

For immediate release - ASX announcement

24 February 2017

BuildingIQ (ASX: BIQ) – 2016 Full Year Financial Results

Financial Summary

	Change \$	%		2016 \$
Revenues from ordinary activities	(314,545)	(7%)	to	3,958,342
Revenue and other income	(159,445)	(3%)	to	5,006,843
Profit/(loss) from ordinary activities after tax attributable to the members of BuildingIQ, Inc.	(2,497,010)	(47%)	to	(7,770,900)
Profit/(loss) for the year attributable to the members of BuildingIQ, Inc.	(5,646,166)	(237%)	to	(8,029,486)
Earnings before interest, tax & depreciation (EBITDA)	(2,594,690)	(58%)	to	(7,098,507)
Cash and cash equivalents	(10,543,433)	(50%)	to	10,439,188
Receipts from customers (including GST)	910,924	41%	to	3,135,734

Operational Summary

- Contract bookings: A\$4.43m.
- 774 net new buildings were added to the portfolio for a total of 927 buildings (approx.70m sqft) active on the 5i Platform.
- Launched partnerships with US-based AMP Technologies & GE Current.
- Recognised as a CSIRO distinguished partner for the 2016 CSIRO Entrepreneurship Award.
- The 2nd half focus on costs resulted in a 12% reduction in cash payments and a 27% reduction in operating expenses from 1H2016.

Note: BuildingIQ is incorporated in Delaware and has a 31 December financial year end.

BuildingIQ Inc. (ASX: BIQ) today announced its full year results for the 12 months ending 31 December 2016.

President & CEO, Michael Nark, announced the Company's financial and operational performance for the 2016 financial year, indicating it was a year of contrast with the results achieved in the 2nd half providing good momentum for the 2017 financial year.

“Our efforts in the 2nd half of the year were strongly focused on driving growth in the underlying business. It was important that these efforts delivered new business to replace the revenue associated with the contract amendment with NV Energy Inc. (ASX release: 22 August 2016). In the 1st half we invested in expanding our service offering, mainly through the Energy Worksite (EW) and Facility Worksite (FW) acquisition, however the benefits of being able to deliver the expanded 5i Platform service offering were yet to be realised. Improved efficiencies in our business operations were also needed.

“Pleasingly, this focus resulted in some positive results in the 2nd half – more than 50 new buildings were added to the portfolio, predominantly from a lift in our EW and FW SaaS services in North America and PEO services in Australia; revenue from non-government customers grew by 35%; and operating costs were trimmed by 27%. All this reflects the concerted efforts of the team at BuildingIQ and our strategic partners.

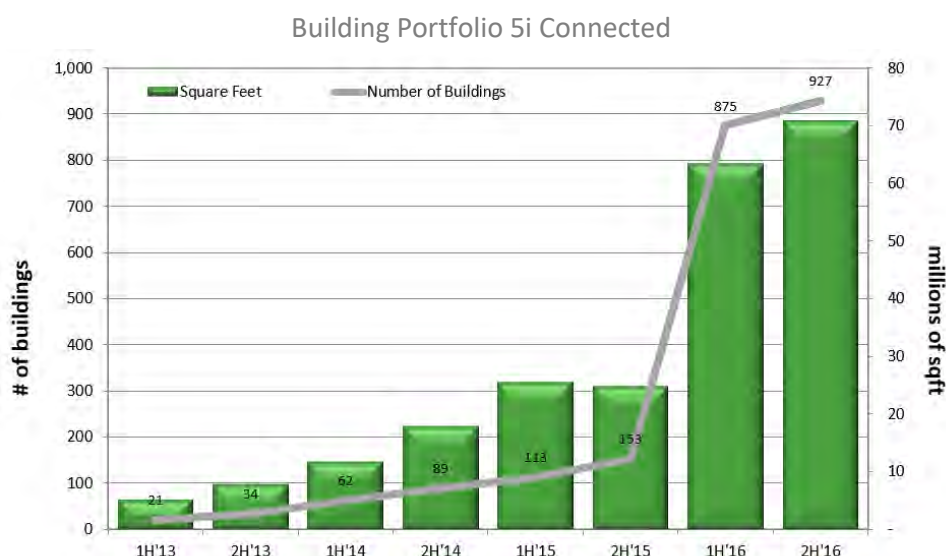
“Overall, the Board and Management believe that the Company is well-positioned for the year ahead”, said Mr. Nark.

Financial Results

Revenues from ordinary activities for the full year were A\$3.96 million, 6.7% lower than 2015. Other income, related to R&D grants, was A\$1.05m, up 15% from the prior corresponding period. Cash receipts from customers were substantially higher at A\$3.14m, a 40.9% improvement on A\$2.23m over 2015.

The building portfolio continued to grow, with 927 buildings representing approximately 70m sqft, connected to the 5i Platform (compared with 153 buildings and approximately 26m sqft in 2015).

As previously indicated, our 5i Platform offers a substantial expansion of services enabling BuildingIQ to deliver value right through a building life cycle. In 2017, our focus remains on converting this functionality into sales and revenue growth.



Operating expenses over the financial year, after adjusting for the effect of the accrued income write-off related to Nevada Energy, were A\$9.85m, compared with A\$8.16m in 2015. Net cash payments increased to A\$6.82m (A\$4.31m in 2015). The increase was largely attributable to higher employment costs in the first half.

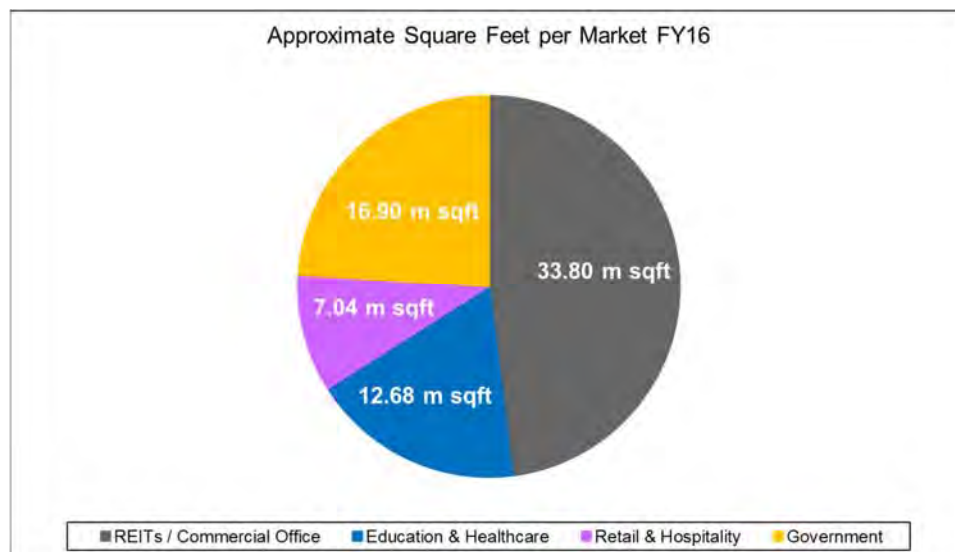
As noted in the Q4 FY2016 Market Update (ASX: 30 January 2017), management took steps to reduce the cost base across the business in the 2nd half. This resulted in a 12% reduction in cash payments and a 27% reduction in operating expenses from 1H2016.

The Loss before income tax expense from continuing operations increased to A\$7.77m for the financial year from A\$5.27m in 2015. The significant items were the increased employment costs and one-off items related to EW and FW acquisition costs and the write-off of accrued revenue related to the Nevada Energy utility program. Underlying EBITDA loss increased to A\$6.21m, from a loss of A\$3.65m in the prior year.

Operational Update

Our go-to market strategy incorporates three key sales channels - direct sales, channel partners and utilities – targeting commercial real estate, healthcare (hospital), higher education and governments in North America, Australia and Asia.

Complementing our go-to market strategy, through the year we also announced a number of technology partnerships, including with California-based AMP Technologies, providers of a leading suite of products and services for commercial real estate asset management and GE Current, which services an established global building install base.



Removal of US Investor Restriction

Since listing in December 2015, US residents were restricted from investing in BuildingIQ through the Chess Depository Interests (CDIs). This restriction was removed from 1 February 2017.

Looking Ahead

BuildingIQ is focused on the following core strategic growth initiatives for the 2017 financial year:

- Strengthening our position in current markets.
- Delivering additional services to existing customers.
- Continuing to invest in technology R&D.
- Expanding into new geographies.

In implementing these initiatives, the Company is targeting a number of 1st half financial and business model metrics:

- A\$0.4m Monthly Revenue run rate;
- Bookings of A\$4.0m (i.e. Contracted Revenue);
- Annual Contracted Revenue greater than A\$4.5m;
- 50 new buildings under Contract;
- An increase in the average booked building sqft by 5%; and
- Surpassing 75m sqft under Contract.

Future Updates

The Company will hold a conference call at 10am (AEDT) today to discuss this announcement. Please refer to the ASX announcement dated 17 February 2017 “BuildingIQ Investor Call” for the dial-in details.

Please use the computer login in the ASX release <https://global.gotomeeting.com/join/983247749> if you wish to submit typed questions via the “chat” functionality.

BuildingIQ’s full Financial Calendar for 2017 is noted below.

Financial Calendar

2017 Dates*	Details
April 14, 2017	Annual Report
April 28, 2017	Appendix 4C (Q1’17), Market Update
May 18, 2017	Annual General Meeting
July 28, 2017	Appendix 4C (Q2’17), Market Update
August 25, 2017	FY2017 Interim results
October 27, 2017	Appendix 4C (Q3’17), Market Update

*NOTE: Dates may be subject to change

Ends.

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About BuildingIQ

BuildingIQ (ASX: BIQ) helps building owners and operators worldwide lower energy use, increase building operations efficiency, and enhance tenant comfort. The company’s 5i cloud-based platform and Managed Services deliver on the promise of Internet of Things (IoT) for buildings with none of the drawbacks. Approximately 70M square feet of building space is currently under management with BuildingIQ.

Investors in BuildingIQ include the Venture Capital unit of Siemens Financial Services, Paladin Capital and Exto Partners.

www.buildingiq.com