27,157</u>

Note 8. Non-current assets - intangibles

	Consolidated	
	31 December	30 June
	2017	2017
	\$	\$
Goodwill - at cost	623,290	634,503
Customer list - at cost	140,642	143,173
Less: Accumulated amortisation	(20,314)	(11,136)
	<u>120,328</u>	<u>132,037</u>
Software - at cost	1,498,226	1,030,098
Less: Accumulated amortisation	(262,785)	(21,564)
	<u>1,235,441</u>	<u>1,008,534</u>
Brand - at cost	427,430	435,120
Less: Accumulated amortisation	(61,732)	(33,838)
	<u>365,698</u>	<u>401,282</u>
	<u>2,344,757</u>	<u>2,176,356</u>

Note 8. Non-current assets - intangibles (continued)

Reconciliations

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

Consolidated	Goodwill \$	Software \$	Brand \$	Customer List \$	Total \$
Balance at 1 July 2017	634,503	1,008,534	401,282	132,037	2,176,356
Capitalised development costs	-	468,128	-	-	468,128
Foreign exchange differences	(11,213)	783	(6,459)	(2,125)	(19,014)
Amortisation	-	(242,004)	(29,125)	(9,584)	(280,713)
Balance at 31 December 2017	<u>623,290</u>	<u>1,235,441</u>	<u>365,698</u>	<u>120,328</u>	<u>2,344,757</u>

Note 9. Current liabilities - trade and other payables

	Consolidated 31 December 2017 \$	30 June 2017 \$
Trade payables	87,944	155,009
Accrued expenses	29,683	170,224
Other payables	258,133	257,028
	<u>375,760</u>	<u>582,261</u>

Note 10. Current liabilities - other

	Consolidated 31 December 2017 \$	30 June 2017 \$
Deferred consideration – RWW Acquisition	63,215	64,352
Deferred revenue	270,907	154,419
Other current liabilities	189,483	10,995
	<u>523,605</u>	<u>229,766</u>

Note 11. Non-current liabilities - other

	Consolidated 31 December 2017 \$	30 June 2017 \$
Contingent consideration – RWW Earn Out	<u>143,928</u>	<u>146,517</u>

BidEnergy Limited
Notes to the financial statements
31 December 2017

Note 12. Equity - issued capital

	31 December 2017 Shares	30 June 2017 Shares	Consolidated 31 December 2017 \$	30 June 2017 \$
Ordinary shares - fully paid	<u>740,677,364</u>	<u>329,838,682</u>	<u>22,360,257</u>	<u>16,021,604</u>

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	30 June 2017	329,838,682		16,021,604
Payment in lieu of accrued fees totalling \$110,000 for corporate advisory services provided to the Company pursuant to a corporate advisory services mandate executed in December 2015	6 July 2017	5,500,000	\$0.02	110,000
Capital Raising	8 August 2017	335,338,682	\$0.02	6,706,773
Costs of Capital Raising	8 August 2017	-	-	(478,120)
Share issue to vendors/former shareholders of BidEnergy Pty Ltd (now BidEnergy Limited)	29 September 2017	<u>70,000,000</u>	-	<u>-</u>
Balance	31 December 2017	<u>740,677,364</u>		<u>22,360,257</u>

Note 13. Contingent assets and liabilities

The directors are not aware of any contingent assets or contingent liabilities as at 31 December 2017 (2016: Nil).

Note 14. Events after the reporting period

No matter or circumstance has arisen since 31 December 2017 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

Note 15. Earnings per share

	Consolidated 31 December 2017 \$	31 December 2016 \$
Loss after income tax attributable to the owners of BidEnergy Limited	<u>(2,902,551)</u>	<u>(4,014,342)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>636,467,692</u>	<u>322,550,977</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>636,467,692</u>	<u>322,550,977</u>
	Cents	Cents
Basic earnings per share	(0.46)	(1.24)
Diluted earnings per share	(0.46)	(1.24)

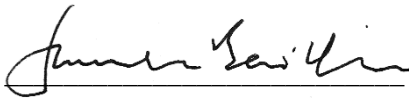
BidEnergy Limited
Directors' declaration
31 December 2017

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Consolidated Entity's financial position as at 31 December 2017 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in black ink, appearing to read 'James Baillieu', written over a horizontal line.

James Baillieu
Non-Executive Chairman

26 February 2018

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INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
BIDENERGY LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of BidEnergy Limited ("the Company") which comprises the consolidated statement of financial position as at 31 December 2017, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the Company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of BidEnergy Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations act 2001*, which has been given to the directors of BidEnergy Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of BidEnergy Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*



RSM AUSTRALIA PARTNERS



J S CROALL
Partner

Dated 26 February 2018
Melbourne, VIC