

For immediate release - ASX announcement

25 August 2017

BuildingIQ (ASX: BIQ) – FY2017 Interim Financial Results

Financial Summary

	Change on pcp \$	Improvement on pcp %		30 June 2017 \$
Revenues from ordinary activities	110,541	5%	to	2,135,524
Revenue and other income	113,733	4%	to	2,702,391
Profit/(loss) from ordinary activities after tax	2,336,806	51%	to	(2,228,654)
Profit/(loss) for the year	1,988,291	40%	to	(2,965,721)
Earnings before interest, tax & depreciation	1,348,498	41%	to	(1,962,918)
Cash and cash equivalents	(5,454,265) *	(52%)	to	4,984,923
Receipts from customers (including GST)	249,696	20%	to	1,474,549

* Includes one-time cash payments of \$1.62m for NorthWrite acquisition

Operational Summary

- Annual Contracted Revenue at 30 June 2017 of A\$4.80m, 53.8% growth over 12months.
- The ongoing focus on costs management resulted in a 11% reduction in net cash payments and a 31% reduction in operating expenses from 1H2016.
- 68 net new buildings were added to the portfolio bringing total to 995 buildings (approx. 77m sqft) active on the 5i Platform.
- North American revenues still dominate, however significant growth from adoption of 5i Platform services in Australia.

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

BuildingIQ Inc. (ASX: BIQ) today announced its interim results for the 6 months ending 30 June 2017.

In commenting on the first half results President & CEO, Michael Nark, indicated that the Company had delivered improvements, some substantial, in all the key financial metrics and exceeded its business targets for the period.

“The results achieved through the first half FY2017 show that we continued to build on the momentum of the positive results delivered in the second half of FY2016.

“We maintained our dual focus of growing sales and revenue from the expanded services available through the 5i Platform, and controlling costs. This resulted in all our business model drivers set for the first half being exceeded.

“Operationally, 68 net new buildings were added to the portfolio bringing the total buildings under contract to 995 with approximately 77m sqft. Whilst North American revenues still dominate, the adoption of 5i Platform services in Australia is increasing significantly. Our strategic partnership with BuildingSense in Western Australia has been a strong contributor to this growth.

“As a consequence of our operational results, we exceeded all our financial metrics. The monthly recurring run rate (MRR) was A\$0.42m, total new contract bookings were A\$4.02m, and we had double-digit growth in Annual Contracted Revenue (ACR), which closed the period at A\$4.78m.

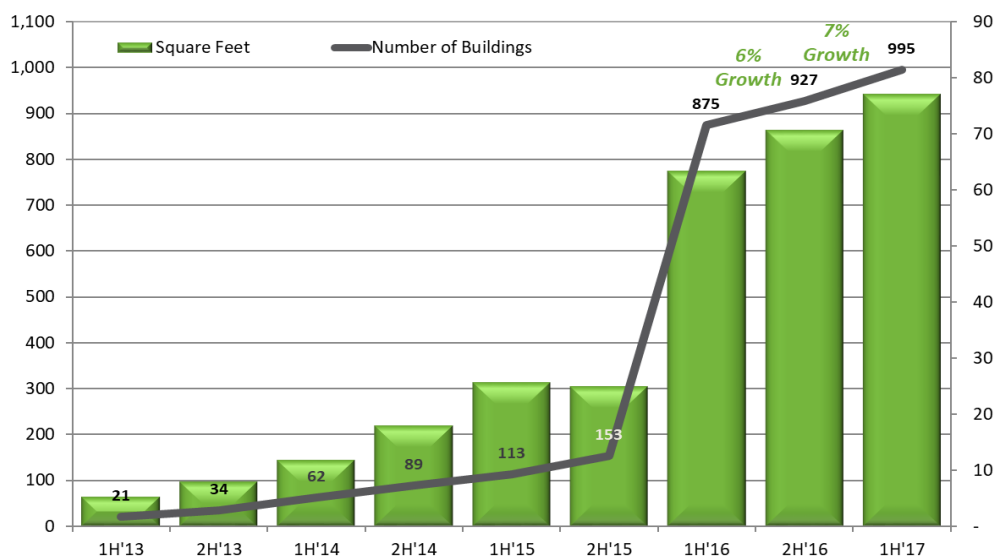
“Overall, the Board and Management believe the Company is in good shape, having recorded consecutive periods of growth and improved cost efficiencies. Our business targets for the second half of FY2017, reflect what we anticipate will be further growth as the value delivered by the services of BuildingIQ’s 5i Platform are more widely recognised and utilised”, Mr. Nark said.

Financial and Operational Results

Revenues from ordinary activities for the first half were A\$2.14m, a 5% improvement on the previous corresponding period. Other income, related to R&D grants, was relatively steady at A\$0.57m. R&D grants, which support BuildingIQ’s research expenditure, have been confirmed for the next two financial years and will provide A\$2.0m each year.

Cash receipts from customers were substantially higher at A\$1.47m, a 20% improvement on A\$1.22m in 2016. This increase reflected continuing growth in the building portfolio. As at 30 June 2017, there were 995 buildings representing approximately 77m sqft, connected to the 5i Platform compared with 875 buildings and approximately 63m sqft at the end of 1H 2016.

Building Portfolio 5i Connected

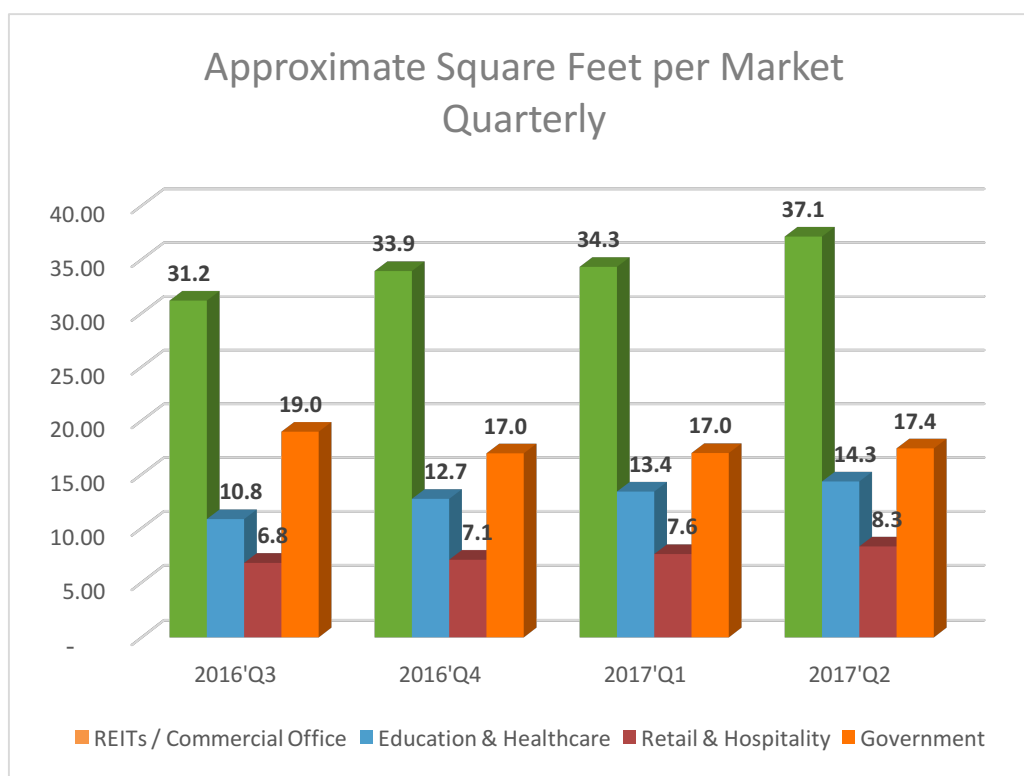


The cost management strategy that BuildingIQ commenced in 2016 to streamline expenses within the business delivered further savings in 1H FY2017. Underlying operating expenses over the six months to 30 June 2017 were A\$3.84m, a reduction of 31% from the A\$4.75m in 1H FY2016. The cash balance at 30 June was A\$4.99m.

The Loss before income tax expense from continuing operations was \$2.23m in 1H FY2017. Notably, this was a 51% improvement from the loss of \$4.57m in 1H FY2016 (which included a write-off of accrued revenue from the Nevada Energy utility program) and reflective of the progress BuildingIQ continued to make in growing revenue and containing costs. Underlying EBITDA loss of A\$1.96m, was an improvement from a loss of A\$3.30m in the prior year.

Our go-to market strategy incorporates three key sales channels - direct sales, channel partners and utilities – targeting four market segments - commercial real estate; higher education and healthcare; retail and hospitality; and government - in North America, Australia, Asia and UK/Europe.

The chart following illustrates the current split in square feet by market segment. Commercial real estate remains the segment that provides the greatest opportunities for the BuildingIQ 5i services. While currently our 2nd largest segment on this measure, Government is not growing as quickly as the other segments.



Looking Ahead

BuildingIQ will continue to focus on the following core strategic growth initiatives for the remainder of 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 2nd half financial and business model metrics:

- A\$0.63m monthly revenue run rate
- Bookings of A\$4.0m (Contracted Revenue)
- Exit 2H2017 with (1Annual Contracted Revenue) > A\$6.0m

- 65 New Buildings under Contract
- Increase Annualised Revenue per Building 5%
- Surpass 100m 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 18 August 2017 “BuildingIQ Investor Call” for the dial-in details. Please use the computer login in the ASX release <https://global.gotomeeting.com/join/609815309> if you wish to submit typed questions via the “chat” functionality.

BuildingIQ’s current Financial Calendar for 2017/18 is noted below.

Financial Calendar

2017/18 Dates*	Details
October 27, 2017	Appendix 4C, Q3 FY17 Market Update
January 29, 2018	Appendix 4C, Q4 FY17 Market Update
February 23, 2018	FY2017 Full Year Results

**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 75M 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