



# 2019 Full Year Results

28 February 2020

Will Deane, Chairman

# 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.

## Full Year Results Snapshot (unaudited)

### Annual Contracted Revenue

A\$10.56m

 25% from  
\$8.48m in 2018

### Revenue from ordinary activities

A\$6.37m

 14% from  
\$7.36m in 2018


### Customer Receipts

A\$7.46m\*\*

 12% from  
\$6.68m in 2018


### Operating Expenses

A\$7.46m

 Improved by 8%  
\$8.09m in 2018

### Total Comprehensive Income (Loss)

- A\$11.21m

 187% from  
- \$3.91m in 2018

\*Prior comparative periods (throughout this document) have not been restated for the impact of AASB 16

\*\*Inclusive of GST

## Key Reasons for FY19 Financial Performance

Total comprehensive income decreased \$7.2m to a loss of \$11.2m. It is worth noting:

1. BuildingIQ impaired its goodwill in the amount of \$3,936,019 using fair value calculations. This impairment was made following the execution of the mCloud Technologies EOI (see slides 8-11)
2. The Company increased its provision for bad and doubtful debts for certain US receivables by \$537,649 to a total of \$946,557
3. Revenue decreased 14% from 2018 due to both the closure of utility & incentive/rebate programs in the US and the delay in the commencement of several Greenfield projects in Australia
4. Results were negatively impacted by an \$816,222 increase in interest cost and a \$686,942 decrease in foreign currency translation

## Full Year Results Snapshot

### Operating buildings

>1,355



7.1% from  
FY2018

### Net new buildings

90

Including 38 greenfield  
building contracts

### Sq. Ft. under management

>140m

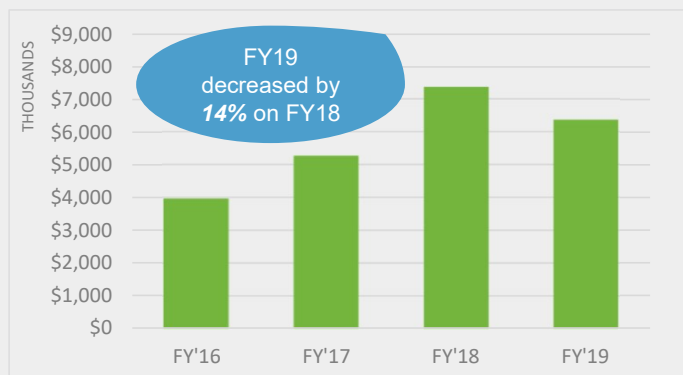
### Customer contract renewal rate

>97%

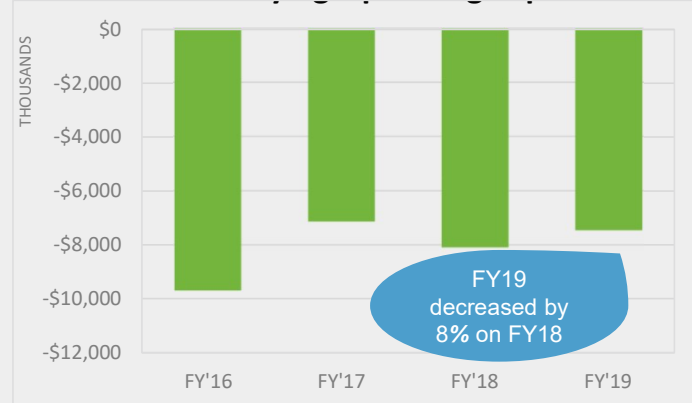
- Announced mCloud EOI
- Converted 8 Greenfield contracts to 5i services
- Completed: Capital Raise in 2H 2019
- Michael Nark departed as CEO and Director

# Business Snapshot

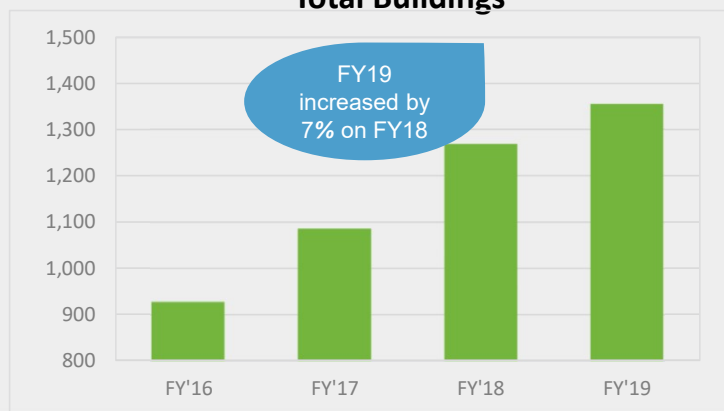
## Revenue



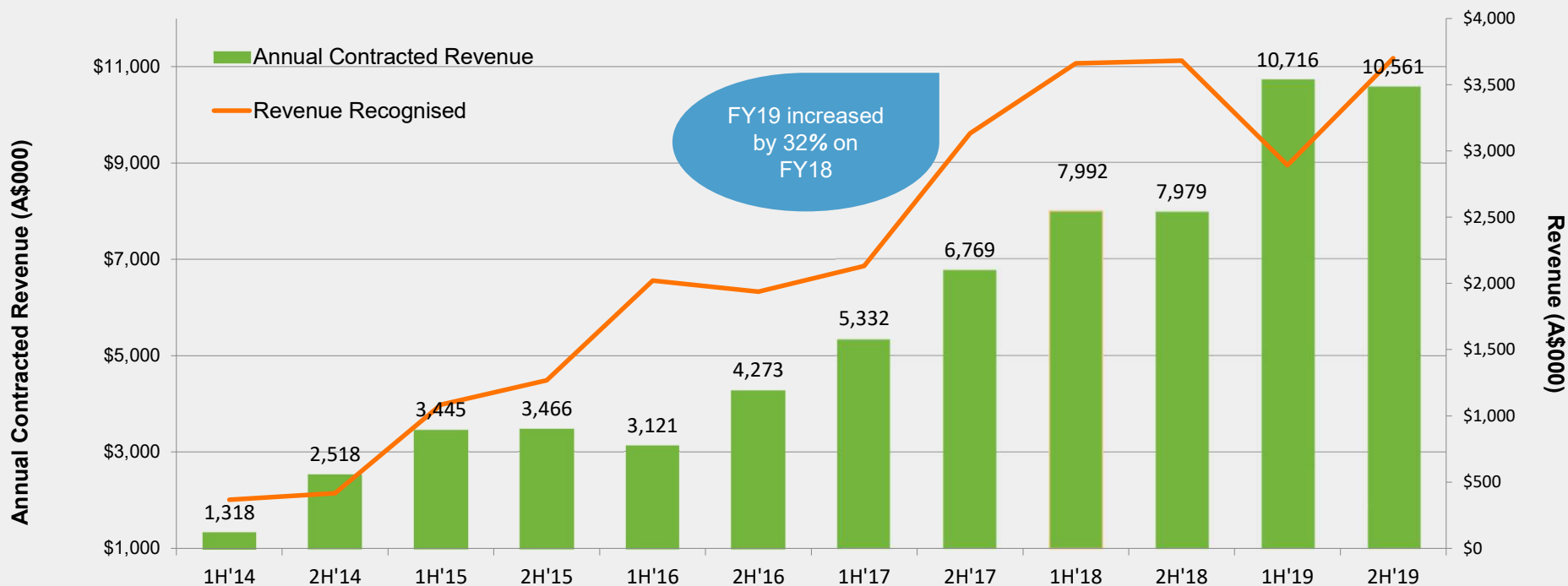
## Underlying Operating Expenses



## Total Buildings



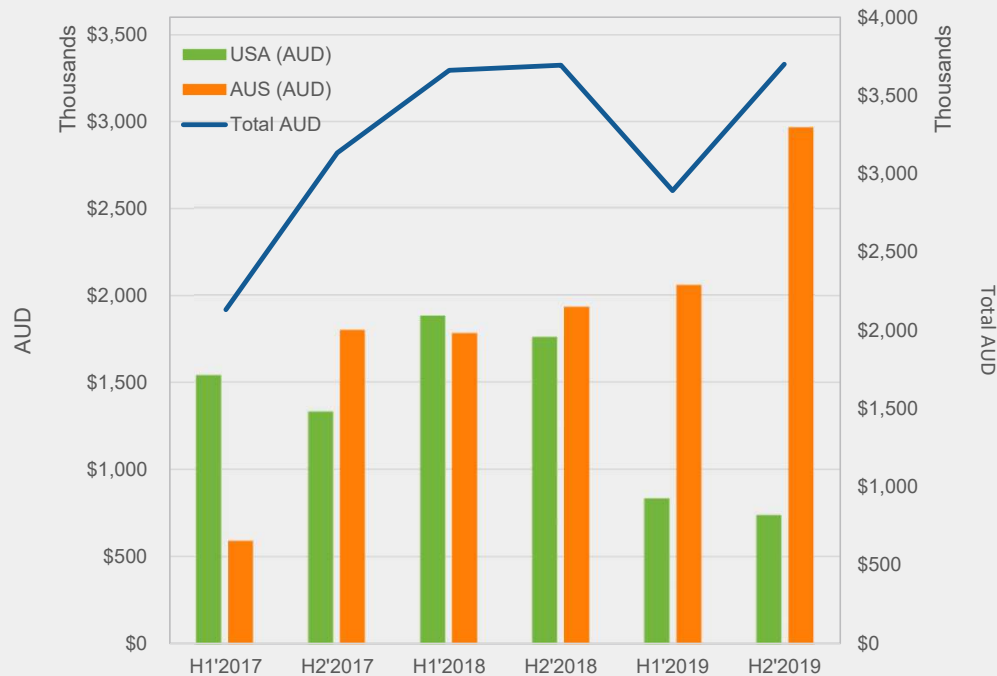
## Annual Contracted Revenue Continues to Lift Year-on-Year



- 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 2020 (excluding Buildingsense), we expect revenue of \$10.56m over the next 12 months, assuming all contracts commence on time.

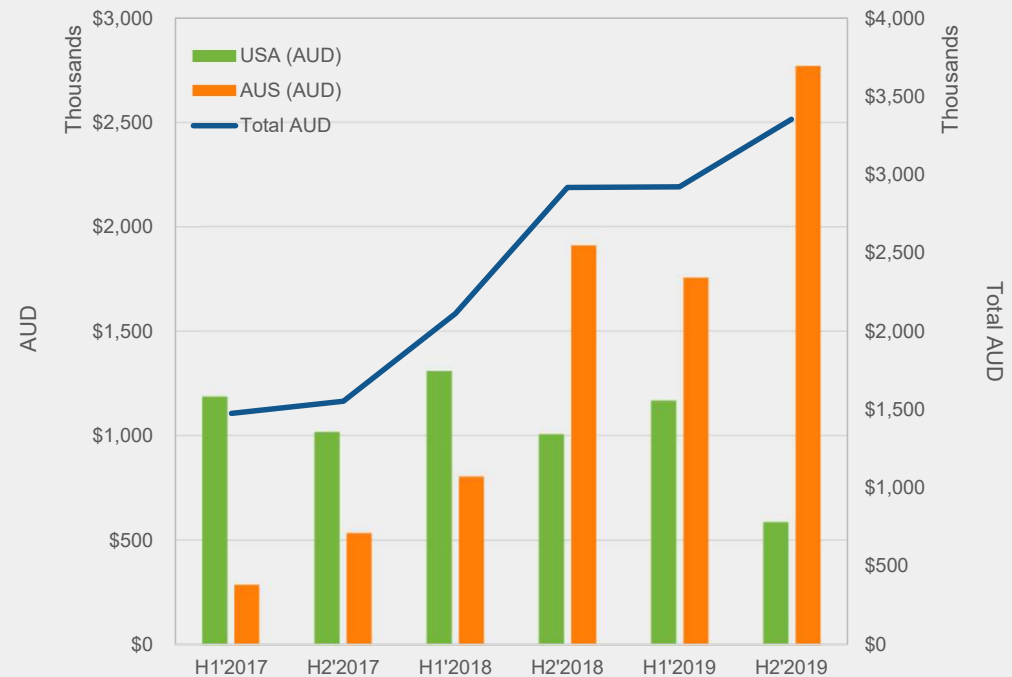
# Revenue & Growth Driven by Greenfield Business

Revenue by geographic region\*



\* US revenue includes provision for bad debts

Cash receipts by geographic region







# mCloud Technologies Corp. (TSXV: MCLD) – Offer to acquire BuildingIQ

## Section 1

## About mCloud Technologies Corp.

- mCloud is a leading provider of asset management solutions combining IoT, cloud computing, artificial intelligence ("AI"), and analytics. The Company is headquartered in Vancouver, Canada with offices in twelve locations worldwide.
- mCloud's AI-powered AssetCare™ platform, offers complete asset management solutions to three distinct segments: smart facilities, power generation, and process industries, including oil and gas. Over 100 blue-chip customers and more than 35,000 assets are connected in thousands of locations worldwide.
- mCloud is listed on the TSX Ventures Exchange (TSX-V: MCLD, MCLD.DB) in Canada and trades over-the-counter (OTC) in the US (OTCQB: MCLDF).

## Terms of the Proposed Transaction

- Non-binding EOI, subject to a period of due diligence and exclusivity and contingent on the execution of definitive agreements.
- mCloud is offering to buy BuildingIQ CDIs on the basis of 1 share in mCloud for every approx. 441 CDIs. This equates to a price of A\$0.0158 per CDI, a 58% premium to BuildingIQ's 08 Feb 2020 closing price and mCloud's 3-day VWAP stock price for the week of 2 February, 2020 of A\$6.97.
- Both companies have agreed to a Break Fee of A\$500,000 on terms consistent with transactions of this nature.
- mCloud provided BuildingIQ with a secured working capital loan of A\$1.5 million on commercial terms on 14 February 2020, managed jointly by mCloud and BuildingIQ.
- mCloud will explore a possible listing of its common shares on the Australian Stock Exchange in addition to current listing/trading.

## Transaction Timeline

The estimated completion dates\* for key elements of the transaction are:

- Completion of BuildingIQ's 2019 Full Year Audit – 31 March 2020
- Definitive Agreement – 8 April 2020
- Approval by CDI holders – 8 June 2020
- Transaction close – 19 June 2020

*\*Note these dates are subject to change.*



# Financial and Operational Results

## Section 2

## Financial Summary (unaudited)

	FY19 \$	FY18 \$	Change on pcp	Comments
Revenue from ordinary activities	6,366,602	7,358,880	(14%)	Closure of US rebate / incentive programs and delay in commencement of major Greenfield projects
Revenue and other income	7,836,142	8,817,475	(11%)	Includes R&D tax rebate of \$1.4m
Operating expenses	(7,457,823)	(8,089,999)	8%	Reduced administrative and marketing expenses
Net profit after tax (NPAT) from ordinary activities	(11,512,998)	(4,467,916)	(158%)	Impairment of Goodwill of \$3,936,019 Provision for bad debt \$537,649 Depreciation & amortisation \$1.9m
Cash and cash equivalents	702,702	1,975,777	(64%)	Result of the above items

# Modified Income Statement (Unaudited)

Income Statement (A\$,000)	CURRENT 2019	PRIOR 2018	% CHANGE	
Revenue	6,367	7,358	(14%)	Closure of US rebate / incentive programs and delay in commencement of major Greenfield projects
Other income	1,470	1,459	1%	R&D grant for research expenses
<b>Total revenue &amp; other income</b>	<b>\$7,837</b>	<b>\$8,817</b>	<b>(9%)</b>	
COGs	(5,242)	(3,876)	(36%)	Additional requirements to support revenue growth from Greenfield Building contracts
<b>Gross Margin</b>	<b>\$2,594</b>	<b>\$4,941</b>	<b>(48%)</b>	
Sales & marketing	(1,793)	(2,091)	14%	
Research costs	(368)	(481)	23%	
Administrative costs	(5,296)	(5,518)	4%	Driven by decrease in administrative, sales and marketing costs
<b>OPEX</b>	<b>\$7,458</b>	<b>\$8,090</b>	<b>8%</b>	
Impairment	(3,936)			FY19 goodwill impairment of \$3.94m
Depreciation & amortisation	(1,898)	(1,323)	(43%)	Includes depreciation on ROU assets of \$430k on adoption of AASB 16 Leases in FY19
Interest income and expense	(815)	4		
<b>Net loss before tax</b>	<b>\$11,513</b>	<b>\$4,468</b>	<b>(158%)</b>	
Income tax expense	-	-	-	
<b>Net loss after tax</b>	<b>\$11,513</b>	<b>\$4,468</b>	<b>(158%)</b>	Due to increased borrowings & interest cost related to office leases on adoption of AASB 16 Leases in FY19

# Balance Sheet (unaudited)

Balance Sheet (A\$,000)		CURRENT 2019	PRIOR 2018
<b>Current Assets</b>	Cash and cash equivalents	703	1,976
	Trade and other receivables	3,599	4,610
	R&D grant receivable	2,672	2,571
	Other current assets	556	811
	<b>Total current assets</b>	<b>7,530</b>	<b>\$9,968</b>
<b>Non-current Assets</b>	Property and equipment	583	107
	Goodwill	932	4,845
	Intangible assets	3,876	3,839
	<b>Total assets</b>	<b>\$12,921</b>	<b>\$18,759</b>
<b>Current Liabilities</b>	Trade and other payables	2,352	1,026
	Provisions & other liabilities	4,515	3,933
	Deferred purchase consideration	120	120
	<b>Total current liabilities</b>	<b>\$6,987</b>	<b>\$5,079</b>
<b>Non-current Liability</b>	Lease liabilities	288	
	<b>Total liabilities</b>	<b>\$7,276</b>	<b>\$5,079</b>
	<b>Net assets</b>	<b>\$5,646</b>	<b>\$13,680</b>
<b>Equity</b>	Issued capital	54,468	51,007
	Accumulated losses & reserves	(48,822)	(37,327)
	<b>Total equity</b>	<b>\$5,646</b>	<b>\$13,680</b>

Trade debtors \$2.6m, accrued income \$1.0m

Changes due to impairment of \$3.94m based on new 'fair value' methodology

Trade payables has increased as a result of Greenfield growth

Includes R&D Financing \$2m, Receivables and other financing \$1m, Employee liabilities and other provisions of \$1.5m



## Operational Summary

- 90 net new buildings added in FY19, including 38 Greenfield Building contracts
- Now operating in more than 1,355 buildings
- Average contract booking per building sqft increased by 12% in FY19
- Customer contract renewal rate held at greater than 97% for FY19.  
Contracts vary significantly in value and duration

## Greenfield Sector - Buildingsense

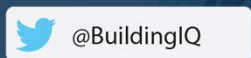
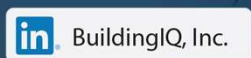
- Australian construction boom continuing to underpin 5i services growth, long-term
- Buildingsense work on Greenfield projects grew further:
  - 38 new building contracts (54 buildings) were added in FY19, for total revenue of circa \$4.6m
  - In 2HFY19: 10 Greenfield projects were completed; revenue generated of circa \$2.6m: NSW 55%, 45% WA. 16 contracts due for completion in 2019 will now be completed in 1HFY20
- The construction boom, and the inherent demand on resources, continues to impact projects and delay revenue

## Greenfield Sector – Looking Ahead

- Currently active projects: 15 (24 buildings)
- Pipeline for Greenfield Buildings in Australia remains strong, circa \$35m:
  - Consistent stream of post-DLP conversion to 5i services
  - 10 potential projects in next 6 months, pending design finalisation
  - Increased project size, including Tier 1 & 2 buildings work in Sydney and Perth CBDs and NSW Cooler Classrooms initiative



Thank you  
BuildingIQ.com



# Investor Communications

## Financial Calendar

2020 Dates*	Details
4 March 2020	FY19 Annual Results Investor Update
31 March 2020	FY19 Annual Report
28 April 2020	Annual General Meeting
30 April 2020	Appendix 4C, Q1 FY2020 Market Update

**\*NOTE:** Dates may be subject to change