

For immediate release - ASX announcement

27 April 2018

BuildingIQ (ASX: BIQ) – Q1 FY2018 Market Update

Financial Summary

- Q1 FY2018 revenue: A\$1.79 million, up 86% compared with A\$0.96 million in the prior corresponding period (pcp)
- Q1 contract bookings: A\$3.05 million (A\$2.31 million pcp), a 32% increase
- Q1 cash receipts from customers: A\$0.68 million (A\$0.72 million pcp), a 6% decrease
- Q1 net cash used in operations: A\$2.04 million, (A\$1.82 million pcp), a 12% increase
- Q1 operating expenses: A\$2.06 million, (A\$1.74 million pcp), a 18% increase
- Cash and cash equivalents at quarter end of A\$4.96 million (not including R&D tax receipt of A\$2.02 million cash received after quarter close)

Operational Summary

- 29 buildings were added in Q1 FY2018 for a total of 1,114 buildings (approx. 109m SF) active on the 5i Platform (23 buildings added pcp)
- Facility Worksite Service added 241 new sites. Over 43,200 work order requests / transactions were processed in quarter for 500 plus users
- Cumulative YTD value of A\$2.11 million delivered to clients through documented operations and energy savings from our 5i Platform (A\$1.81 million pcp), an increase of 16%
- Fourteen (14) customer contract renewals were processed during the quarter, driving renewal rates to greater than 98%

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

BuildingIQ Inc. (ASX: BIQ), a tech-enabled services business, today released its Market Update for the first quarter of FY2018 ending 31 March, 2018.

BuildingIQ's President & CEO, Michael Nark, indicated that the Company had experienced continued growth over the quarter, despite the results being impacted by typical seasonality. "Following the Company's strong growth over FY2017 and despite traditional seasonal fluctuations, our first quarter has delivered a steady revenue run rate, which was 86% higher than at the end of the first quarter in 2017, and contract bookings that were 32% higher over the same period.

"Our primary markets – North America and Australia - are increasingly differentiated, particularly in the need to address rising energy prices in Australia. These differences reflect on the demand for diverse 5i services. This was evident over the quarter with strong adoption of our Facility Worksite Service in the North American market.

"Overall, the Company is confident it will achieve the milestones noted in our operational outlook for the first half FY2018 (ASX: BIQ 20 March, 2018)." Mr Nark concluded.

Financial Information

Total unaudited revenue for Q1 FY2018 was A\$1.79 million, an 86% increase on the Company's audited revenue of A\$0.96 million in the pc. As a result of this increase, the Monthly Revenue Run rate increased to A\$0.67m (A\$0.31m pc).

Cash receipts from customers of A\$0.68 million were 6% lower than the comparable period in FY2017, reflecting the changing nature of the revenue mix from the services on the 5i Platform.

Cash flows from greenfield buildings were low during the quarter as payments are received in completion stages. BuildingIQ is currently in discussions regarding financing arrangements to mitigate the timing differences between revenue recognition and cash. In addition, the Company has a focused initiative in place to drive higher collections in the coming quarters.

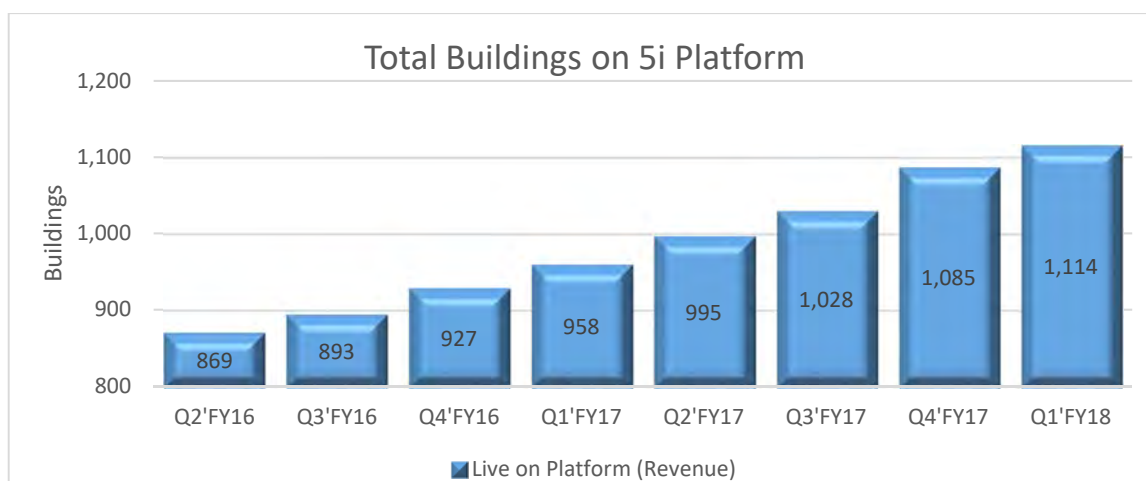
Net cash used in operations of A\$2.04 million, were 12% higher than in Q1 FY2017. This is the result of the increased cost of goods required to support the revenue growth. These costs are primarily specialised hardware, field engineering and project management resources for the greenfield buildings segment. Despite cost base adjustments, gross margins were 69% (59% pc) and continue to be managed effectively.

Subsequent to quarter end, BuildingIQ received the annual R&D tax rebate of A\$2.0 million. The rebate represents approximately 43.5% of eligible product development expenditures. BuildingIQ has secured R&D tax rebates until the end of FY2019.

In Q1 the Company also made the final tranche payment of A\$960k associated with the Northwrite acquisition. Cash and cash equivalents at the end of the quarter was \$4.96m, which excludes the R&D Tax benefit.

Operational Information

BuildingIQ has delivered consecutive quarters of growth in the number of buildings active on the 5i Platform since June 2016. During the first quarter, 29 buildings were added, with services now provided to 1,114 buildings (approximately 109m SF under contract). The average SF per booked building increased 5x quarter-on-quarter, due to large public energy clients in the Energy Worksite market portfolio.



New service launched

BuildingIQ continually seeks to extend the services available to customers using the 5i Platform. An example of this innovation is the recently launched Mobile App that is designed to provide a building's facilities team with access to BuildingIQ's 5i Platform while on-the-go.

The intuitive app allows facilities teams using Facility Worksite to identify and submit issues within a facility, document with mobile photos and automatically create a maintenance ticket. Features can also be enabled to allow tenants to submit service requests for automatic ticket creation.

New partnership launched

BuildingIQ is combining its market leading predictive optimization with Cypress Envirosystems' advanced thermostats. The two organizations will work to equip older buildings with AI-driven solutions to provide greater system insight and control, leading to improvements in tenant comfort and energy efficiency. This collaboration should enable older buildings to reduce electrical energy usage by up to 30 percent, ultimately increasing the market value of these structures.

The partnership between BuildingIQ and Cypress Envirosystems expands the market for closed loop Predictive Energy Optimization™ (PEO) to older building stock that are currently using pneumatic thermostats. BuildingIQ's PEO reduces consumption at the whole building level by as much as 10 percent, while improving comfort and eliminating operational waste.

Future updates

The Company will hold an investor conference call at 11am (AEDT) on 27 April 2018 to discuss this announcement. Please refer below for the dial-in details. Please use the computer login details below if you wish to submit typed questions via the "chat" functionality.

Quarterly investor call details:

Time: 11 am (AEST)

Date: Friday 27 April, 2018

Phone: +61 2 9087 3604 (AU) or (646) 749-3129 (US)

Access code: 421 001 829

Computer login: <https://global.gotomeeting.com/join/421001829>

Financial Calendar

Dates*	Details
July 31, 2018	Appendix 4C & Q2 FY2018 Market Update
August 31, 2018	FY2018 Interim results
October 31, 2018	Appendix 4C & Q3 FY2018 Market Update
January 31, 2019	Appendix 4C & Q4 FY2018 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. Over 100M square feet of building space is currently under management with BuildingIQ. www.buildingiq.com

Foreign Ownership Restrictions

BuildingIQ's CHESS Depositary Interests (CDIs) rely on the exemption from registration contained in Regulation S of the US Securities Act of 1933 (Securities Act) for offers or sales which are made outside the US. Accordingly, the CDIs have not been, and will not be, registered under the Securities Act or the laws of any state or other jurisdiction in the US. The holders of BuildingIQ's CDIs are unable to sell the CDIs into the US or to a US person unless the re-sale of the CDIs is registered under the Securities Act or an exemption is available. To enforce the above transfer restrictions, all CDIs issued bear a 'FOR US' designation on the ASX. This designation restricts any CDIs from being sold on ASX to US persons. In addition, hedging transactions with regard to the CDIs may only be conducted in accordance with the Securities Act.