



2019 Annual General Meeting Presentation

28 March 2019

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.



Welcome

Alan Cameron - Chairman

Our Board of Directors



Alan Cameron
Chair/Non-Executive
Independent Director



Michael Nark
President and CEO /
Executive Director



Tanya Cox
Non-Executive
Independent Director



William Deane
Non-Executive
Director



Gerd Goette
Non-Executive
Independent Director

Agenda

1. President & CEO's address
2. General questions
3. Business of the meeting

Presenters

Alan Cameron, Chairman

Michael Nark, President & CEO



President & CEO's Address

Michael Nark

Full Year Results Snapshot

Revenue from ordinary activities

A\$7.36m

 40% from
\$5.26m in 2017

Customer Receipts

A\$6.68m*

 120% from
\$3.03m in 2017

Annual Contracted Revenue

A\$8.48m

 25% from
\$6.77m in 2017

EBITDA loss

A\$3.15m*

 63% from
\$1.93m in 2017

Operating Expenses

A\$8.09m**

 13% from
\$7.14m in 2017

*Inclusive of GST

**Including A\$0.73m from one-off administration costs (see slide 19 for further detail)

Full Year Results Snapshot

Operating buildings

> 1,265



17% from
FY2017

Net new buildings

183

Including 30 greenfield
building contracts

Sq. Ft. under management

> 125m

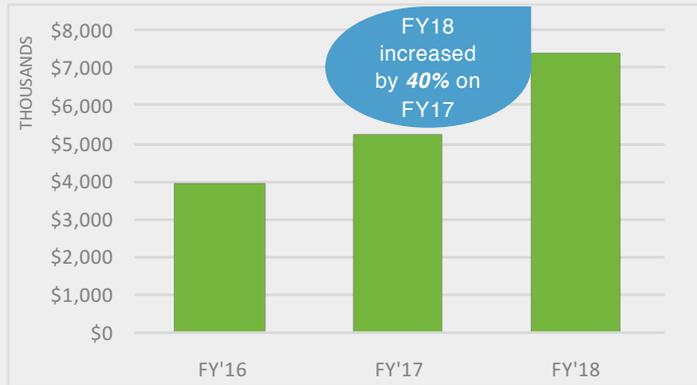
Customer contract renewal rate

> 97%

- ✓ Completed acquisition: Buildingsense
- ✓ Global expansion: Partnerships in Indonesia and United Arab Emirates
- ✓ Positive growth: Across all geographies and sectors

Business Snapshot

Revenue



Underlying EBITDA*



Underlying Operating Expenses*

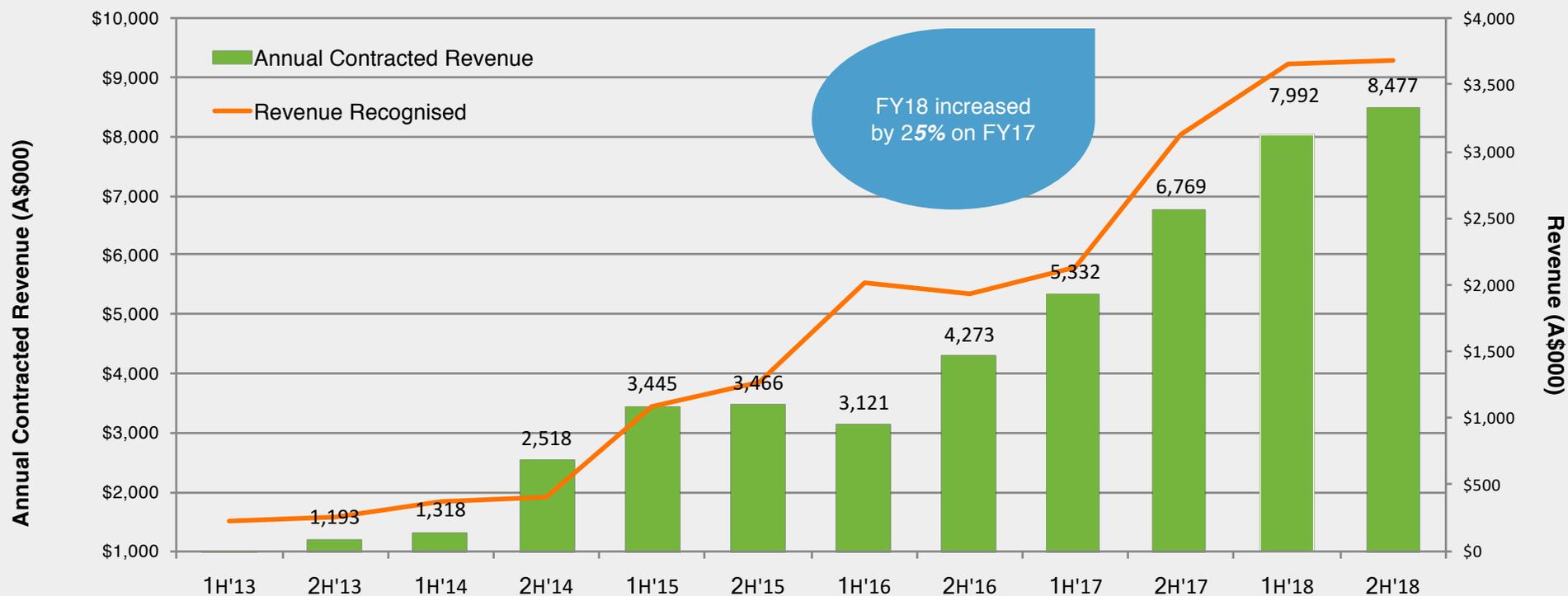


Total Buildings



* Net of \$0.73m one-off costs (refer to slide 19 for further explanation)

Annual Contracted Revenue continues to lift



- 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 \$8.48m over the next 12 months - a 25% increase on FY17



Financial and Operational Results

2H FY18 Business Targets – Continued Positive Results

Financial Drivers	Results	Comments
<ul style="list-style-type: none"> A\$0.75m Monthly Revenue Run Rate 	<ul style="list-style-type: none"> A\$0.70m 	<ul style="list-style-type: none"> Planned revenue of A\$0.05k delayed due to slow start of greenfield project in NSW
<ul style="list-style-type: none"> Exit 2H FY18 with ¹Annual Contracted Revenue > A\$8.5m 	<ul style="list-style-type: none"> ✓ A\$8.48m 	<ul style="list-style-type: none"> Met target
<ul style="list-style-type: none"> Bookings of A\$4.5m (Contracted Revenue) 	<ul style="list-style-type: none"> A\$3.54m 	<ul style="list-style-type: none"> Expected number of contracts signed, terms shorter than standard 36 months – FY18 total bookings A\$9.6m
Business Model Drivers	Results	Comments
<ul style="list-style-type: none"> Add 60 new buildings under contract 	<ul style="list-style-type: none"> ✓ 92 added 	<ul style="list-style-type: none"> Exceeded target
<ul style="list-style-type: none"> Increase Annualised Revenue per Building 10% 	<ul style="list-style-type: none"> ✓ 12% increase 	<ul style="list-style-type: none"> Exceeded target
<ul style="list-style-type: none"> Surpass 125M sq. ft. under contract 	<ul style="list-style-type: none"> ✓ >125M sqft 	<ul style="list-style-type: none"> Met target

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

Financial Summary

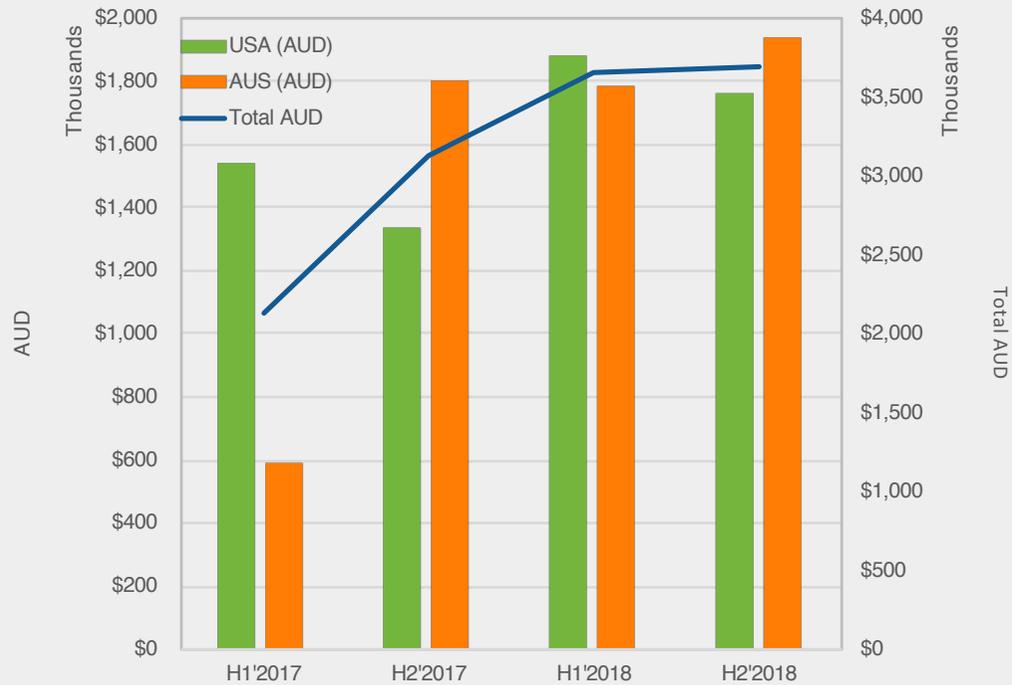
	FY18 \$	FY17 \$	Change on pcp	Comments
Revenue from ordinary activities	7,358,880	5,263,762	40%	Growth achieved in all sectors
Revenue and other income ¹	8,817,475	7,024,658	26%	Other income \$1.4m
Operating expenses	(8,089,999)	(7,139,288)	(13%)	\$0.73m of one off costs (see slide 20 for further explanation)
Earnings before interest, tax & depreciation (EBITDA)	(3,148,947)	(1,929,716)	(63%)	Influenced by increased COGS and Opex spend (see slide 20 for further explanation)
Net profit after tax (NPAT) from ordinary activities	(4,467,916)	(3,535,583)	(26%)	Depreciation & amortisation of \$1.3m
Cash and cash equivalents ²	1,975,777	2,418,874	(18%)	Result of the above items

• ¹Revenue and other income includes R&D tax rebate of \$1.47m

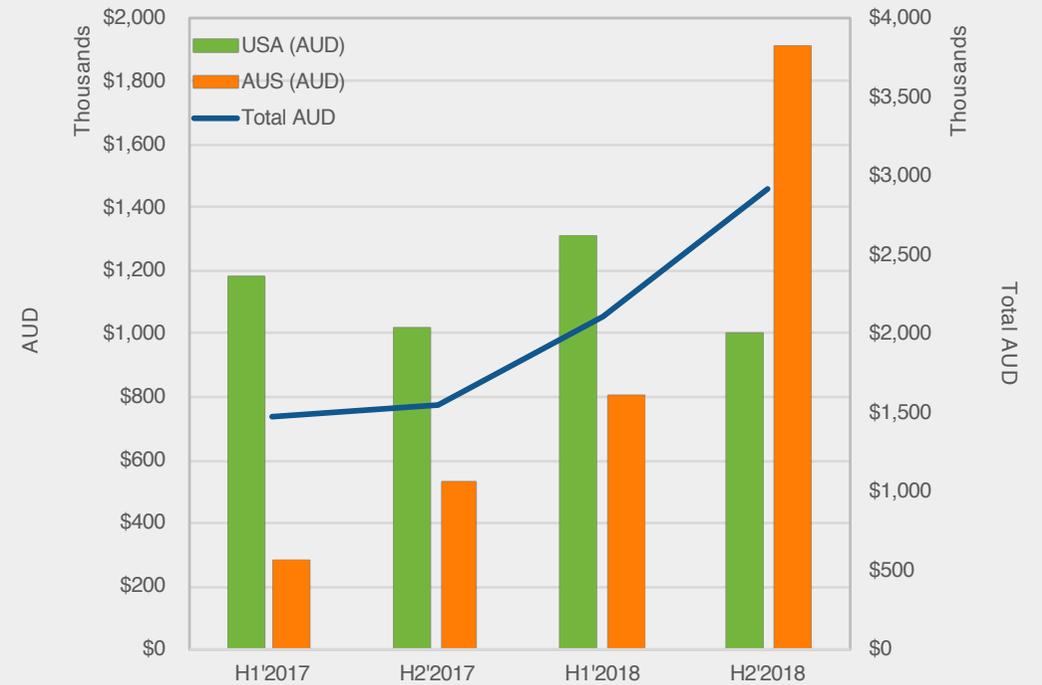
• ²Cash and cash equivalents includes proceeds from the entitlement offer and capital raising of \$5.90m completed in January 2018

BuildingIQ Growth Supported by Multi-region Strategy

Revenue by geographic region



Cash receipts by geographic region

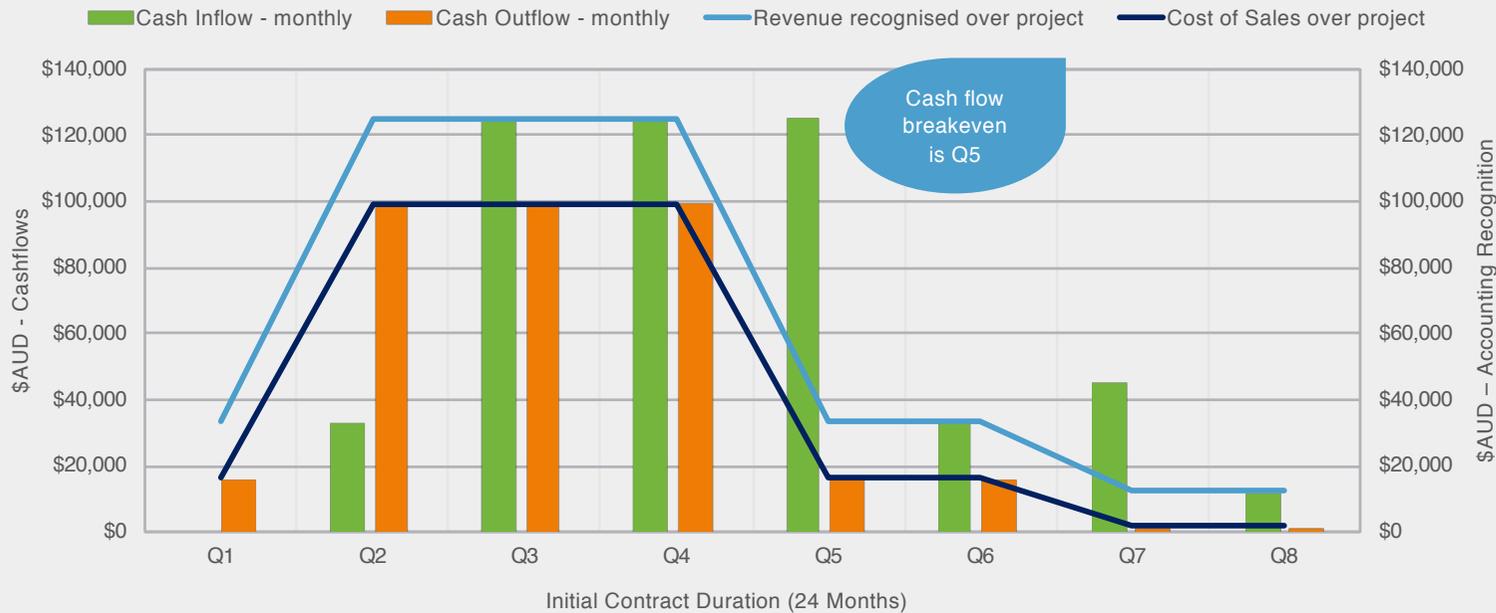


Greenfield Sector - Buildingsense

- Business fully integrated post acquisition
- Full adoption of AASB15 changes revenue recognition
 - Installation costs now recognised based on % completion
 - No longer straight line revenue recognition over contract
- Financial impacts – one off COGS and Opex impacts
 - Costs of Goods Sold for existing contracts (\$0.4m), previously incurred over the life of those contracts, have been brought forward to FY18 per AASB standards
 - One off Operating Expenses (\$0.13m) incurred to complete Buildingsense acquisition
- Pipeline remains strong for Greenfield Buildings in Australia

Greenfield Sector: Go Forward Strategy

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



- Installation component (typically 3 quarters) of contract now recognised based on % completion
- Straight line revenue recognition over contract term (24 months) no longer possible
- Costs are recognised based on % completion, no longer amortised over contract term
- Cash flow breakeven is Q5

Operational Summary

- 183 net new buildings added in FY18, including 30 greenfield building contracts
- Now operating in more than 1,265 buildings
- Average contract booking per building sqft increased by 12% in FY18
- Customer contract renewal rate held at greater than 97% for FY18
- Growth supported by multi-region strategy
- Global reach expanded through partnerships in Indonesia and United Arab Emirates



2018 Income Statement and Balance Sheet

Modified Income Statement (Modified to show EBITDA)

Income Statement (A\$,000)	PRIOR 2017	CURRENT 2018	% CHANGE
Revenue	5,264	7,358	40%
Other income	1,761	1,459	(17%)
Total revenue & other income	\$7,025	\$8,817	26%
COGs	(1,815)	(3,876)	(114%)
Gross Margin	\$5,210	\$4,941	(5%)
Sales & marketing	(1,573)	(2,091)	(33%)
Research costs	(687)	(481)	30%
Administrative costs	(4,879)	(5,518)	13%
OPEX	\$7,139	\$8,090	(13%)
EBITDA loss	\$1,929	\$3,149	(63%)
Adjustment for one-off costs	-	(750)	-
Underlying EBITDA loss	\$1,865	\$2,399	(24%)
Depreciation & amortisation	(1,607)	(1,323)	18%
Interest income	-	4	-
Net loss before tax	\$3,536	\$4,468	(26%)
Income tax expense	-	-	-
Net loss after tax	\$3,536	\$4,468	(26%)

Generated by new contracts in both the greenfield and established building segments.

R&D grant for research expenses. Prior year included \$400k for 2016.

Additional requirements to support revenue growth from greenfield building contracts. Includes additional \$400k of costs required to align under new revenue recognition practices.

Includes one-off costs of approximately \$730k related to training, severance, legal, related taxes and ancillary costs tied to Buildingsense acquisition.

Driven by increase in administrative, sales and marketing costs.

One-off Opex highlighted above, which includes \$130k of advisory costs for Buildingsense transaction.

Impact of reduced capitalization of R&D expenses – no impact to R&D grant for research expenses.

Balance Sheet

Balance Sheet (A\$,000)		PRIOR 2017	CURRENT 2018
Current Assets	Cash and cash equivalents	2,419	1,976
	Trade and other receivables	3,687	4,610
	R&D grant receivable	2,008	2,571
	Other current assets	703	811
	Total current assets	\$8,817	\$9,968
Non-current Assets	Property and equipment	105	107
	Goodwill	3,538	6,130
	Intangible assets	2,065	2,554
	Total assets	\$14,525	\$18,759
Current Liabilities	Trade and other payables	522	1,026
	Provisions & other liabilities	1,459	3,933
	Deferred purchase consideration	1,008	120
	Total current liabilities	\$2,989	\$5,079
	Total liabilities	\$2,989	\$5,079
	Net assets	\$11,535	\$13,680
Equity	Issued capital	44,632	51,007
	Accumulated losses & reserves	(33,097)	(37,327)
	Total equity	\$11,535	\$13,680

Trade debtors \$3.4m, accrued income \$1.2m.

Changes in goodwill are due to the Buildingsense acquisition.

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

Trade payables has increased as a result of Greenfield growth.

Includes R&D financing of \$2m; employee liabilities \$1m and provision of \$0.4m.

Consideration for Buildingsense acquisition. Decrease represents the final consideration paid for Northwrite.



Looking Ahead

Business Strategy

Our focus remains on financially astute growth:

1. Strengthening our position in current markets through:
 - New greenfield and established buildings growth across multiple regions
 - The new segment of brownfield (retrofit) buildings in North America
 - 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

1H FY19 Business Targets

Financial Drivers

- A\$1.0m Monthly Revenue Run Rate
- Bookings of A\$5.5m (Contracted Revenue)
- Exit 1H FY19 with ¹Annual Contracted Revenue > A\$9.3m
- Finish last month 1H FY19 EBITDA positive

Business Model Drivers

- Add 30 New Buildings under Contract
- Increase Annualised Revenue per Building 10%
- Surpass 132m sqft under Contract
- Add 2 New Brownfield Buildings under Contract in North America

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

1H FY19 Market Dynamics

- Australian crane counts remain the strongest globally
- Construction boom has however led to skills shortage and consequential project delays
 - Timing of revenue
 - Delaying cash inflows thereby increasing working capital requirements
- Looking to access supply chain, project and receivables based financing vehicles to support further growth
- North American Brownfield expansion
 - Complete BMS & wireless thermostats, where required
- New region partnerships have been established to extend our global reach, cost-effectively
 - Indonesia
 - United Arab Emirates



General Questions

Investor Communications

Financial Calendar

2019 Dates*	Details
April 30, 2019	Appendix 4C, Q1 FY2019 Market Update
July 31, 2019	Appendix 4C, Q2 FY2019 Market Update
August 31, 2019	1H FY2019 Results

*NOTE: Dates may be subject to change

Business Updates

Quarterly operational overview of client results



Business of the Meeting

Formal Resolutions

Ordinary Business

Consideration of Financial Report

To consider the Financial Report and the reports of the Directors and Auditor for the year ended 31 December 2018.

Ordinary Business

Resolution 1(a). Re-election of Alan Cameron

To consider, and if thought fit, pass the following ordinary resolution:

“That Mr Alan Cameron, being a director of the Company, retires in accordance with the Company’s bylaws and certificate of incorporation, and being eligible, offers himself for re-election, is re-elected as a director of the Company.”

Ordinary business

Resolution 1(a). Re-election of Alan Cameron

Proxies have been received in respect of this resolution as follows:

% Cast		Number
100%	For	156,303,879
0.00	Open	0
N/A	Against	0
0.00	Abstain	0

Ordinary Business

Resolution 1(b). Re-election of Tanya Cox

To consider, and if thought fit, pass the following ordinary resolution:

“That Ms Tanya Cox, being a director of the Company, retires in accordance with the Company’s bylaws and certificate of incorporation, and being eligible, offers himself for re-election, is re-elected as a director of the Company.”

Ordinary business

Resolution 1(b). Re-election of Tanya Cox

Proxies have been received in respect of this resolution as follows:

% Cast		Number
100%	For	156,303,879
0.00	Open	0
N/A	Against	0
0.00	Abstain	0

Ordinary Business

Resolution 1(c). Re-election of William Deane

To consider, and if thought fit, pass the following ordinary resolution:

“That Mr William Deane, being a director of the Company, retires in accordance with the Company’s bylaws and certificate of incorporation, and being eligible, offers himself for re-election, is re-elected as a director of the Company.”

Ordinary business

Resolution 1(c). Re-election of William Deane

Proxies have been received in respect of this resolution as follows:

% Cast		Number
100%	For	156,303,879
0.00	Open	0
N/A	Against	0
0.00	Abstain	0

Ordinary Business

Resolution 1(d). Re-election of Gerd Goette

To consider, and if thought fit, pass the following ordinary resolution:

“That Mr Gerd Goette, being a director of the Company, retires in accordance with the Company’s bylaws and certificate of incorporation, and being eligible, offers himself for re-election, is re-elected as a director of the Company.”

Ordinary business

Resolution 1(d). Re-election of Gerd Goette

Proxies have been received in respect of this resolution as follows:

% Cast		Number
100%	For	156,303,879
0.00	Open	0
N/A	Against	0
N/A	Abstain	0

Ordinary Business

Resolution 1(e). Re-election of Michael Nark

To consider, and if thought fit, pass the following ordinary resolution:

“That Mr Michael Nark, being a director of the Company, retires in accordance with the Company’s bylaws and certificate of incorporation, and being eligible, offers himself for re-election, is re-elected as a director of the Company.”

Ordinary business

Resolution 1(e). Re-election of Michael Nark

Proxies have been received in respect of this resolution as follows:

% Cast		Number
99.65%	For	155,751,879
0.00	Open	0
N/A	Against	0
0.35%	Abstain	552,000

Ordinary Business

Resolution 2. Approval to issue options to Michael Nark

To consider, and if thought fit, pass the following ordinary resolution:

“That approval be given for the purposes of ASX Listing Rule 10.14 and for all other purposes to allot and issue to Mr. Michael Nark or his nominee 500,000 unlisted options under the Company’s 2012 Equity Incentive Plan on the terms and conditions set out in the Explanatory Memorandum.”

Ordinary business

Resolution 2. Approval to issue options to Michael Nark

Proxies have been received in respect of this resolution as follows:

% Cast		Number
90.89%	For	142,073,515
0.00	Open	0
0.03%	Against	42,000
9.08%	Abstain	14,188,364

Ordinary Business

Resolution 3. Approval to issue performance stock units to Michael Nark

To consider, and if thought fit, pass the following ordinary resolution:

“That approval be given for the purposes of ASX Listing Rule 10.14 and for all other purposes to allot and issue to Mr. Michael Nark or his nominee 5,000,000 performance stock units under the Company’s 2012 Equity Incentive Plan on the terms and conditions set out in the Explanatory Memorandum.”

Ordinary business

Resolution 3. Approval to issue performance stock units to Michael Nark

Proxies have been received in respect of this resolution as follows:

% Cast		Number
62.17%	For	97,170,489
0.00	Open	0
28.75%	Against	44,945,026
9.08%	Abstain	14,188,364

Ordinary Business

Resolution 4. Ratification of prior issue of shares

To consider, and if thought fit, pass the following ordinary resolution:

“That, pursuant to and in accordance with ASX Listing Rule 7.4 and for all other purposes, the issue on 24 September 2018 of 13,636,364 CDIs (equivalent to 13,636,364 shares of common stock (“Shares”), to the Singh Family Trust on the terms and conditions set out in the accompanying Explanatory Notes, is ratified and approved.”

Ordinary business

Resolution 4. Ratification of prior issue of shares

Proxies have been received in respect of this resolution as follows:

% Cast		Number
91.25%	For	142,625,515
0.00	Open	0
0.03%	Against	42,000
8.72%	Abstain	13,636,364

Ordinary Business

Resolution 5. Approval of 10% Placement Capacity

To consider, and if thought fit, pass the following ordinary resolution:

“That, pursuant to and in accordance with ASX Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on the terms and conditions set out in the accompanying Explanatory Notes.”

Ordinary business

Resolution 5. Approval of 10% Placement Capacity

Proxies have been received in respect of this resolution as follows:

% Cast		Number
91.24%	For	142,611,915
0.00	Open	0
0.03%	Against	42,000
8.73%	Abstain	13,649,964



Thank you
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