

For immediate release - ASX announcement

30 January 2017

BuildingIQ (ASX: BIQ) – Q4 FY2016 Market Update

Financial Summary

- Q4 revenue: A\$0.956 million, compared with A\$0.955 million in the prior corresponding period (YTD revenue: A\$3.762 million)
- Q4 cash receipts from customers: A\$1.006 million (A\$1.246 million in the prior corresponding period)
- Q4 net cash payments: A\$2.316 million, reduced 6.46% from Q3 FY2016
- 2nd half operating expenses reduced 29.09% from 1st half
- Q4 contract bookings: A\$1.955 million, compared with A\$1.017 million in the prior corresponding period (YTD bookings: A\$4.432 million)

Operational Summary

- 23 buildings were added in Q4 for a total of 927 buildings (approx. 70m SF) active on the 5i Platform
- FW (Facility Worksite) Service processed over 53,700 work order requests / transactions on the Platform in Q4 (YTD: 215,400) for 600 plus users
- Launched partnership with GE Current
- Recognised as a CSIRO distinguished partner for the 2016 CSIRO Entrepreneurship Award
- Increased size of business pipeline during the quarter to more than A\$40 million, driven by the take-up of the new 5i Platform offering. This increase included a portfolio of 8 buildings signed up by Energy Conservation & Supply, Inc., (approx. 480k SF as a single customer)

Note: BuildingIQ is incorporated in Delaware and has a 31 December financial year end.

BuildingIQ Inc. (ASX: BIQ) today announced its Q4 Market Update for the 3 months ending 31 December 2016.

President & CEO, Michael Nark, highlighted both the financial and operational results achieved over the final quarter of 2016, indicating they were attributable to the performance of BuildingIQ's 5i Platform combined with efficiencies in business operations (as anticipated in the Q3 Market Update).

"Over the course of the 4th quarter, we have secured several new customers, which further diversified our portfolio by adding 23 buildings. Additionally, we secured several key renewals and extensions from existing customers. The result was that during Q4, we continued to grow BuildingIQ's customer base, providing the foundation for increased cross-sell opportunities across our 5i Platform."

“Pleasingly our operational efforts are driving improved financial metrics. BuildingIQ’s results for the quarter saw a healthy increase in revenue, with an approximately 22% quarter-on-quarter growth (and a level consistent with prior corresponding period). This, coupled with our cost efficiency strategies, resulted in stronger working capital management, focused spending and a solid outlook for 2017” said Mr Nark.

Financial Information

Improving on the financial results in Q3 FY2016 (ASX: Market Update 31 October 2016), total unaudited revenue for the quarter was A\$0.956 million, consistent with management expectations. Unaudited income for the 12 months was A\$4.810 million.

Cash receipts from customers for the quarter were A\$1.006 million. The amount, which was in line with management expectations, reflects the finalisation of the Nevada Energy contract (A\$0.2 million), sales from new customers and solid collections through the quarter.

Since 1H FY2016, management has undertaken significant steps to reduce the cost base across the business. Cash payments were reduced by a further 10.58% or A\$0.290 million over the 3rd quarter and were down A\$0.109 million from the prior corresponding period. Cost savings in 2H FY2016 reflected the anticipated headcount reduction and stricter budgets in marketing, advertising and general administration.

In addition to these cost reductions, approximately A\$0.4 million of cash outflows per quarter will be recouped by the receipt of the R&D tax rebate, which is generally received in the June quarter of each year. Management’s current estimate for the 2017 receipt is a total R&D tax rebate of approximately A\$1.968 million.

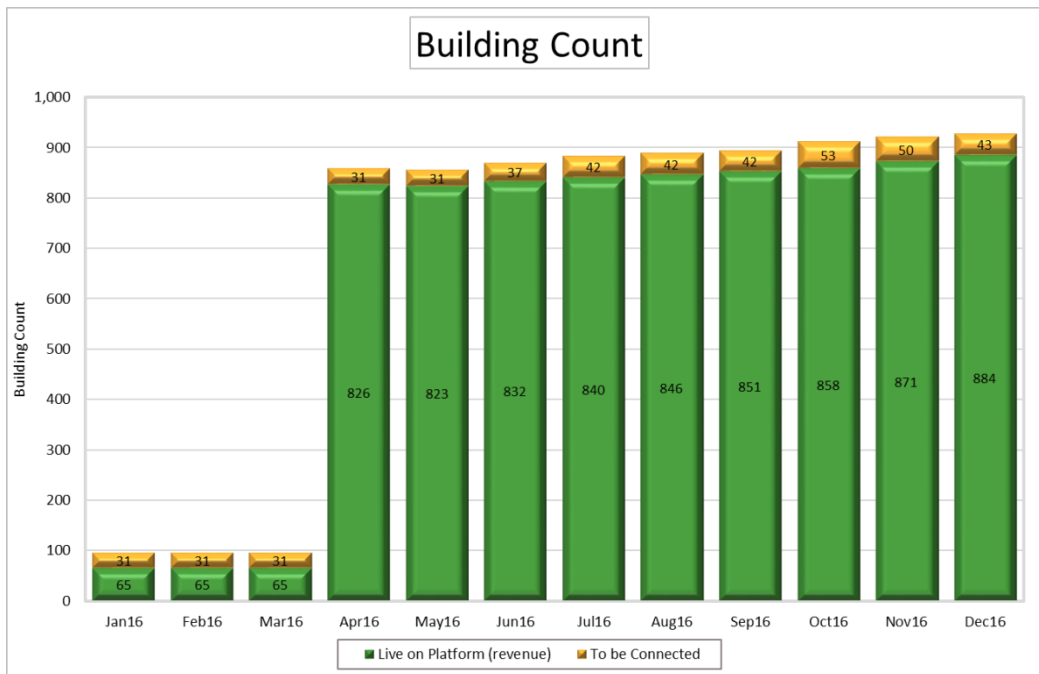
The following table summarises the cash receipts and net cash payments for FY2016:

	Receipts from customers A\$'000	Net Cash Payments A\$'000
Q4'16	1,006	2,316
Q3'16	770	2,742
Q2'16	890	3,191
Q1'16	335	2,700

Operational Information

A growing portfolio as buildings added in Q4

As noted above and illustrated in the following chart, BuildingIQ secured several new customers over the quarter. The transactions completed will add 23 new buildings to the 5i Platform, bringing the total new buildings for FY2016 to 93. The full impact of these new buildings, which are typically for terms between 12 and 36 months, will flow through in the 2017 financial results.



Over the quarter, progress continued to be made in decreasing deployment times of our 5i Platform services. The average deployment is now below 2.5 months, resulting in a further reduction of our deployment pipeline by 30%.

Strategic Growth Review Continues

The Company commenced a strategic review in Q3 FY2016 to consider the best way to accelerate sustainable revenue growth.

The review is ongoing and is focused on expanding the BuildingIQ 5i Platform sales through alternate, cost effective distribution models. The scope considers:

- strategic partnerships, like our recently announced relationship with GE Current, which services an established building install base,
- relationships that will deliver accelerated customer acquisition in markets, such as Asia Pacific where the Company has chosen not to establish direct sales capabilities, and inorganic opportunities that enable customers to gain the full benefit of the 5i Platform.

Removal of US Investor Restriction

Since listing in December 2015, US residents have been restricted from investing in BuildingIQ through the Chess Depository Interests (CDIs). Following an application from the Company, ASX Settlement has advised that the restriction will be removed, effective from Wednesday, 1 February 2017.

Future Updates

The Company will hold a conference call at 11am (AEDT) on 31 January 2017 to discuss this announcement. Please refer to announcement headed "BuildingIQ Investor Call" dated 30 January 2017 for the dial-in details. Please use the computer login (<https://global.gotomeeting.com/join/967723597>) set out in the ASX release (30 January 2017) if you wish to submit typed questions via the "chat" functionality.

BuildingIQ will announce its Full Year Results for 2016 on 24 February 2017. The full Financial Calendar for 2017 is noted below.

Financial Calendar

2017 Dates*	Details
February 24, 2017	FY2016 Annual results
April 28, 2017	Q1 Market Update
May 18, 2017	Annual General Meeting
August 25, 2017	FY2017 Interim results
October 27, 2017	Q3 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 with none of the drawbacks. Approximately 70M square feet of building space is currently under management with BuildingIQ.

Investors in BuildingIQ include the Venture Capital unit of Siemens Financial Services, Paladin Capital and Exto Partners.

www.buildingiq.com

+Rule 4.7B

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

BuildingIQ Inc

ABN

605 422 160

Quarter ended ("current quarter")

31 December 2016

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities			
1.1 Receipts from customers		1,006	3,136
1.2 Payments for			
(a) research and development		(738)	(1,968)
(b) product manufacturing and operating costs		-	-
(c) advertising and marketing		(115)	(662)
(d) leased assets		-	-
(e) staff costs		(1,030)	(5,418)
(f) administration and corporate costs		(560)	(3,161)
1.3 Dividends received (see note 3)		-	-
1.4 Interest received		2	12
1.5 Interest and other costs of finance paid		-	-
1.6 Income taxes paid		-	-
1.7 Government grants and tax incentives		(10)	1,682
1.8 Other (provide details if material) Capital-raising and Acquisition costs		-	(329)
1.9 Net cash from / (used in) operating activities		(1,445)	(6,708)
2. Cash flows from investing activities			
2.1 Payments to acquire:			
(a) property, plant and equipment		(22)	(115)
(b) businesses (see item 10)		-	(1,305)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	(377)	(1,699)
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	(4)	(11)
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
	CSIRO R&D License Fees	(468)	(468)
2.6	Net cash from / (used in) investing activities	(871)	(3,598)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (Capital raising costs: capitalised)	-	(119)
3.10	Net cash from / (used in) financing activities	-	(119)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	12,249	20,935
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,445)	(6,708)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(871)	(3,598)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	(119)
4.5	Effect of movement in exchange rates on cash held	507	(70)
4.6	Cash and cash equivalents at end of quarter	10,440	10,440

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	10,440	12,249
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	10,440	12,249

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter
\$A'000

45

-

Payment of Board and Director's Fees

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter
\$A'000

-

-

N/A.

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		
N/A.		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	(414)
9.2 Product manufacturing and operating costs	-
9.3 Advertising and marketing	(95)
9.4 Leased assets	-
9.5 Staff costs	(1,177)
9.6 Administration and corporate costs	(741)
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	(2,427)

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	-	-
10.2 Place of incorporation or registration	-	-
10.3 Consideration for acquisition or disposal	-	-
10.4 Total net assets	-	-
10.5 Nature of business	-	-

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here: Date: 30 January 2017
(Company secretary)

Print name: Ian Gilmour

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. Included in the current period are various adjustments relating to prior period cost allocations. These adjustments are not material, and do not affect Net cash from / (used in) operating activities, Net cash from / (used in) investing activities, or Net cash from / (used in) financing activities.