

## For immediate release - ASX announcement

31 July 2018

### BuildingIQ (ASX: BIQ) – Q2 FY2018 Market Update

#### Financial Summary

- Q2 FY2018 revenue: A\$1.87 million, up 60% compared with A\$1.17 million prior corresponding period (pcp) (Q2 FY2017)
- Q2 contract bookings: A\$3.06 million (A\$1.73m pcp), a 77% increase
- Q2 cash receipts from customers: A\$1.43 million (A\$0.76m pcp), an 88% increase
- Q2 net cash generated in operations: A\$0.25 million, (pcp net cash used in operations of A\$0.74m)
- Q2 operating expenses: A\$1.98 million, (A\$2.02m pcp), a 2% decrease
- Cash and cash equivalents at quarter end of A\$4.59 million (A\$4.99m pcp)

#### Operational Summary

- 82 buildings were added in Q2 FY2018 for a total of 1,176 buildings (approx. 115m SF) active on the 5i Platform (compares with pcp 37 buildings added, for a total of 995 buildings pcp)
- Facility Worksite Service added 43 new sites. Over 43,200 work order requests / transactions were processed in the quarter across 500 plus users
- Current greenfield buildings underway: Over 40 projects, compared to just 18 a year ago
- Cumulative YTD value of A\$4.58 million delivered to clients through documented operations and energy savings from our 5i Platform (A\$4.04m pcp), an increase of 13%
- Our customer contract renewal rate stood at greater than 98% for the quarter.

*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 second quarter of FY2018 ending 30 June, 2018.

In commenting on the quarter, BuildingIQ's President & CEO, Michael Nark, noted it had been a strong quarter for the Company financially and operationally, demonstrating the ongoing adoption of BuildingIQ's technology platform and services in all markets and continued prudent financial management.

"Our growth directly reflects the fact that new customers are using BuildingIQ's services and just as importantly, satisfied long-term customers are renewing. Our financial and operational metrics have improved year- on-year and quarter-on-quarter, and the milestones noted in our operational outlook for the first half FY2018 (*ASX: BIQ 20 March, 2018*) were achieved."

"We are particularly pleased with the growth, in just 12 months, of our 'new' greenfield business across Australia and are now involved in over 40 of these projects. Equally significant is the new business in the North American market for our Facility Worksite and Energy Worksite services."

## Financial Information

Total unaudited revenue for Q2 FY2018 was A\$1.87 million, a 60% increase on the Company's audited revenue of A\$1.17 million in the pcq. As a result of this increase, the Monthly Revenue Run rate increased to A\$0.62m (A\$0.39m pcq).

Cash receipts from customers of A\$1.43 million were 88% higher than the comparable period in FY2017, reflecting the growth and changing nature of the revenue mix from the services on the 5i Platform.

Cash flows from greenfield buildings were comparatively higher during the 2<sup>nd</sup> quarter as payments were received from the completion of stages in various contracts.

Net cash generated in operations of A\$0.25 million for Q2 FY2018 were positive, compared to net cash used in operations of A\$0.74 million in Q2 FY2017. This is the result of increased cash receipts from customers, coupled with R&D rebates received in cash this quarter. Growing greenfield building activities increased the cost base, and these costs are primarily comprised of specialised hardware, field engineering and project management resources. These adjustments have seen gross margins decrease to 59% (68% pcq).

Cash and cash equivalents at the end of the quarter was \$4.59 million.

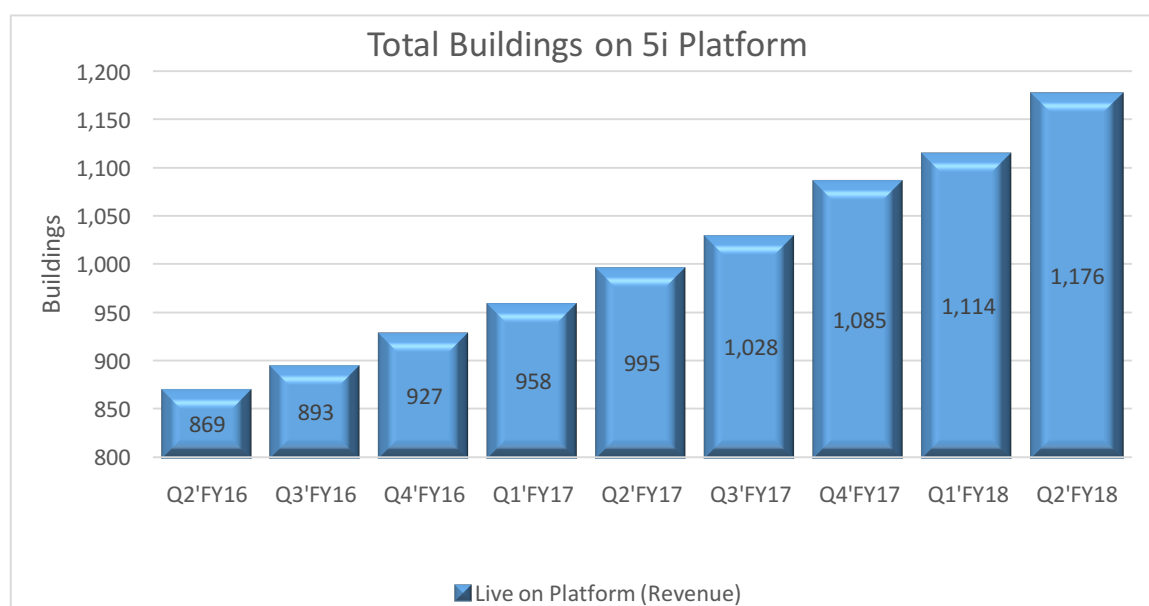
## New short-term financing arrangements in place

In July, BuildingIQ secured a bank line of credit in the US. The arrangement provides a line of credit up to US\$500,000, to assist with short-term financing for the working capital requirements related to the initial period of greenfield building contracts

## Operational Information

BuildingIQ has delivered consecutive quarters of growth in the number of buildings active on the 5i Platform since June 2016.

During the past quarter, 82 buildings were added, with services now provided to 1,176 buildings (approximately 115m SF under contract). The average SF per booked building for the quarter increased by 57% pcq, due to the significant expansion in North America attributable to sizeable Visualization services deals with private corporations and large public clients. Additionally, we saw several clients expand their services this quarter, specifically in the areas of Visualization, Analytics and Control.



The Company is continually looking for ways to innovate and improve the services available on the 5i Platform.

One such example is our Outcome-based Fault Detection (OFD) service, which was launched during the quarter, and has received a positive response from the market. OFD leverages our data science, human expertise and workflow engine, in helping discover, diagnose, prioritise, and action equipment and operational faults; and then close the loop by validating the change in data trends. With OFD, BuildingIQ is bringing a differentiated service to a market that not only helps maximise existing facility personnel, but also creates opportunities for other BuildingIQ services, such as Control and Optimization.

## Future updates

The Company will hold an investor conference call at 9am (AEST) on 1 August, 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:** 9 am (AEST)

**Date:** Wednesday 1 August, 2018

**Phone:** +61 2 9087 3604 (AU) or +1 (312) 757-3126 (US) or +44 (0) 20 3713 5028 (UK)

**Access code:** 983-247-749

**Please note:** For investors wanting to ask questions, please use the computer login below.

**Computer login:** <https://global.gotomeeting.com/join/983247749>

### Financial Calendar

Dates*	Details
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. Approx. 115M square feet of building space is currently under management with BuildingIQ. [www.buildingiq.com](http://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.