

## For immediate release - ASX announcement

31 October 2018

### BuildingIQ (ASX: BIQ) – Q3 FY2018 Market Update

#### Financial Summary

- Unaudited revenue in Q3 FY2018 grew by 44% to A\$1.93 million from A\$1.34m in the prior corresponding period (pcp) (Q3 FY2017)
- Contract bookings were up 50% to A\$1.81 million (A\$1.21m pcp)
- Cash receipts from customers were increased 145% to A\$1.57 million (A\$0.64m pcp) Reflecting the growth in BuildingIQ's greenfield business:
  - Net cash used in operations increased: A\$1.89 million (A\$1.27m pcp),
  - Operating expenses increased: A\$2.29 million (A\$1.89m pcp)
- Cash and cash equivalents at quarter end of A\$3.04 million

#### Operational Summary

- Over the quarter 36 buildings were added, including 20 contracts for greenfield buildings. A total of 1,212 buildings, approx. 120M SF, are now active on the 5i Platform (compared with 33 additional buildings and total of 1,028 buildings pcp)
- 69 new sites using BuildingIQ's Facility Worksite Service. Over 43,500 work order requests / transactions were processed in the quarter for 480 plus users
- Customer renewal rates remain at greater than 99%
- BuildingIQ signed a long-term, reseller partnership agreement in the rapidly evolving Indonesian market

*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 third quarter of FY2018, ending 30 September 2018.

In commenting, BuildingIQ's President & CEO, Michael Nark, indicated the Company was well on-track to deliver on its stated business targets for 2H FY2018 (*ASX: 31 August 2018*). "During the third quarter, we delivered strong growth both financially and operationally. Cash receipts grew strongly as a natural consequence of better sales and an improvement in cash collections."

"Operationally we saw further growth, albeit different growth, in both markets. In North America, continued sizeable 5i Platform deals with private corporations and large public energy clients for our visualisation and analytics services as well as our facility workflow engine. In Australia, the strong growth is evident from our strategy of targeting the greenfield buildings segment of the market. Pleasingly as we expand this business to the East Coast, the recent crane count metrics illustrate the higher level of new construction activity for future opportunities."

#### Financial Information

Total unaudited revenue for Q3 FY2018 was A\$1.93 million, a 44% increase on the Company's audited revenue of A\$1.34 million in the pcp. As a result of this increase, the Monthly Revenue Run rate increased to A\$0.64m (A\$0.45m pcp).

Cash receipts from customers of A\$1.57 million were 145% higher than the comparable period in FY2017, reflecting the additions of customers through the acquisition of Buildingsense alongside the changing nature of the revenue mix from the services on the 5i Platform.

Cash flows from greenfield buildings were comparatively higher during the 3<sup>rd</sup> quarter as we started to realise the financial benefits of the Buildingsense acquisition with an increase in cash receipts and improvements in the cash collection cycle.

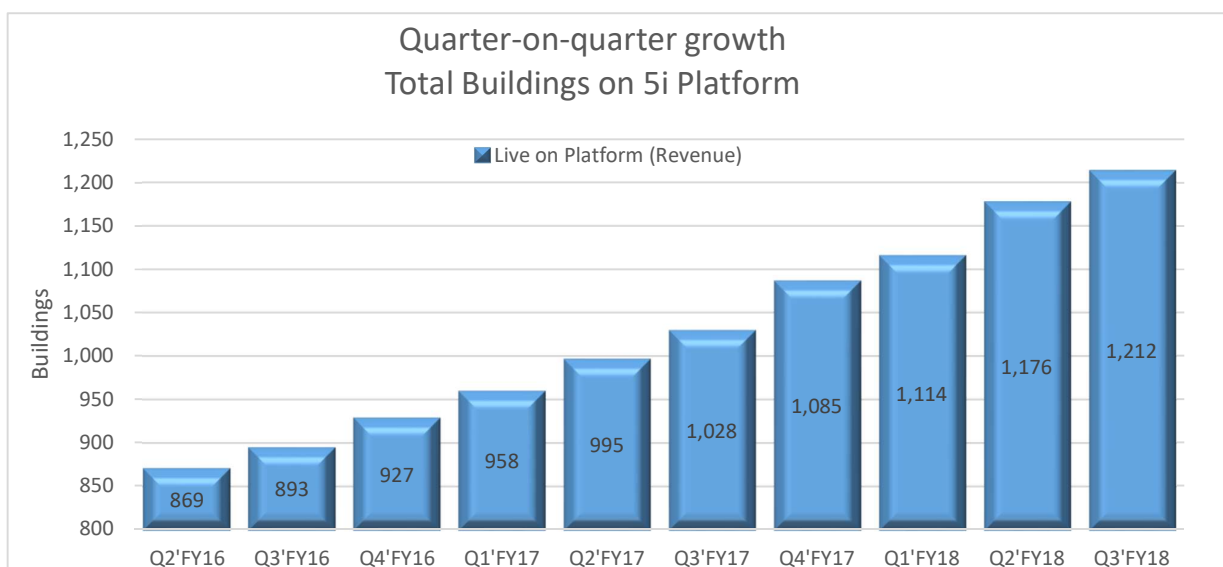
As previously noted, the growing greenfield buildings business does impact our gross margin - primarily in the initial period of the contracts for expenses such as specialised hardware, field engineering and project management resources. Net cash used in operations for Q3 FY2018 was A\$1.89 million, a 49% increase compared to A\$1.27m in Q3 FY2017.

Cash and cash equivalents at the end of the quarter were \$3.04m.

## Operational Information

BuildingIQ continued to deliver strong, positive growth in the number of buildings active on the 5i Platform. Our quarter-on-quarter growth in building numbers has been evident since June 2016 in both of our key regions North America and Australia.

During the past quarter, 36 buildings were added, with services now provided to 1,212 buildings (approximately 120M SF under contract).



As the volume of buildings using the BuildingIQ platform grows, another noticeable trend is the adoption of our services in significantly larger buildings. The average SF per booked building in Q3 FY2018 increased by 47.6% to 121K SF from pcp.

BuildingIQ services continued to deliver documented operational and energy savings for customers. The cumulative year-to-date value was A\$6.57 million, an increase of 19% (A\$4.48m pcp).

In a further expansion of our Asian presence, BuildingIQ has signed a reseller partnership agreement with BuildingAI in Indonesia, for 10 + 10 years. Indonesia is a rapidly evolving market and this partnership provides the opportunity to initially introduce BuildingIQ's visualisation service and subsequently, other 5i Platform services. BuildingAI is backed by two senior executives with extensive experience in real estate financing and sales.

## Future updates

The Company will hold an investor conference call at 10am (AEDT) on 31 October, 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:** 10 am (AEDT)

**Date:** Wednesday 31 October, 2018

**Phone:** +61 2 9087 3604 (AU) or +1 (312) 757-3126 (US)

**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

Future Dates*	Details
January 31, 2019	Appendix 4C & Q4 FY2018 Market Update
February 28, 2019	FY2018 Annual Results
April 30, 2019	Appendix 4C & Q1 FY2019 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. 120M square feet of building space is currently under management with BuildingIQ. [www.buildingiq.com](http://www.buildingiq.com)

## Foreign Ownership Restrictions

BuildingIQ's CHES 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.