



2019

Interim Results

27 August 2019

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 Snapshot


Revenue from ordinary activities

A\$2.89m*

 21% from
\$3.66m in 1H FY18


Customer Receipts

A\$3.99m**

 69% from
\$2.36m in 1H FY18

Annual Contracted Revenue

A\$10.12m

 26% from
\$7.99m in 1H FY18


EBITDA loss

A\$2.29m**

 55% from
\$1.48m in 1H FY18

Operating Expenses

A\$3.72m

 Improved 9% from
\$4.09m in 1H FY18

* Completion of one-time utility and incentive rebate programs compounded by delay in the commencement of major Greenfield projects

**Inclusive of GST

Interim Results Snapshot

Operating buildings

>1,327



12.8% from
1H FY18

Net new buildings

59

Including 29 greenfield
building contracts

Sq. Ft. under management

~140m

Customer contract renewal rate*

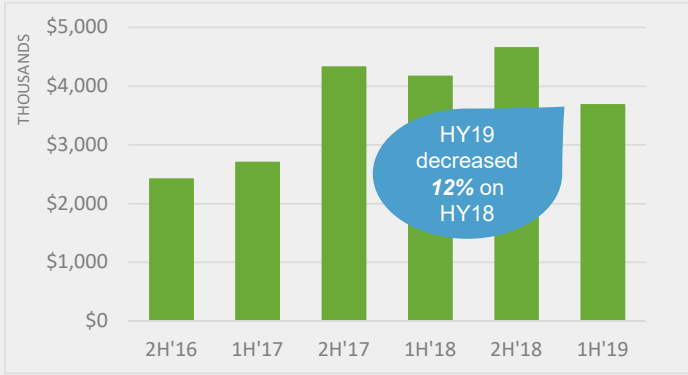
>97%

- ✓ Analytics Service Engine (Epiphany) Released
- ✓ Continued Global expansion: Partnership in Korea
- ✓ Completed: Capital Raise in 1H 2019
- ✓ Ongoing Cost Management

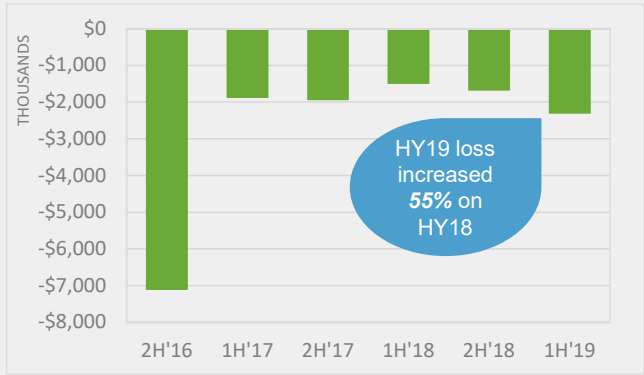
* Established buildings, individual contract value varies significantly

Business Snapshot

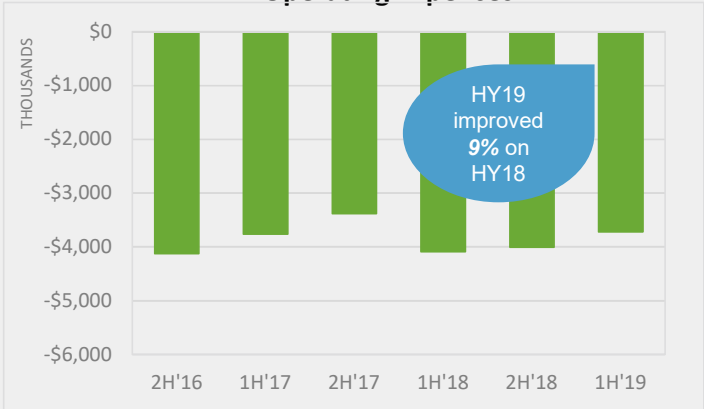
Revenue & Other Income



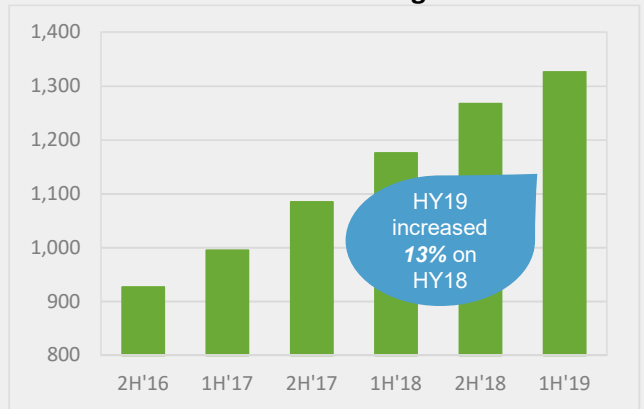
EBITDA at Reporting Date



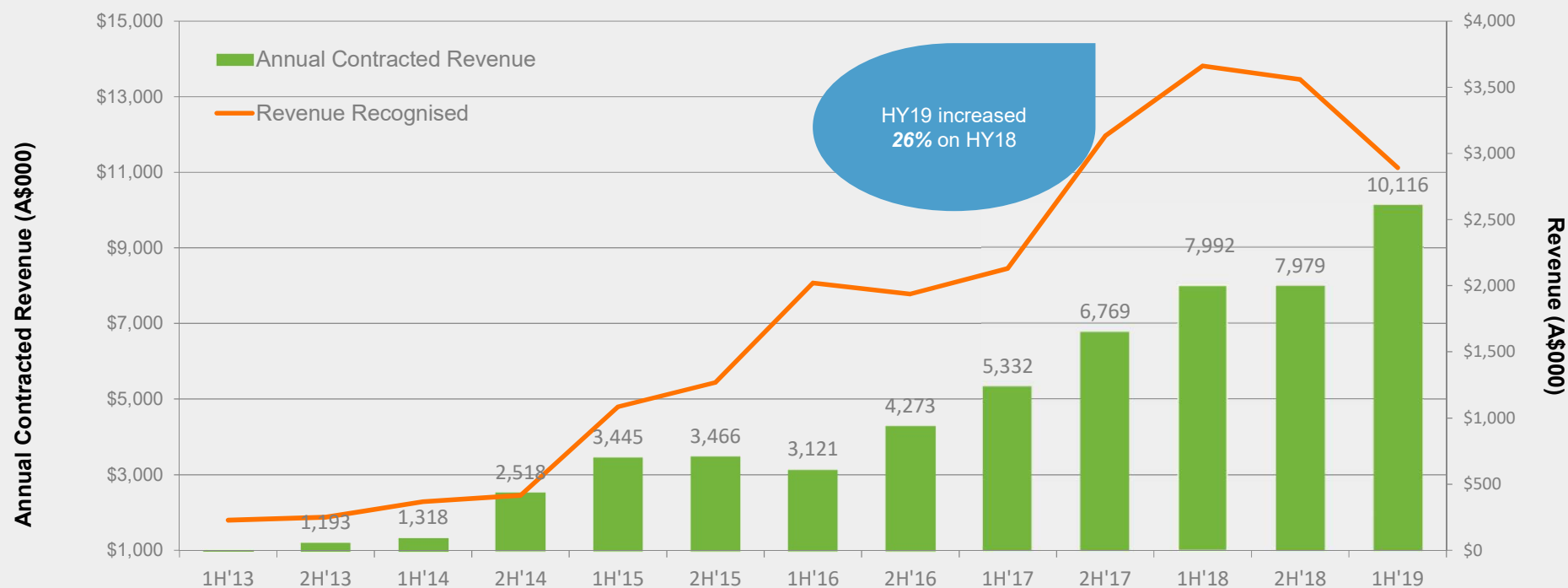
Operating Expenses



Total Buildings



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 and assumes project commencement as scheduled at time of contract booking.
- In the unlikely event BuildingIQ makes no further sales in 2019 we expect revenue of \$10.12m over the next 12 months - a 26% increase on 1H FY18

Agenda

1. Business Strategy – Financially Astute Growth
2. Financial and Operational Results
3. 2019: Next 6 months

Business Strategy – Financially Astute Growth

Section 1

Business Strategy

Our focus remains on financially astute growth through:

1. Investing in Greenfield projects in Australia to deliver 5i services growth, long-term
2. Strengthening our position in current markets:
 - Established buildings growth across multiple regions
 - The new segment of brownfield (retrofit) buildings in North America
 - A combination of organic and inorganic growth
3. Continuing to drive more of our services to existing customers
 - Recognising different markets present different opportunities
4. Expanding into new geographies

Australian construction boom underpinning 5i services growth, long-term

- Crane count activity*, in our targeted markets, remains the strongest in the world

TYPE	PERTH				SYDNEY				MELBOURNE			
	OPEN Q3 2018	%	CLOSE Q1 2019	%	OPEN Q3 2018	%	CLOSE Q1 2019	%	OPEN Q3 2018	%	CLOSE Q1 2019	%
Civic	1	2.7	2	6.1	0	0.0	0	0	2	1.0	3	1.4
Civil	0	0.0	0	0	12	3.7	17	5.5	13	6.8	11	5
Commercial	0	0.0	0	0	32	10.0	34	11.0	23	12.0	27	12.2
Education	0	0.0	1	3	8	2.5	11	3.5	2	1.0	3	1.4
Health	0	0.0	0	0	7	2.2	5	1.6	9	4.7	3	1.4
Hotel	4	10.8	4	12.1	5	1.6	6	1.9	5	2.6	4	1.8
Mixed Use	4	10.8	5	15.2	7	2.2	3	1	12	6.3	18	8.1
Recreation	0	0.0	0	0	3	0.9	1	0.3	0	0.0	0	0
Residential	26	70.3	18	54.5	243	75.7	229	73.9	124	64.6	148	66.7
Retail	2	5.4	3	9.1	4	1.2	4	1.3	2	1.0	5	2.3
TOTAL	37	100	33	100	321	100	310	100	192	100	222	100

*RLB Crane Index Q1 2019

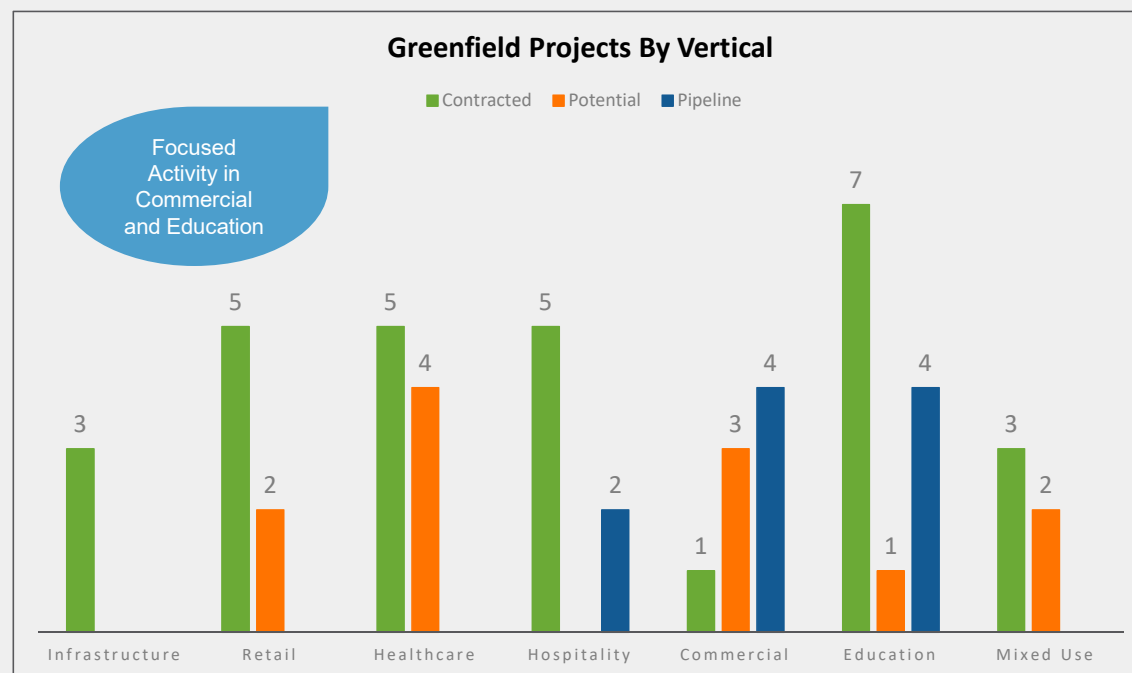
Australian construction boom underpinning 5i services growth, long-term

- 2019 Australian Infrastructure Audit* indicates the current level of infrastructure spending will be needed for 15+ years to cater to Australia's growing population
 - Infrastructure in our four largest cities – Sydney, Melbourne, Brisbane and Perth – is failing to keep pace with rapid population growth
 - More than \$123 billion of construction work has commenced since 2015, with a committed forward pipeline of over \$200 billion.
- Despite positive growth, the construction boom and the inherent demand on resources, continue to impact project starts

* Infrastructure Australia - 2019 Australian Infrastructure Audit

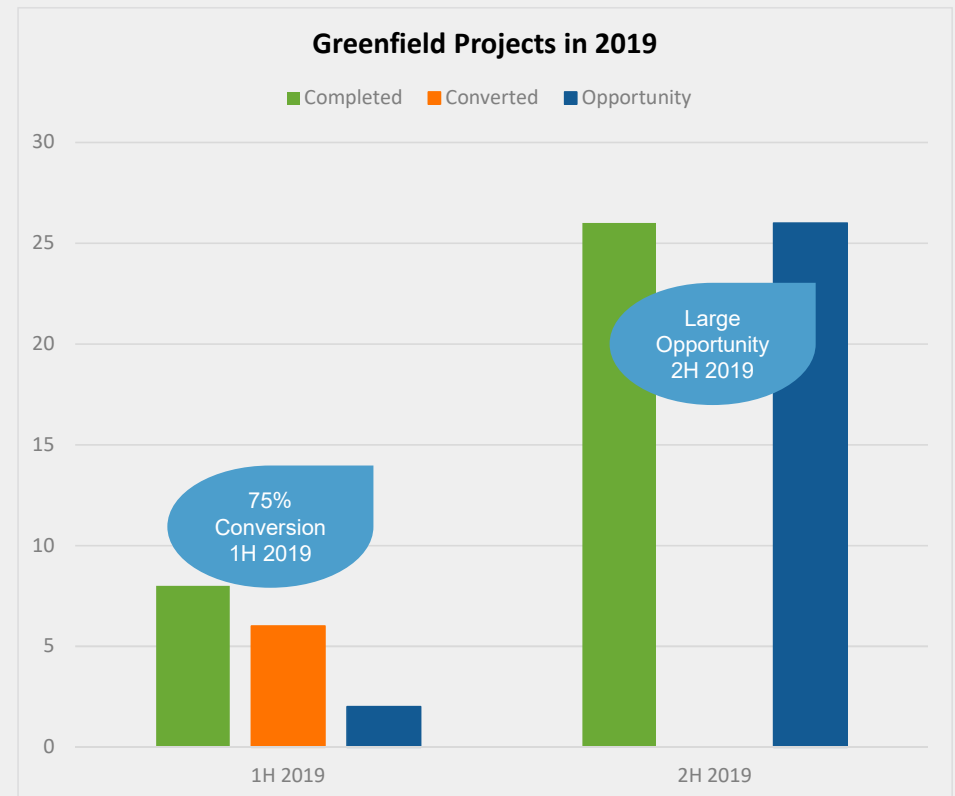
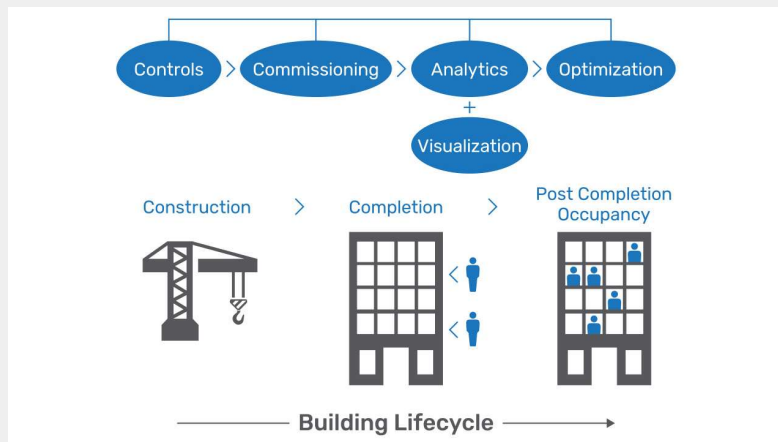
Greenfield projects to deliver 5i services growth, long-term

- Reflecting this infrastructure demand, BuildingIQ strategy has delivered results
- Buildingsense work on Greenfield projects grew further in the period:
 - 29 new building contracts (45 buildings), plus
 - 12 potential projects in next 6 months, pending design finalisation, and
 - 10 in pipeline, early stage
 - In 1H FY19, Greenfield projects generated revenue of circa \$2m: 55% WA, 45% NSW



Greenfield projects converting to Established services

- Greenfield projects adding recurring, established building services post completion
- Complements controls and commissioning services delivered during construction phase
- Completion includes 12 months of defect, liability period (DLP) prior to occupancy
- 26 projects scheduled for completion in 2H 2019



Financial and Operational Results

Section 2

1H FY19 Business Targets – Results Reflect Greenfield Growth

Financial Drivers	Results	Comments
▪ A\$1.0m June Month Revenue	▪ A\$0.93m	▪ Greenfield project start delays in both NSW and WA impacted June revenue by A\$0.08k
▪ Exit 1H FY18 with ¹ Annual Contracted Revenue > A\$9.3m	✓ A\$10.12m	▪ Exceeded target
▪ Bookings of A\$5.5m (Contracted Revenue)	✓ A\$8.37m	▪ Exceeded target
▪ Finish last month 1H FY19 EBITDA positive	✓ A\$0.26m	▪ Met target
Business Model Drivers	Results	Comments
▪ Add 30 new buildings under contract	✓ 59 added	▪ Exceeded target
▪ Increase Annualised Revenue per Building 10%	✓ 13% increase	▪ Exceeded target
▪ Surpass 132M sq. ft. under contract	✓ Approx.140M sqft	▪ Exceeded target
▪ Add 2 New Brownfield Buildings under Contract in North America	▪ Nil	▪ In the pipeline

1. Annual Contracted Revenue is a measure of expected future revenue over the next 12-month period from existing contracts and assumes project commencement as scheduled at time of contract booking.

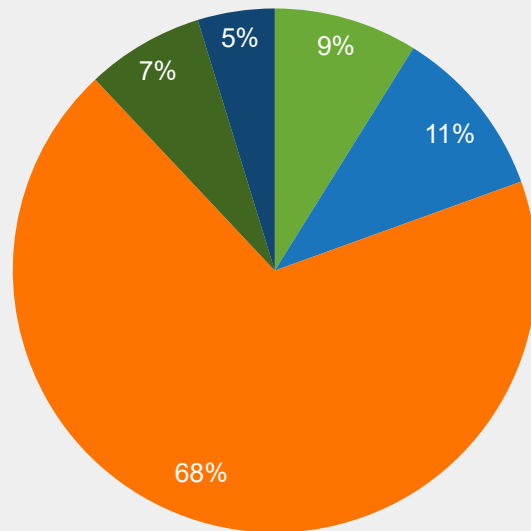
Financial Summary

	1H FY19 \$	1H FY18 \$	Change on pcp	Comments
Revenue from ordinary activities	2,892,138	3,660,229	(21%)	Delay in the commencement of major Greenfield projects and completion of one-time utility and incentive rebate programs which ended in 2018
Revenue and other income ¹	3,681,852	4,165,952	(12%)	
Operating expenses	(3,718,978)	(4,085,855)	9%	
Earnings before interest, tax & depreciation (EBITDA)	(2,288,173)	(1,480,128)	(55%)	Influenced by increased COGS in Greenfield projects
Net profit after tax (NPAT) from ordinary activities	(3,677,482)	(2,001,969)	(84%)	Depreciation & amortisation of \$1.0m and interest expense of \$0.4m
Cash and cash equivalents ²	532,488	4,594,454	(88%)	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 placements Tranche 1 of \$1.1m completed in June 2019

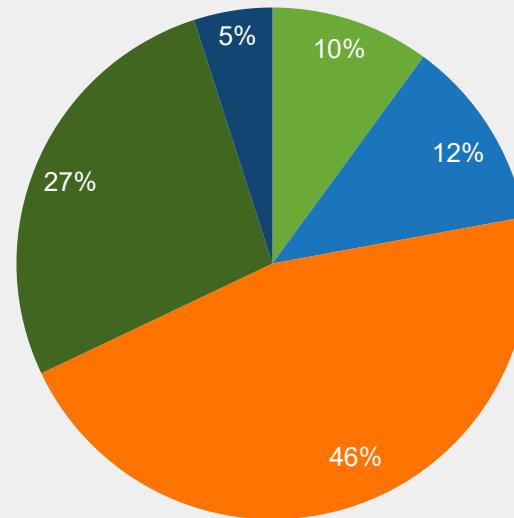
Revenue Growth Driven by Control Services

Revenue by 5i Service Offering
1H 2019



■ Optimisation ■ Analytics ■ Control ■ Visualization ■ Platform/Workflow

Revenue by 5i Service Offering
1H 2018

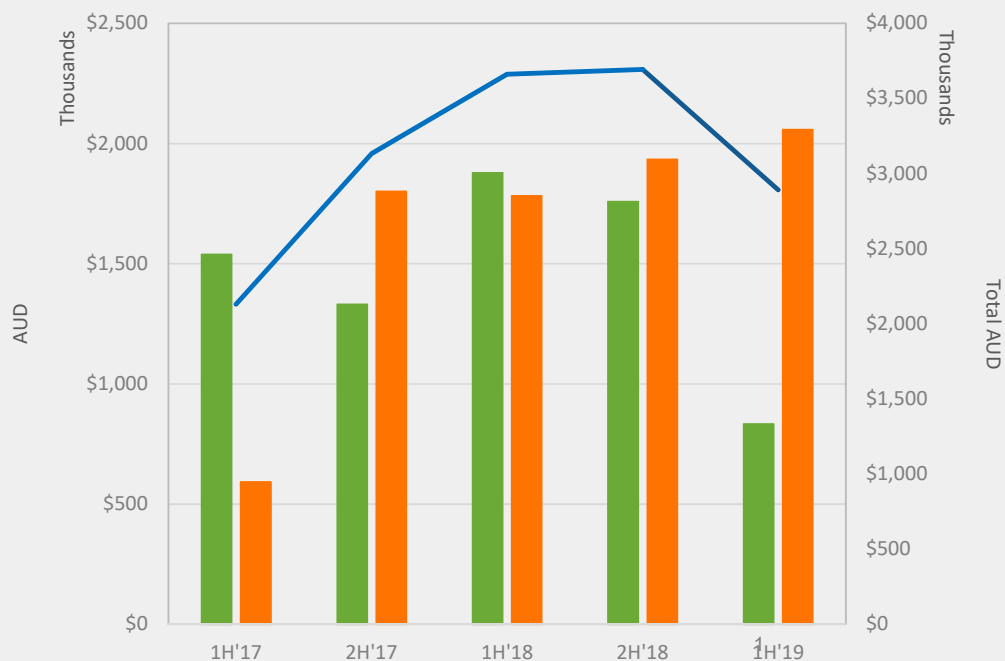


■ Optimisation ■ Analytics ■ Control ■ Visualization ■ Platform/Workflow

BuildingIQ Growth Supported by Multi-region Strategy

Revenue by geographic region

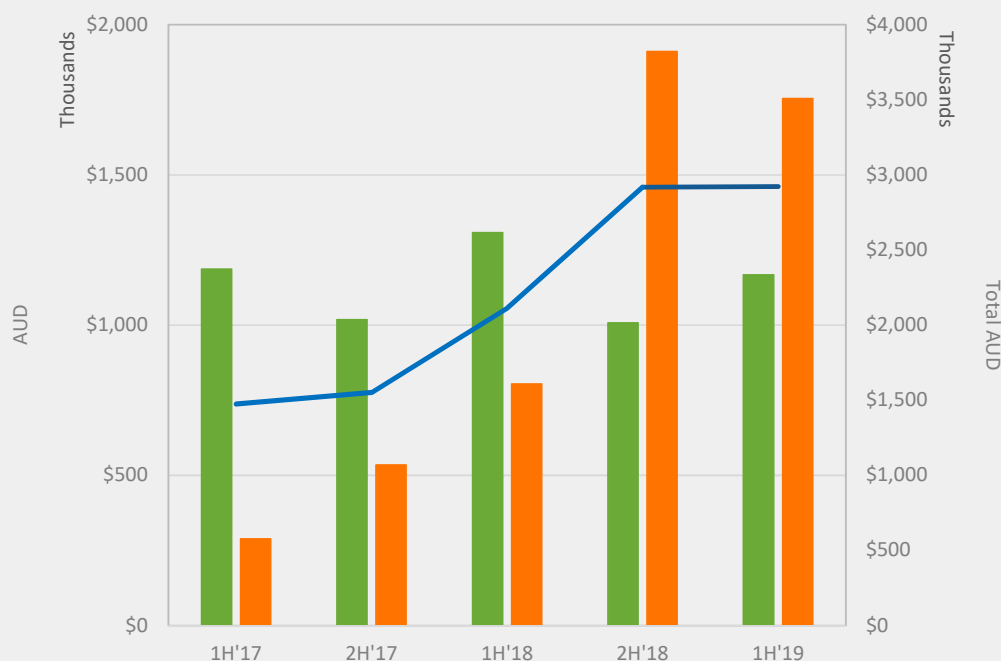
USA (AUD) AUS (AUD) Total (AUD)



- '19 US Revenue in 1H 2019 impacted by reduced one time installation and services from time duration utility and incentive rebate programs which ended in 2018.

Cash receipts by geographic region

USA (AUD) AUS (AUD) Total (AUD)



Modified Income Statement (Modified to show EBITDA)

Income Statement (A\$,000)	PRIOR June 2018	CURRENT June 2019	% CHANGE	
Revenue	3,660	2,892	(21%)	Completion of one-time utility and incentive rebate programs compounded by delay in the commencement of major Greenfield projects .
Other income	506	790	56%	Increase in R&D grant for research expenses.
Total revenue & other income	\$4,166	\$3,682	(12%)	
COGs	(1,560)	(2,251)	(44%)	Due to increase in greenfield business related to new construction activity in Australia.
Gross Margin	\$2,606	\$1,431	(45%)	
Sales & marketing	(947)	(954)	-	
Research costs	(707)	(467)	34%	Driven by higher recovery of research expenses through R&D grant.
Administrative costs	(2,432)	(2,304)	6%	
OPEX	\$4,086	\$3,725	9%	Driven by decrease in administrative, and research costs.
EBITDA loss	\$1,480	\$2,294	(55%)	
Depreciation & amortisation	(524)	(1,011)	(93%)	Due to intangible asset amortisation of Buildingsense acquisition and AASB 16 Lease Accounting implementation.
Interest expense	-	(379)		
Income tax expense	-	-	-	
Net loss after tax	\$2,004	\$3,684	(84%)	

Balance Sheet

Balance Sheet (A\$,000)		PRIOR June 2018	CURRENT June 2019
Current Assets	Cash and cash equivalents	1,975	532
	Trade and other receivables	4,610	4,342
	R&D grant receivable	2,570	1,469
	Other current assets	811	451
	Total current assets	\$9,966	\$6,794
Non-current Assets	Property and equipment	107	802
	Goodwill	4,844	4,860
	Intangible assets	3,839	3,849
	Total assets	\$18,756	\$16,305
Current Liabilities	Trade and other payables	1,026	1,366
	Provisions & other liabilities	872	3,424
	Deferred purchase consideration	220	120
	Total current liabilities	\$2,405	\$4,910
	Lease liabilities	-	288
	Total liabilities	\$2,405	\$5,198
	Net assets	\$15,436	\$11,107
Equity	Issued capital	50,123	52,127
	Accumulated losses & reserves	(34,687)	(41,020)
	Total equity	\$15,436	\$11,107

Trade debtors \$2.9m, accrued income \$1.4m.

Includes lease assets of \$0.7m under AASB 16 Lease accounting.

Changes in goodwill are due to the Buildingsense acquisition.

Includes R&D financing of \$0.4m; receivable financing \$0.9m; employee liabilities \$1.1m and provision of \$1.0m.

Consideration for Buildingsense acquisition.

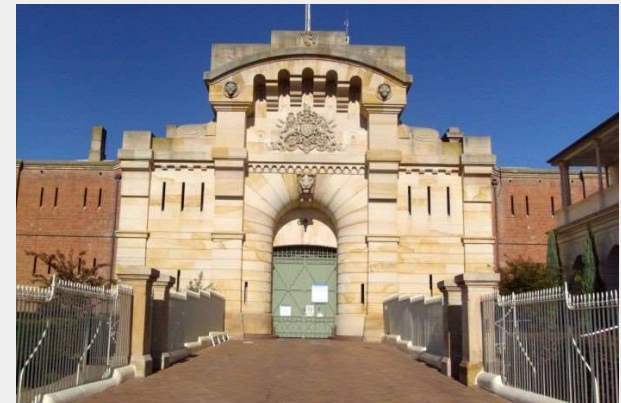
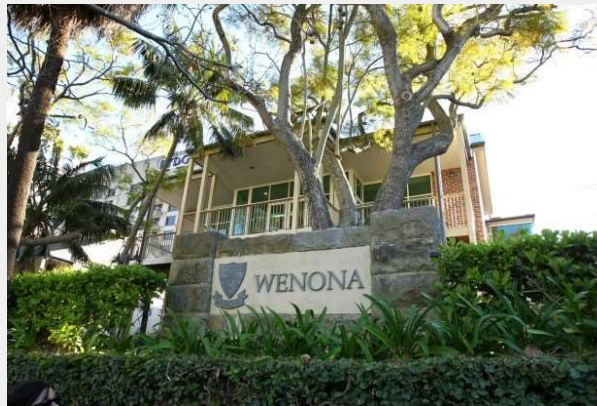
Non-current lease liabilities under AASB 16 Lease accounting.

Operational Summary

- 59 net new buildings added in 1H FY19, including 29 greenfield building contracts
- Now operating in more than 1,325 buildings
- Average contract booking per building sqft increased by 13% in period
- Customer contract renewal rate* held at greater than 97%
- Growth supported by multi-region strategy
- Global reach continues to grow with new projects in United Arab Emirates

* Established buildings, individual contract value varies significantly

Asia Pacific – Predominantly Greenfield Buildings



Top to Bottom, L-R, :
Forrestfield Airport Link, Wenona School,
Bathurst Correctional Facility, Somerset
Hospital, Melbourne Hotel, WA

North America – Focused on Operational Benefits

- British Columbia Hydro Program
- Eversource – NYSERDA / RTEM expanded program
- Brownfield pilots – focus: complete BMS & wireless thermostats, where required
- Epiphany launch: evolution of analytics (OFD) service offering. An AI-driven engine enabling an holistic view of system interactions



L-R: Eversource – NYSERDA / RTEM; 750 7th Ave. NY, NY; Bell Works, Holmdel, NJ ; Energy Analysis Group, NJ

Entering New Markets, Expanding New Business Opportunities

- Partnerships have been established in new regions to extend our global reach, cost-effectively
- United Arab Emirates is growing through our established partnerships
 - Anantara The Palm Dubai Resort: long term contract (6 years) for full 5i Platform services
 - Al-Sawari and Maatouk in Dubai: 5i Platform analytics and visualization services



L-R : Anantara The Palm Dubai Resort – Seven Tides; Partner – Smart Automation Energy;
Al-Sawari-Dubai; Partner – Aegis Systems

2019: Next 6 months

Section 3

2H FY19 Business Targets

Financial Drivers

- A\$1.1m December Month Revenue
- Bookings of A\$5.0m (Contracted Revenue)
- Exit 2H FY19 with ¹Annual Contracted Revenue > A\$11.5m
- Finish December quarter EBITDA positive

Business Model Drivers

- Add 35 New Buildings under Contract
- Increase Annualised Revenue per Building 10%
- Surpass 150m 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 and assumes project commencement as scheduled at time of contract booking.

Financing BuildingIQ's Greenfield Growth

- The market opportunity
 - Australian construction boom underpinning 5i services growth, long-term
 - Construction activity projected to continue in Australia for 15+ years
 - Short-term revenue impact from delays in project starts
- Financing our Greenfield growth
 - 2019 Private Placement A\$2.15 million (announced) – receipt of A\$985,001 in Tranche 2 commitments
 - Security Purchase Plan (up to A\$15,000 each) for eligible securityholders
 - Q4 FY19 Placement – intention to raise A\$1.5 million

Investor Communications

Financial Calendar

Dates*	Details
October 30, 2019	Appendix 4C, Q3 FY2019 Market Update
January 30, 2020	Appendix 4C, Q4 FY2019 Market Update

*NOTE: Dates may be subject to change

Business Updates

Quarterly operational overview of client results

Appendices

5i Platform: Technology Powered Service Categories



Visualizing energy data to understand usage across portfolios

Visualization



AI and data science decode insights in energy data for fault detection and operational benefits

Analytics



Buildings can be intelligently and continually controlled with cloud based solutions

Control



Accurate prediction and optimization with automatic actions to achieve maximum energy efficiency

Optimization

5i Services Optimize Every Part of the Journey

Visualization



Energy Worksite



AM&V

Analytics



Outcome-based Fault Detection



HVAC Continuous Commissioning

Controls



Systems Enablement



BMS Commissioning



Retro-commissioning HVAC Controls

Optimization



Demand Response



PEO



Facility Worksite

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



Mobile App

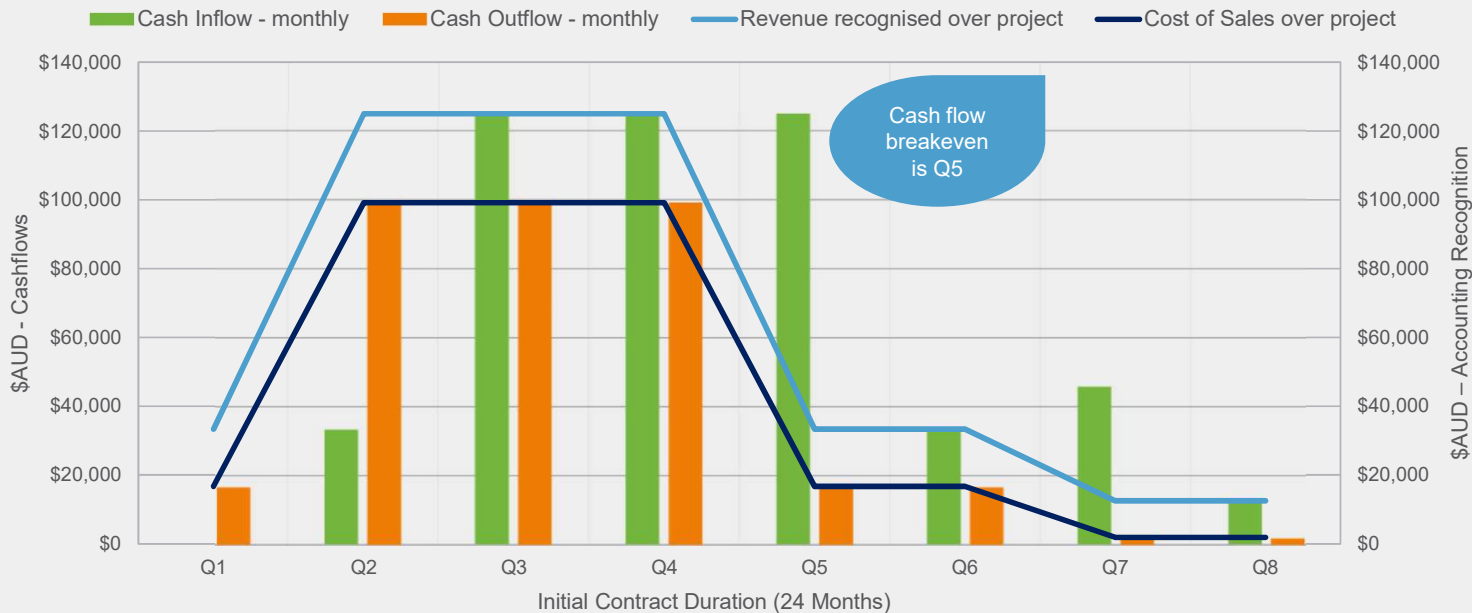
 **5i Platform**

Greenfield Contract Stage & 5i Platform Service Deployment



Revenue recognition through a Greenfield project

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



Thank you
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