

## BIDENERGY OPERATING REPORT AND JUN-18 APPENDIX 4C

ASX Release

12 July 2018

BidEnergy Limited (ASX: BID) ("BidEnergy" or "the Company"), is pleased to provide its operations update and quarterly cashflow report for the quarter ended 30 June 2018.

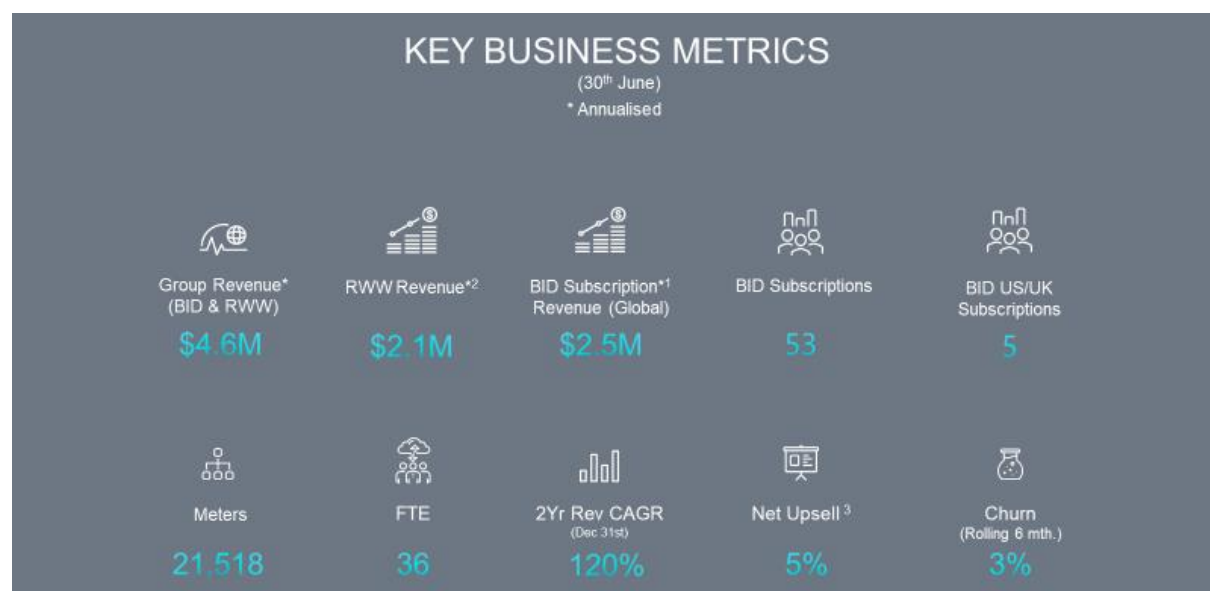


Figure 1: Sets out the Company's performance against key business metrics during the quarter. Refer to **Appendix B** for glossary of terms.

## Highlights for The Quarter

**Underlying revenue (unaudited) of \$1M for the June 2018 quarter, comprised of:**

- \$0.6 million in BidEnergy subscription revenue; and
- \$0.4 million in RealWinWin rebate capture revenue.

**Total combined annualised revenue of the Group was \$4.6M as at 30 June 2018, comprised of:**

- *Platform Subscriptions*: \$2.5 million of Annualised Subscription Revenue (ASR); and
- *Rebate Capture (RealWinWin USA)*: \$2.1 million Annualised Revenue (AR).

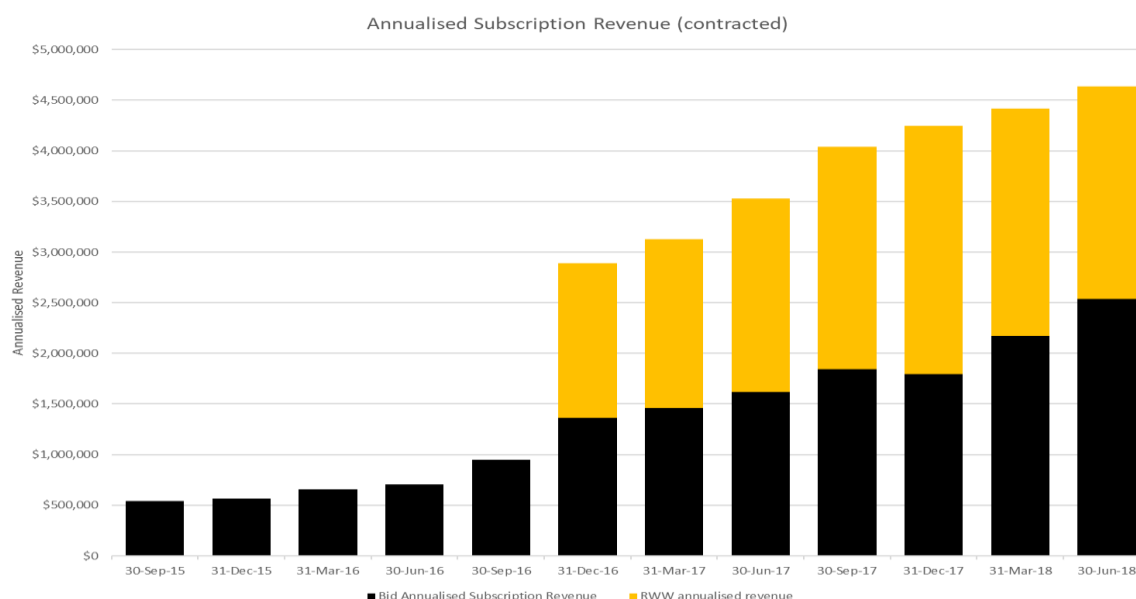


Figure 2: BidEnergy annualised revenue as 30 June 2018

## Highlights for The Quarter (continued)

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### USA/UK/NZ Market Highlights

BID builds further momentum in the US during the quarter, including:

- Major contract awarded, following an RFP process, by a large American retailer with a national presence of >850 stores in 49 states;
- Cotton On, an existing BidEnergy Australian customer, extended their use of BID's platform and procurement expertise into 99 of their stores in the USA;
- Toll, also an existing Australian customer, re-signed its Australian agreement during the quarter and elected to extend its BID footprint into New Zealand, the UK and the USA from September.

### Australian Market Highlights

- Sales momentum continues with BID securing several new subscription customers in Australia including The Salvation Army, The REA Group, YMCA (VIC) and separately YMCA (SA).
- BID to launch "BID Billy" in August, its new SAAS product targeting the SME 2M+ strong Australian marketplace initially, prior to a full residential rollout allowing BID to target 10M electricity consumers large and small. Further information on the BID Billy product is set out at **Annexure A**.

### Financial Highlights

- Cash on hand at 30 June is \$5.3M down marginally from \$5.4M at the beginning of the quarter, with quarterly cash burn of \$0.1m, including a \$0.6M R&D rebate received in June 2018.
- BID's ASR as at 30 June 2018 increased by \$361K from the previous quarter to \$2.53M, with the Company recording its best half, climbing by \$738K since 31 December 2017 (or 41%).
- In the 6 months since 31 December 2017 new customer acquisitions have contributed to BID more than doubling Meters under Management to 21,518 from 10,065.
- RealWinWin AR down marginally to \$2.1M due to a 3<sup>rd</sup> quarter seasonal sales slowdown, as previously identified. Sales improved through May and June as expected.

## Operational Overview

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### New Contract Wins (USA & Australia)

During the quarter ended 30 June 2018, BidEnergy has seen an increase in interest in its RPA platform and reports a strong pipeline of opportunities heading into the new financial year. The Company successfully won multiple agreements to provide end to end energy spend lifecycle management services for utility bills in the USA, UK, New Zealand, and Australia:

- A large retailer in the US will use BidEnergy to provide full energy spend lifecycle management services across its portfolio of >850 stores across 49 states of the USA, introducing BidEnergy to more than 1,000 energy retailers

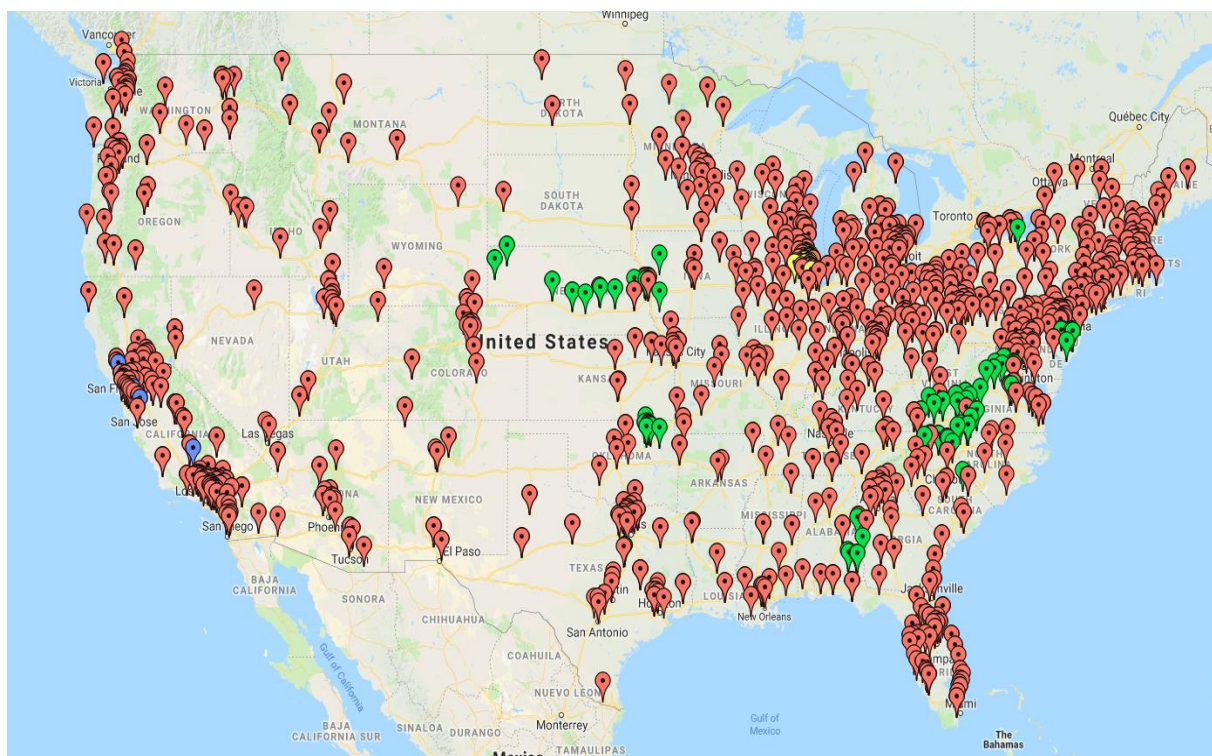
- Cotton On Group, an existing customer which utilises BidEnergy across their network of stores in Australia, has signed a deal to extend their utilisation of BidEnergy's platform into 99 stores in the US for bill stream and procurement activities
- TOLL, an existing customer, has extended its Australian agreement and will launch through September 2018 across its USA, UK and New Zealand portfolio of operations.

BID does not consider any of these contracts, individually, to be material whilst recognising them clearly as valuable additions to our portfolio of customers.

### Australia

- The Salvation Army (as previously announced in April)
- REA Group will utilise BidEnergy across its Australian portfolio of sites
- YMCA (VIC) and YMCA (SA) – two separate agreements to use the BidEnergy to manage their 200 accounts in Victoria and 12 recreation centres across South Australia

BID's ASR through the June quarter increased by \$361K to \$2.53M following the addition of the above agreements, with the first half climbing \$738K since 31 December 2017 (a 41% increase on the previous half).



**Figure 3:** Map showing BidEnergy active data collection points in the USA as at 1 July 2018 with colours representing different USA customers

### USA Update

The large retailer contract win in the US followed an RFP process, whereby BID's innovative RPA cloud-based platform was chosen ahead of the top energy spend management providers in the US, providing

significant validation for BidEnergy's global capabilities and the significant opportunity to further expand into the world's largest market.

Commenting on the large American retailer contract win, BidEnergy Managing Director, Guy Maine said, "This new US national retailer will join our existing US subscription customers, Berkshire Hathaway and XSport fitness, which utilise our ability to manage US based opportunities across multiple states and their associated energy retailers. As a result, we intend to further expand our footprint with US based multi-sites in coming months."

"In combination with the Cotton On rollout in the USA, and TOLL's expansion, this opportunity marks a significant milestone in our aim to organically grow our subscription base in the USA. We will look to further extend our presence in the US, UK and New Zealand markets, and requests from our existing customer base will drive organic growth into new territories. BidEnergy now supports more than 3,000 active data collection points in the USA."

The recent contract wins in the USA will provide national coverage that allows BidEnergy to expand its footprint in the USA, capitalise on the roll-out of its RPA platform, and leverage BidEnergy's existing RealWinWin team in Philadelphia, targeting major multi-site enterprises.

### **RealWinWin (USA)**

RealWinWin (RWW) performance for the quarter improved from the previous quarter, with Annualised Revenues of \$2.1M, and an expected positive EBITDA contribution for the full year of \$228K. Sales improved through May and June as expected following the 3rd quarter seasonal sales slowdown.

RWW continues to grow a healthy database of long term customers and will be essential in cross selling BidEnergy's subscription energy spend management (ESM) platform.

The RWW sales team will be strengthened and cross trained on rebate capture & ESM subscription business sales and service. This cross training will ensure continued growth in rebate capture, whilst allowing for a stronger focus by our senior sales representatives on BidEnergy's core platform.



(Map of UK – BidEnergy Active Data collection points)

### **UK Update**

BID is in the final stages of recruiting our Country Manager – UK & Europe who will be mandated with growing the BID subscription customer base into those territories and providing BP with increased focus and support at the local level in London.

This role is expected to become operational within the next quarter.

## Financial Update: Cash burn and Breakeven

The Company's cash balance reduced from \$5.4M as at 31 March 2018 to \$5.3M as at 30 June 2018. Total cash burn of \$0.1M includes a \$0.6M government R&D grant received during the quarter. Excluding the government R&D grant received, underlying cash burn from operations was \$0.7M, consistent with the \$0.7M underlying cash burn in the preceding March quarter, and less than the average monthly operating cash burn target of \$0.3M set by the Company in January 2018.

BidEnergy makes the following comments with regards to quarterly cash burn;

- As the Company continues to add new business the current cash burn levels will continue to reduce, on average, over time;
- Cashflow may be impacted by one-off quarterly costs which include several annual expenses (e.g. insurance, tax, audit, ASX and license fees) several of which are expected in the September quarter;
- In the December quarter, with fewer annual payments forecast and with positive sales momentum achieved, cash burn is expected to be substantially less than the current trend;
- Outside these annual one-off costs, the Company forecasts no meaningful increase in its underlying cost base;
- The Company reiterates its cash flow positive target being achieved on or before the December quarter of 2019.

## Management Commentary

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Commenting on BidEnergy's progress to date, Guy Maine said, "The last six months has seen this business turn its early aspirations into reality. Whilst this is the start of a longer term, major global business build, the signs we are seeing across our potential markets is very encouraging. We continue to build traction with significant brands and businesses, our existing customers are wanting to grow with us into new territories, we have bought fiscal discipline, and most importantly, have built a sales momentum in the business that will continue to grow."

"Furthermore, the USA story is now real. Our ability to service customers across the USA has been substantially expanded, supported by our presence and robotic workforce, which has been trained to support energy bills in 49 states of the USA, with more than 3,000 active data collection points covering electricity, gas water and other fuels."

"BidEnergy now has more than 53 enterprise customers across four countries, with a growth rate that is accelerating. As the only RPA player in the countries in which we operate dedicated to energy spend management, we expect that, as the global RPA story unfolds, we will be present and ready to maximise the Company's opportunities."

-ENDS-

Further information:

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## About BidEnergy

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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

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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: About BID Billy

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Australians are tired and becoming increasingly frustrated with their energy bills, generating considerable media and political debate with no obvious solution – it is one of our country's hottest topics.

BidEnergy has been successfully working with its enterprise customers for years, solving, as a minimum, the same issues small business and residential consumers wish to have a solution for, that is;

*Make sure I'm on the best rate, make sure my bills are correct and accurate, and help me save money.*

Our robots receive bills direct from the energy retailers for our clients, check them for accuracy before they pay and regularly go to market to get the best possible rates. Its why BidEnergy exists. Already this calendar year BidEnergy robots have saved our customers in excess of \$1M in bill errors, have processed hundreds of thousands bills robotically and has more than ¼ billion dollars of energy spend under management. BidEnergy can help all Australians in exactly the same way.

BID Billy is coming. BID's enterprise platform is coming to the high street and will launch in August with an initial focus on franchisees, small businesses and associations, with robotic capabilities and learnings used by our 74 enterprise robots, rebirthed and trained towards the single bill consumer.

Australians need a robot working for them not just a one-off comparison. Billy is retailer agnostic and works for you - there are no commissions.

Billy will be accessible through its own website, where consumers can manage their bills and get an immediate bill health check and rate comparison across the various energy retailers. Consumers can utilise Billy for free until a better rate is located - every month or quarter the bills will be checked and Billy will keep an eye open for a better rate.

Once Billy finds a better rate for your usage and location, an alert will be posted and savings identified. Consumers can then choose to take up the rate and join the monthly Billy subscription, whereupon the full Billy capabilities are delivered. Billy will keep an eye on each and every bill, troubleshoot directly with the energy retailers if rate errors or estimate billing is found, remind you when to pay and ensure your energy retailer maintains their promised discounts and rates. Billy will receive your energy bills directly from your energy provider each and every time so you no longer have to manage your own bills, providing you paperless bill management. Overtime Billy, through machine learning and with access to smart meter data will also help you lower your energy spend by highlighting saving opportunities and suggesting energy use alternatives.

Billy will also help the energy retailers by providing a sales channel that requires no commissions, that properly represents their rates and offers, and supporting consumers to pay their bills on time.

BidBilly will be officially launched in August, whereupon final pricing and next stage residential rollout plans will be presented. The Company is approaching major residential & SME consumer brands with a view to promoting and marketing Billy to the Australian marketplace.

**BIDBilly – “At Last”**

Hi, I am Billy, the robot!  
I can read your energy bills  
and help you find lower rates.





## Annexure B: Glossary of Terms

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**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.

**Annualised Subscription Revenue or ASR** – refers to the annualised value of active customer contracts under management by BidEnergy, calculated by reference to the monthly fixed fee for BidEnergy's services. To the extent a monthly fee is varied (including by reason of services being added or removed, or the numbers of meters managed under the contracted being increased or decreased) this may impact BidEnergy's ASR. To the extent that BidEnergy's ASR is materially impacted, BidEnergy will provide a market update.

**BID Subscriptions** – Number of Paying subscribers on BIDs ESM.

**Annualised Revenue or AR** – refers to RealWinWin rebate capture revenues, which are project based and are annualised on a rolling basis on the last 12 months of project activity. To the extent that any single month's rebate capture performance may vary, the corresponding AR will be affected and updated quarterly. This allows for seasonality inherent in the RWW business.

**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.

**FTE** – Number of fulltime equivalent staff, not including contractors.

**2Yr Revenue CAGR** – reported in the half yearly and full year accounts, our compound annual growth rate over the preceding two years for the combined group.

**\*3 Net Upsell** – Calculated as the net revenue improvement for combined contract renewals for the current financial year to date.

**Churn** – Customer loss represented as the net revenue loss of any existing subscriber for the preceding six months to date.

## 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 June 2018

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>			
1.1 Receipts from customers		1,054	4,117
1.2 Payments for			
(a) research and development		(207)	(1,143)
(b) product manufacturing and operating costs		-	-
(c) advertising and marketing		(21)	(244)
(d) leased assets		-	-
(e) staff costs		(942)	(4,910)
(f) administration and corporate costs		(604)	(2,547)
1.3 Dividends received (see note 3)		-	-
1.4 Interest received		22	72
1.5 Interest and other costs of finance paid		-	-
1.6 Income taxes paid		-	-
1.7 Government grants and tax incentives		575	726
1.8 Other – Axis non-completion payment		-	(358)
<b>1.9 Net cash from / (used in) operating activities</b>		<b>(123)</b>	<b>(4,287)</b>
<b>2. Cash flows from investing activities</b>			
2.1 Payments to acquire:			
(a) property, plant and equipment		-	(109)
(b) businesses (see item 10)		-	-
(c) investments		-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 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	-	-
	(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 – Deferred Consideration on RWW acquisition completed Nov-16	-	(63)
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	-	<b>(172)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	6,707
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	(504)
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)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	-	<b>6,203</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of quarter/year to date	5,436	3,569
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(123)	(4,287)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(172)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	6,203

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	<b>Cash and cash equivalents at end of quarter</b>	<b>5,313</b>	<b>5,313</b>

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	2,488	1,036
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (Term deposit)	2,825	4,400
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>5,313</b>	<b>5,436</b>

**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	136
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. <b>Financing facilities available</b> <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. <b>Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Research and development	(300)
9.2 Product manufacturing and operating costs	-
9.3 Advertising and marketing	(35)
9.4 Leased assets	-
9.5 Staff costs	(1,050)
9.6 Administration and corporate costs	(780)
9.7 Other (Real Win Win final purchase consideration)	-
<b>9.8 Total estimated cash outflows</b>	<b>(2,165)</b>

10. <b>Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b>	<b>Acquisitions</b>	<b>Disposals</b>
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:  ..... Date: 12 July 2018  
(Company Secretary)

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.