



# FY2018 Interim Financial Results

# 31 August 2018

## Michael Nark, President and CEO

# Forward Looking Statements

This presentation is given on behalf of BuildingIQ, Inc. (BIQ or Company).

Information in this presentation is for general information purposes only and is not an offer or invitation for subscription, purchase, or recommendation of securities in BIQ.

Certain statements throughout this document regarding the Company's financial position, business strategy, and objectives of Company management for future operations are forward-looking statements rather than historical or current facts.

Such forward looking statements are based on the beliefs of the Company's management as well as on assumptions made by and information currently available to the Company's management. Such statements are inherently uncertain and there can be no assurance that the underlying assumptions will prove to be valid.

All data presented in this document reflect the current views of the Company with respect to future events and are subject to these and other risks, uncertainties and assumptions relating to the operations, results of operations, growth strategy and liquidity of the Company.

## Interim Results Highlights

- 72% increase in revenue from ordinary activities to A\$3.66m\*
- 43% increase in cash inflow\*
- 21% improvement in EBITDA (loss of A\$1.48m)\*
- 50% increase in Annual Contracted Revenue to \$7.99m\*
- 9% increase in operating expenses\*

\* 1H FY18 compared to 1H FY17

## Interim Results Highlights

- 91 net new buildings added during first half
- Now operating in over 1,100 buildings
- More than 115 million square feet under management
- Customer contract renewal rate greater than 98%
- Positive growth across all geographies and sectors

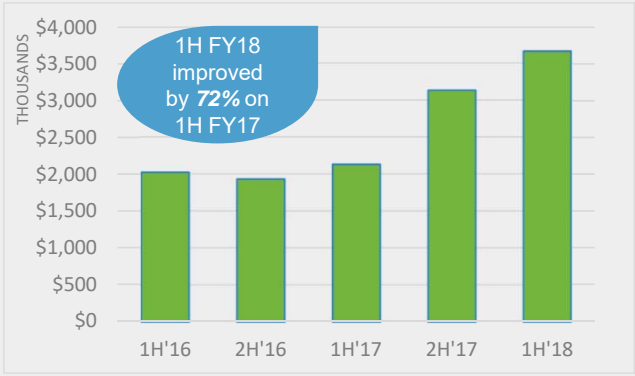
## Business Snapshot

<b>ASX Code:</b>	BIQ
<b>CDIs on Issue:</b>	235,587,461
<b>Price per CDI:</b>	\$0.054 (5.4c)
<b>Market cap:</b>	\$12.72m
<b>Debt:</b>	None

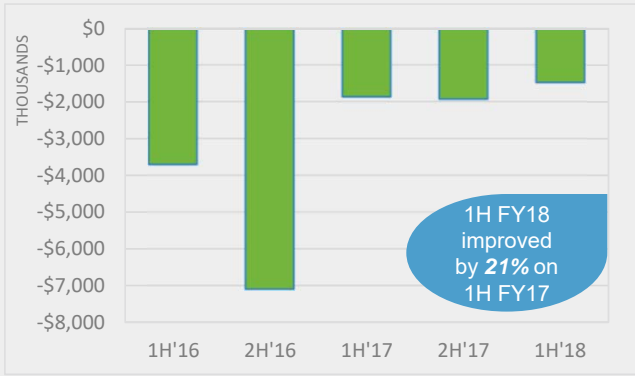
- As of close of trading 28 August 2018

# Business Snapshot

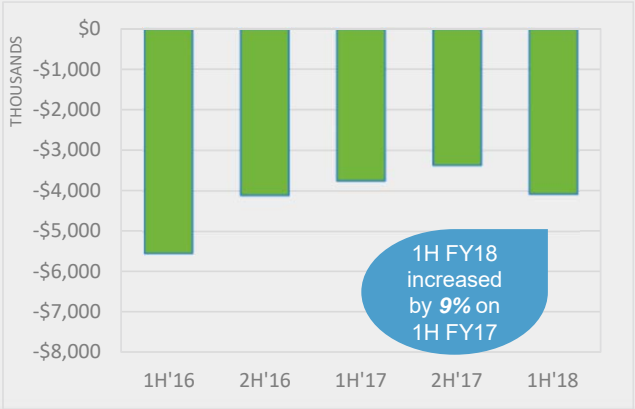
Revenue



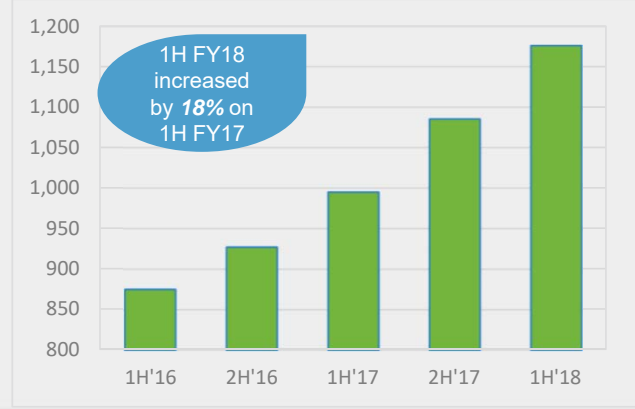
EBITDA at Reporting Date



Operating Expenses



Total Buildings



## Buildingsense Acquisition

- BuildingIQ signed agreement to purchase Buildingsense on 23 August 2018
- Buildingsense will deliver significant financial benefits:
  - Additional revenue to the consolidated entity of approx. A\$200,000 in Q4 FY18 and approx. A\$1,000,000 in 1H FY19
  - Positive cash contribution in Q4 FY18 of approx. A\$80,000 and approx. A\$350,000 1H FY19
  - Improved terms of trade and cash receipts (in greenfield sector) by 30 days

## Buildingsense Acquisition - Benefits

- Boosts capabilities and growth prospects in greenfield buildings (new construction)
- Expands BuildingIQ's sales and marketing capabilities in the greenfield sector
- Extends BuildingIQ's service offering through new product distribution rights



## Buildingsense Acquisition – Key Transaction Terms

- Purchase price
  - Issue of \$825,000 of CDIs (based on 30 day VWAP)
  - Deferred cash payments of up to \$200,000 payable over two years (subject to warranty and other adjustments)
- Key staff retained

# Agenda

1. Business Strategy – Financially Astute Growth
2. Financial and Operational Results
3. 2018: Looking Ahead



# Business Strategy – Financially Astute Growth

Section 1

## BuildingIQ Optimization in Three Parts



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## Visualization

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## Analytics

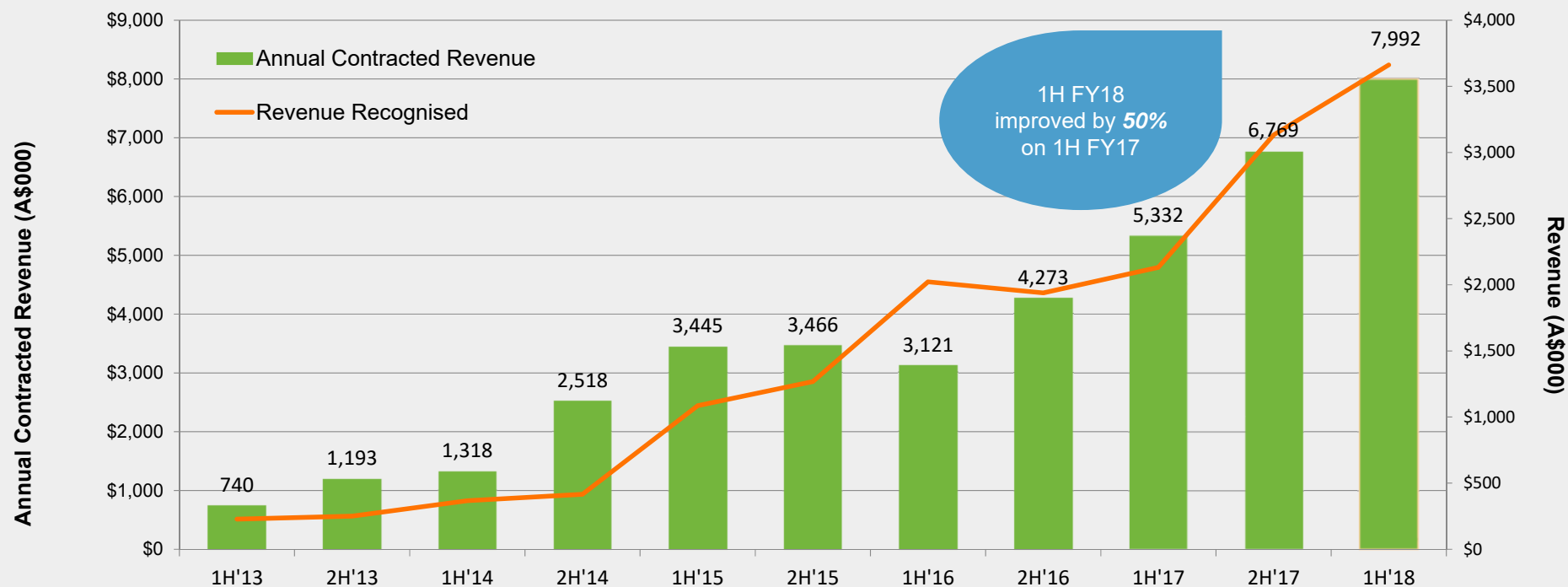
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## Optimization

# Annual Contracted Revenue



- Annual Contracted Revenue is a measure of expected future revenue over the next 12-month period from existing contracts
- In the unlikely event BuildingIQ makes no further sales in 2018 (excluding Buildingsense), we expect revenue of \$7.99m over the next 12 months - a 50% increase on 1H FY17

# Business Strategy

Our focus remains on financially astute growth:

1. Strengthening our position in current markets through:
  - New greenfield and established buildings growth
  - A combination of organic and inorganic growth
2. Continuing to drive more of our services to existing customers
  - Recognising different markets present different opportunities
3. Expanding into new geographies



# Financial and Operational Results

## Section 2



## Business Targets for 1H FY18 Exceeded

Business Targets	Interim Results
▪ Add 45 new buildings under contract	✓ 91 added
▪ Surpass 110M sqft under contract	✓ 115M sqft
▪ Increase average contract booking per building sqft by 10%	✓ Increased by 12%
▪ Continue the growth of greenfield buildings with full utilisation of 5i Platform from construction through to operations	✓ 29 new greenfield buildings (of total 91 buildings) added in 1H FY18

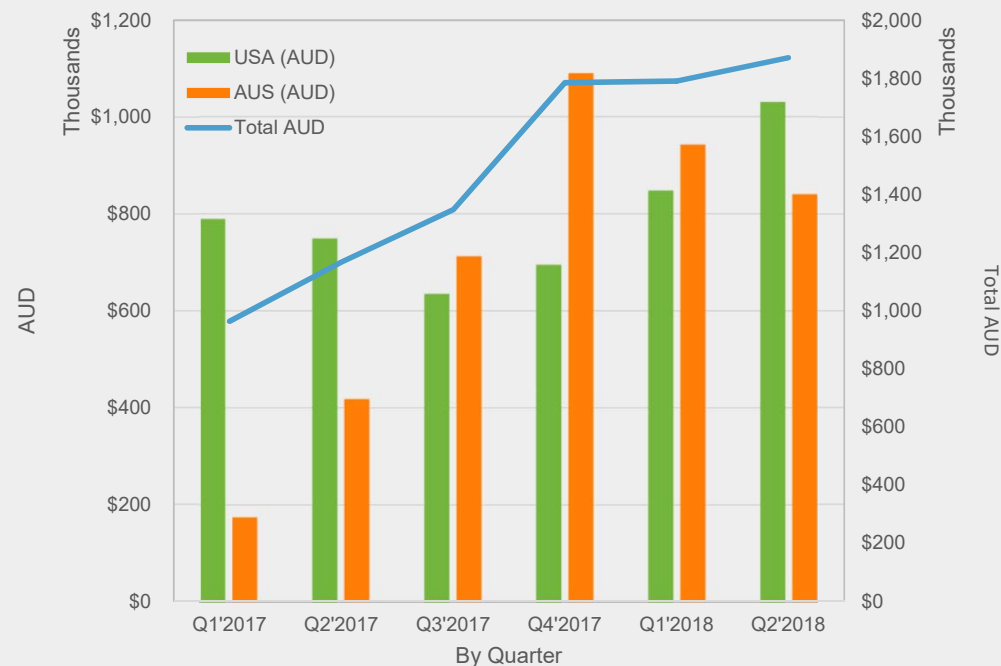
## Financial Summary

	1H FY18 \$	1H FY17 \$	Change pcp %
Revenue from ordinary activities	3,660,229	2,135,524	71%
Revenue and other income <sup>1</sup>	4,165,952	2,702,391	54%
Operating expenses, depreciation and amortisation	(4,609,651)	(4,124,834)	12%
Earnings before interest, tax & depreciation (EBITDA)	(1,480,128)	(1,865,282)	21%
Net profit after tax (NPAT) from ordinary activities	(2,001,969)	(2,228,654)	10%
Cash and cash equivalents <sup>2</sup>	4,594,454	2,175,580	90%

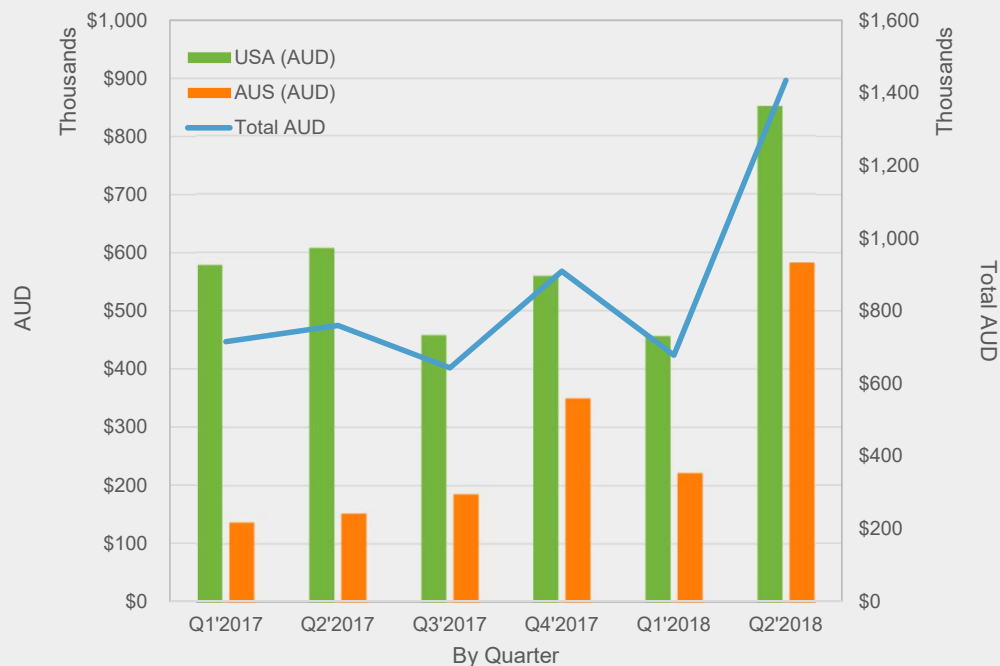
- <sup>1</sup>Revenue and other income includes R&D tax rebate of \$2.02m
- <sup>2</sup>Cash and cash equivalents includes proceeds from the entitlement offer and capital raising of \$5.90m completed in January 2018

# BuildingIQ growth supported by multi-region strategy

Revenue by geographic region

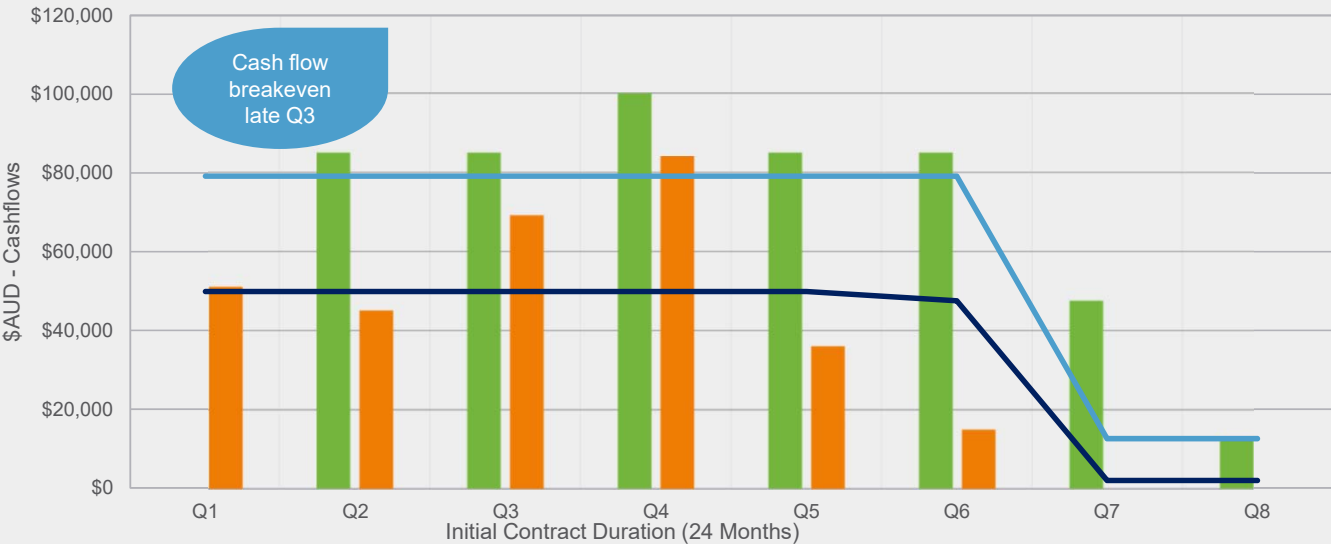


Cash receipts by geographic region

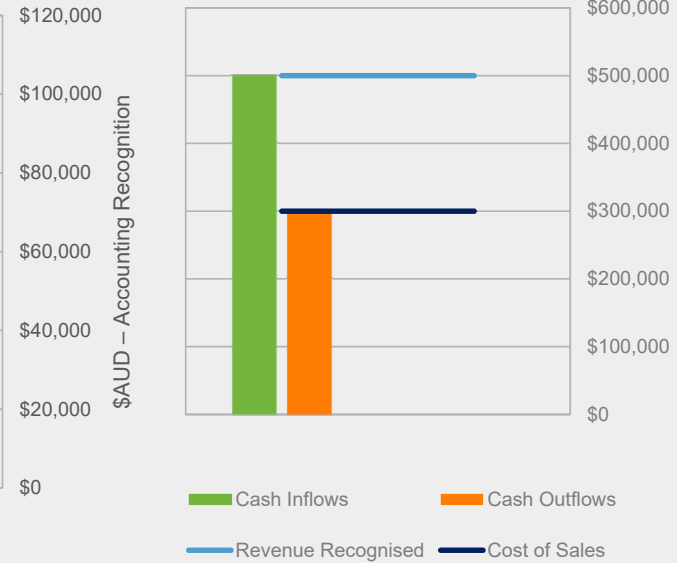


# Greenfield Sector: a valuable contributor to growth

Representative Contract – Simple Cash Flow by Quarter  
Total Contract Value of \$500,000  
24 Month Duration



Initial Contract  
Cumulative View  
24 Month Duration

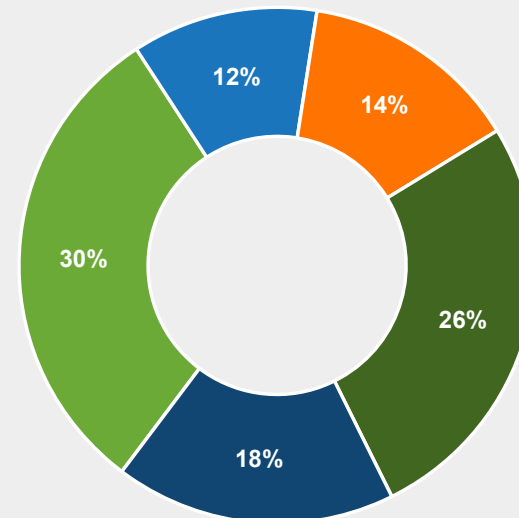


## Conversion of Accrued Income

- Total \$2.57m of consolidated accrued income
- 30% is expected to be invoiced in the next 30-60 days, with the majority converting to cash by year end
- All accrued income is subject to milestones and contractual billing arrangements
- Accrued income will fluctuate based on future greenfield contracts booked

Consolidated Accrued Income  
30 June 2018

■ Current ■ 30 days ■ 60 days ■ 90 days ■ 120+ days



# Income Statement

Income Statement (A\$,000)	PRIOR 1H FY17	CURRENT 1H FY18	% CHANGE
Revenue	2,136	3,661	72%
Other income	567	505	11%
<b>Total revenue &amp; other income</b>	<b>\$2,703</b>	<b>\$4,166</b>	<b>54%</b>
COGs	(807)	(1,560)	93%
<b>Gross Margin</b>	<b>\$1,896</b>	<b>\$2,606</b>	<b>37%</b>
Sales & marketing	(1,364)	(947)	31%
Research costs	(874)	(707)	19%
Administrative costs	(1,523)	(1,686)	11%
<b>OPEX</b>	<b>(\$3,761)</b>	<b>(\$3,340)</b>	<b>11%</b>
<b>Underlying EBITDA loss</b>	<b>\$1,865</b>	<b>\$734</b>	<b>61%</b>
Adjustment for once-off costs	-	\$746	100%
<b>EBITDA loss</b>	<b>\$1,865</b>	<b>\$1,480</b>	<b>21%</b>
Depreciation & amortisation	364	524	44%
Interest income	(1)	(2)	-
<b>Net loss before tax</b>	<b>\$2,228</b>	<b>\$2,002</b>	<b>10%</b>
Income tax expense	-	-	
<b>Net loss after tax</b>	<b>\$2,228</b>	<b>\$2,002</b>	<b>10%</b>

72% increase in revenue generated by new contracts in both the greenfield and established building segments

R&D grant for research expenses. Changes in line with ATO model.

Increase due to additional hardware requirements for greenfield building contracts.

Adjusted for once-off costs of approximately \$750k related to training, milestone bonuses for long-serving employees, related taxes and ancillary costs tied to supporting our greenfield initiative. See EBITDA, below.

11% improvement in adjusted Opex driven by decrease in administrative costs.

Half year effect shows 21% better performance than prior comparative period.

# Balance Sheet

Balance Sheet (A\$,000)		PRIOR 31 DEC 2017	CURRENT 30 JUN 2018
<b>Current Assets</b>	Cash and cash equivalents	2,419	4,594
	Trade and other receivables	3,687	5,029
	R&D grant receivable	2,008	873
	Other current assets	703	1,166
	<b>Total current assets</b>	<b>\$8,817</b>	<b>\$11,662</b>
<b>Non-current Assets</b>	Property and equipment	104	94
	Goodwill	3,538	3,726
	Intangible assets	2,065	2,359
	<b>Total assets</b>	<b>\$14,524</b>	<b>\$17,841</b>
<b>Current Liabilities</b>	Trade and other payables	522	1,313
	Provisions & other liabilities	1,459	1,092
	Deferred purchase consideration	1,008	-
	<b>Total current liabilities</b>	<b>\$2,989</b>	<b>\$2,405</b>
	<b>Total liabilities</b>	<b>\$2,989</b>	<b>\$2,405</b>
	<b>Net assets</b>	<b>\$11,535</b>	<b>\$15,436</b>
<b>Equity</b>	Issued capital	44,632	50,123
	Accumulated losses & reserves	(33,097)	(34,687)
	<b>Total equity</b>	<b>\$11,535</b>	<b>\$15,436</b>

Includes \$5.9m received from entitlement offer and placement completed in January 2018, as well as R&D rebate received of \$2m.

Trade debtors \$2.5m, accrued income \$2.5m.

Total accrued for 2018 based on model for expected FY18 R&D expenditure. Traditional true-up in December each year.

Changes in goodwill are due to Foreign Exchange movements.

Includes prepayments for greenfield hardware and systems for installation and implementation.

Employee liabilities decreased due to discharge of obligations and leave.

Final payment to NorthWrite for the WorkSite acquisition was settled in January 2018.

## Operational Summary

- 91 net new buildings added in 1H FY18
- More than 1,150 buildings now active on the 5i Platform
- Average contract booking per building sqft increased by 12%
- Customer contract renewal rate greater than 98% for 1H FY18
- Growth supported by multi-region strategy





# Looking Ahead

Section 3

## 2H FY18 Business Targets

### Financial Drivers

- A\$0.75m Monthly Revenue Run Rate
- Bookings of A\$4.5m (Contracted Revenue)
- Exit 2H FY18 with <sup>1</sup>Annual Contracted Revenue > A\$8.5m

### Business Model Drivers

- Add 60 New Buildings under Contract
- Increase Annualised Revenue per Building 10%
- Surpass 125m sqft under Contract

1. Annual Contracted Revenue is a measure of expected future revenue over the next 12-month period from existing contracts.

# Investor Communications

## Financial Calendar

2018/2019 Dates*	Details
October 31, 2018	Appendix 4C, Q3 FY2018 Market Update
January 31, 2019	Appendix 4C, Q4 FY2018 Market Update
February 28, 2019	FY2018 Annual Results

\*NOTE: Dates may be subject to change

## Business Updates

Quarterly operational overview of client results

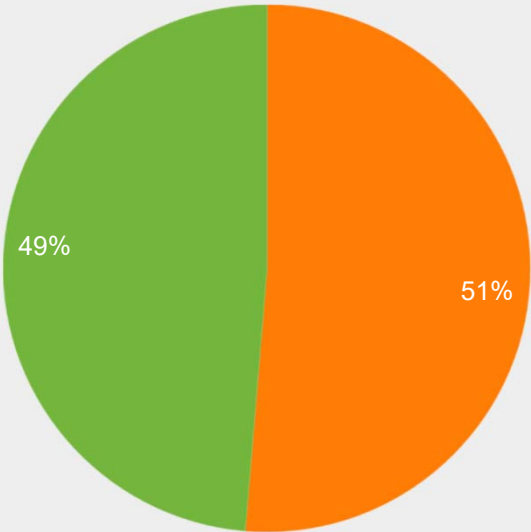


# Appendices

# Revenue Growth Driven by Diversified Services

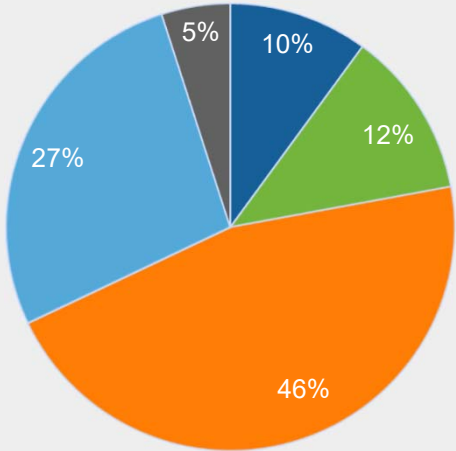
Revenue by Geography  
H1 FY2018

North America    Australasia



Revenue by 5i Service Offering  
H1 FY2018

Optimisation    Analytics  
Control    Visualization  
Platform/Workflow



# Growth Supported by Multi-Region Strategy



# 5i Services Optimize Every Part of the Journey

## Visualization



Energy Worksite



AM&V



Facility Worksite

## Analytics



Outcome-based Fault Detection



HVAC Continuous Commissioning

Integrated Ticketing | Notifications | Audit | Work Order and Asset Management  
Preventive Maintenance | Escalations | Order Triage | Notifications

## Controls



Systems Enablement



BMS Commissioning



Retro-commissioning HVAC Controls

## Optimization



Demand Response



PEO



Mobile App

BuildingIQ 5i Platform

# Greenfield Contract Stage & 5i Platform Service Deployment

