

FINANCIAL YEAR 2018 RESULTS COMMENTARY - BIDENERGY CONTINUES GROWTH

ASX Release

30 August 2018

BidEnergy Limited (ASX: BID) (“**BidEnergy**” or “**the Company**”), is pleased to provide the following commentary on its results for the financial year ended 30 June 2018 (FY18), reporting strong increases in revenue and improved underlying EBITDA.

FY18 Highlights

- **BidEnergy total operating revenue grew to \$4.1M in FY18 (FY17: \$2.6M), representing a 55% increase on prior year. This was comprised of:**
 - BidEnergy subscription fee revenue of \$1.9M (FY17: \$1.3M) – a 52% increase on prior year; and
 - RealWinWin US rebate capture revenue of \$2.1M (FY17: \$1.3M) – a 62% increase, due in part to the fact that FY18 results represent a full year of revenue whereas FY17 represents approximately 7 months of revenue from the date of acquisition in November 2016.
- **2-year revenue compound annual growth rate (CAGR) of 120%;**
- **BidEnergy Underlying EBITDA improved to a loss of \$3.9M (FY17: \$6.4M loss);**
- **53 BidEnergy enterprise platform customers at 30 June 2018 across four countries;**
- **Meters under management increased to 21,518 at 30 June 2018 from 10,065 at 31 December 2017, including the onboarding of several large enterprise and international customers demonstrating the strength of the platform and the companies robotic process automation IP;**
- **Cash on hand at 30 June 2018 was \$5.3M, driven by strong fiscal management in the second half of FY18; and**
- **Company is well-resourced to capitalise on domestic and international growth opportunities.**

Financial Commentary

	FY18	FY17	Favourable/ (Unfavourable)
	\$'000	\$'000	%
BidEnergy subscription fee revenue	1,908	1,258	52%
RWW Rebate capture revenue	2,100	1,298	62%
BidEnergy non-subscription revenue	58	65	(11%)
Total Revenue	4,067	2,621	55%
Underlying EBITDA	(3,900)	(6,408)	39%
Statutory net profit after tax	(4,517)	(7,185)	37%

During the financial year ended 30 June 2018, BidEnergy continued to deliver on its growth agenda increasing revenue to \$4.1M – a 55% increase on prior year, supported by a very strong second half.

Under the new leadership team in the last half of the financial year the Company refocused its efforts on organic domestic and international growth through a renewed Australian salesforce, renewed US

focus using the energy domain expertise of the RealWinWin business, and ongoing development of partner channels.

Whilst pleasing improvements were made in the Company's underlying EBITDA loss compared to FY17, FY18 statutory profit included several restructuring and other costs related to the termination of the Axis asset purchase agreement in the US. In the last half of financial year 2018 the Company has demonstrated improved fiscal discipline to significantly reduce monthly burn, leaving \$5.3M cash on hand at 30 June 2018 and the Company well positioned to execute on future growth opportunities.

FY19 Outlook

BidEnergy will continue its focus on enterprise sales both domestically and internationally through direct sales, a restructured team at US business RealWinWin (now ready for further growth of our core RPA energy spend management solution), and through further ongoing focus on developing sales channel partnerships in multiple countries. BidEnergy recently appointed an experienced UK and Europe country manager to develop the business in those regions having successfully demonstrated our UK credentials with the management of BP's energy spend in that market.

The Company is also excited by the pilot launch of new product 'BidBilly' for energy spend management services in the SME sector.

BidBilly is the first robotic concierge service for SMEs powered by robotic automation (RPA) technology developed over the last 5 years for the large multi-site enterprise market. Never before has so much computing power been focused on helping a small business manage their energy bills. Unlike comparison sites that have no ongoing relationship with a small business, the BidBilly concierge will have an intimate ongoing relationship. This relationship is only possible and cost effective thanks to the power of large scale robotic automation technology. An ongoing and intimate relationship means the robotic energy concierge can reduce energy bills in ways that the comparison sites can't even contemplate. This includes; ongoing benchmarking to ensure the small business energy prices are always low, where all the suppliers are invited to a live online bid process where the energy retailers actively bid against each other to win the contract at the bottom drawer prices, and where every bill is checked to make sure the usage and rates are accurate. With an ongoing investment in machine learning and artificial intelligence, BidBilly gets better at finding ways to reduce energy bills for small business. BidBilly will be rolled out to our existing customer franchisee operations, industry associations, and to the broader small business and residential markets through carefully chosen channel partner arrangements.

Commenting on the FY18 results and FY19 outlook, BidEnergy Managing Director, Guy Maine said, "Financial Year 2018 has been a year where the Company has successfully refocused sales momentum on organic domestic and international growth opportunities, advanced partner engagement and discussions, and demonstrated improved fiscal discipline over the year. Energy spend management is a key area of concern for multi-site and SME businesses as well as individuals and residences. We are very pleased with the energy spend management service we have been able to provide to multisite organisations via our market leading software platform, and are excited about the SME and residential market offering the development of new product Bid Billy presents. We have a group of passionate and dedicated staff who have made significant achievements during the last financial year and the Company looks forward to an exciting year ahead."

About BidEnergy

BidEnergy is an Australian-based technology company with additional offices overseas in 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 customers 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 will be 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 customer 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

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.

RealWinWin (RWW) – Rebate Capture Business operating in the USA (Philadelphia based) that manages the process of claiming rebates from Energy retailers for LED lighting changeout for customers on a fee for service basis.

BID Subscriptions – Number of Paying subscribers on BIDs ESM.

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

Meters – Number of energy, gas and water meters for our paying subscribers. As our charges vary based on a client's meter portfolio, this is an important data point.

Underlying EBITDA – 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 4 of the annual report.