



# Investor Presentation

## 24 August 2016

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CEO & CFO

# Forward Looking Statements



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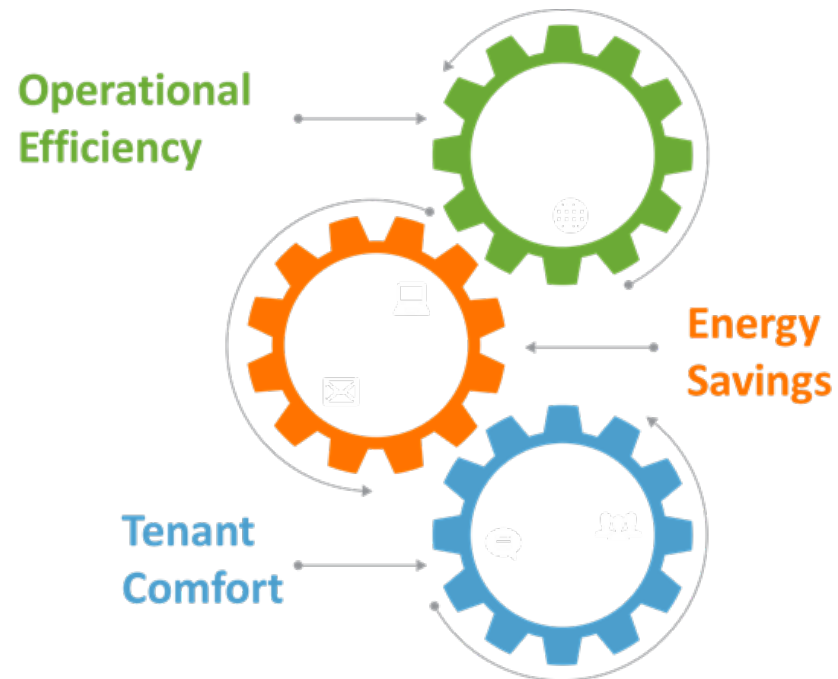
Certain statements throughout this document regarding the Company's financial position, business strategy, and objectives of Company management for future operations are forward-looking statements rather than historical or current facts.

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.

## SECTION 1

# About BuildingIQ



# About BuildingIQ

- BuildingIQ uses proven technology and data analytics to address the **large global energy efficiency market and generate recurring revenue.**
- Utilises **intelligent predictive analysis** to uncover energy savings and capture those savings by **optimising** the **current automated control.**
- Typically **reduces energy usage & cost by 10% to 25%** and up to 20% peak load reduction in Demand Response (DR) events.
- **Broad array of clients** in commercial & government offices, healthcare, education, hospitality & retail.
- **Owns technology patents** - based on technology originally developed by the **CSIRO.**
- **International business** with offices in US and Sydney.

# Why BuildingIQ

## Proven technology

- Cloud-based SaaS energy management and optimisation software for large commercial building portfolios
- Patented under exclusive license from CSIRO
- Intelligent platform responds automatically (“closed loop”)
- Predictive analysis uncovers and captures energy savings

## Compelling value proposition

- Delivering operational efficiency, energy savings plus, tenant comfort
- Reducing energy usage and costs typically by 10% - 25% and up to 20% peak load reduction in Demand Response events

## Scalable business model, global market opportunity

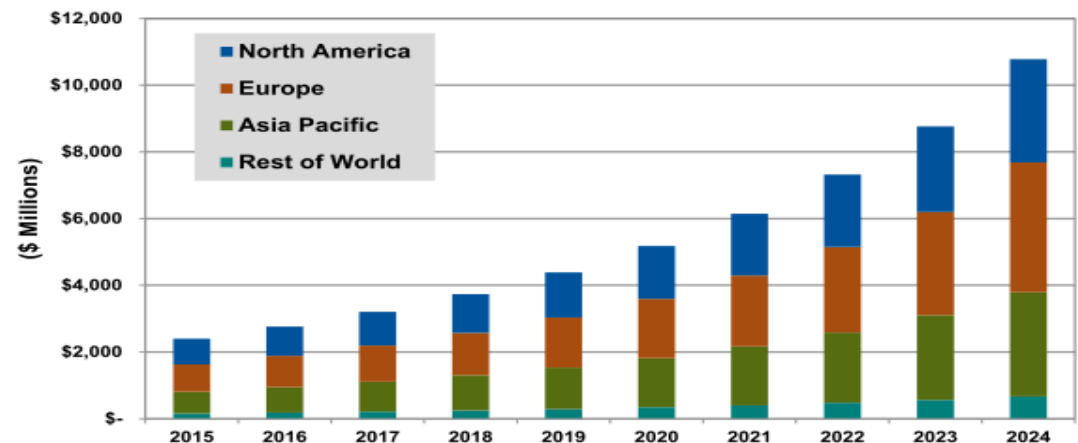
- Broad array of clients in commercial and government offices, healthcare, education, hospitality and retail
- Predicted growth in the global Building Energy Management sector from US\$2.4B in 2015 to US\$10.8B in 2024

# The Need and Opportunity

Our clients continually changing and expanding needs are underpinning the broader array of services and our ability to capture greater market share

- Increasing focus on controllable operating costs
- Resource constraints
- Increasingly complex systems
- Smart grid interaction
- Demand for automated control

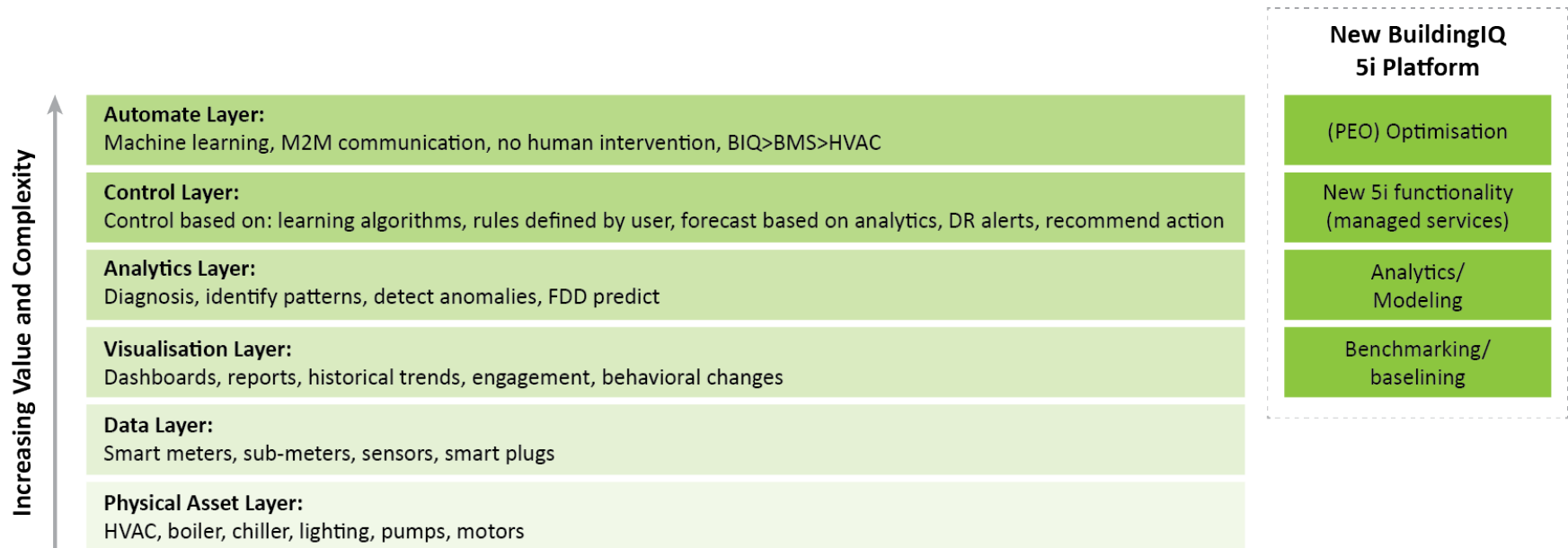
*BEMS Revenue by Region, World Markets: 2015-2024*



(Source: Navigant Research)

# Delivering Solutions Across the Energy Efficiency Value Chain

BuildingIQ is focused on more sophisticated predictive analytics and automated control



# Our Technology

## 5i Platform Approach

Services

### Building Operations



Facility Worksite



Systems Enablement



Comfort Command



Retro-Commissioning HVAC Controls



HVAC Continuous Commissioning

### Measurement & Verification



Energy Worksite



PEA



AM&V

### Predictive Control



Demand Response



PEO

Partners  
Technology /  
Value Add  
Solutions

## BuildingiQ 5i Platform

Platform

API Services

Predictive Analytics

Demand Peak Load

Modeling  
Optimizer  
Machine Learning

Monitoring  
Trending  
Alerting  
Reporting  
Configuration

Translation  
Storage

Data  
Ingestion &  
Aggregation

Data | Control

### Site Agent

Occupancy  
HVAC Building Physics

Smart meter

### External Data Sources

Weather

Utility  
Tariffs  
Demand Signals

Gas

Other  
Sources



# Energy Data Intelligence in Action

## Zone Controls

Zone level optimisation  
Zone level DR  
Advanced thermal modeling

## Poorly Functioning or Limited Function BMS

BMS recommissioning  
HVAC management  
AHU level optimisation

## Rudimentary or No BMS

Energy spend tracking and issue ID  
Equipment failure heads up  
Better allocation of FM team



## Finely Tuned BMS

Deep diagnostics  
Fine grain optimisation  
Granular comfort scenarios

## Campus

Centralised view of energy performance  
Glance-able outliers

## Portfolio

Customised portfolio view  
Geographic energy grouping  
Multi-utility DR management

# Client Results - Consistent Value

## Operational Efficiency | Energy | Comfort



### Multi Tenant

- Modern, efficient Metasys EA BMS
- 9.0% HVAC energy savings



### Single Tenant

- Siemens Apogee BMS
- 17.4% HVAC energy savings
- >\$90K savings



### Hospital

- 1.7M kWh savings over 14 months
- 20% overall savings at summer peak
- 10% peak demand reduction



### School

- LEED Gold certified buildings
- Identified cause of 2x energy intensity increase
- Transition from BMS tuning to predictive control

## BuildingIQ Sustained Value

Compliance

Energy

Energy

Operations Savings

Compliance

Sustainable Energy Savings

Peak Penalty Avoidance

Utility Incentives

Utility program compliance

Augmented Facility Team

Evolving Services on One Platform

# BuildingIQ Highlights

## PROVEN TECHNOLOGY

- Contracted in over 775 buildings in the US and Australia, providing tenant comfort
- Delivering operational efficiency, energy savings, and free cash flow to over 140 customers

## COMPELLING VALUE PROPOSITION

- BuildingIQ is software and service with low or no upfront cost, no capex
- Provides savings and free cash flow to customers

## SCALABLE BUSINESS MODEL

- Cloud-based SaaS solution with recurring subscription revenue model
- Contract terms are typically 12-36 months, provides long-term revenue visibility

## LARGE GLOBAL MARKET OPPORTUNITY

- Global building energy management sector to grow from US\$2.4B in 2015 to US\$10.8B by 2024
- Growing customer focus on cost, economic benefits plus regulatory momentum

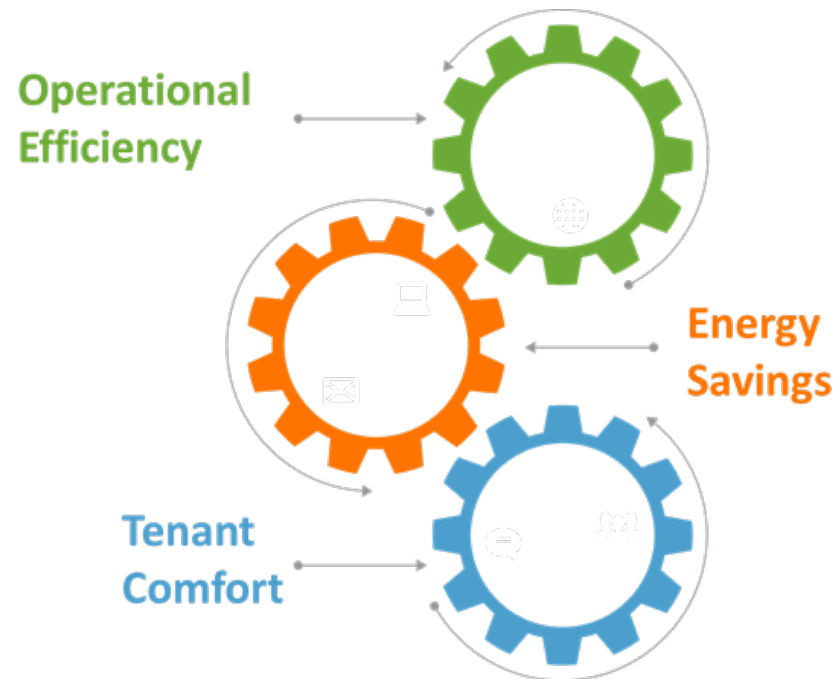
## STRATEGIC RELATIONSHIPS

- Works with major BMS players, including Schneider Electric and Siemens
- Innovative partnerships with government and large electric utilities

**Note:** Building Management System (BMS)

## SECTION 2

# Business Update



# Utility contract – accrued revenue impairment

- BuildingIQ recognised revenue (& received cash payments) under an MOU entered into in 2012 at the specified rate per square foot.
- Predictive Energy Optimization (PEO) was one of five technologies (from 5 different companies) that was a part of a utility trial for commercial and industrial building owners.
- Performance thresholds were set in order for public regulatory authority funding to be made available. BuildingIQ met these thresholds but the overall program (for the five technologies) did not – accordingly funding was not made available.
- Rather than pursue recovery the company considered it to be in its best commercial interests to enter into new contractual arrangements to provide PEO to a portfolio of buildings with a total size of 2.5M square feet and accept a cash payment of approximately A\$220k.
- As a consequence approximately A\$720k of accrued revenue was impaired at 30 June 2016.
- The new contract is expected to generate A\$300k of revenue over the next twelve months. This is lower than previously anticipated and reduces 2H16 revenue by approximately \$150k subject to the performance element of the contract.

## Financial Drivers

- Monthly recurring revenue in June A\$0.35m
- Annual Contracted Revenue of A\$1.8m added during the period.

**Annual Contracted Revenue** represents contracted recurring revenue and non-recurring revenue potentially earnable over a 12 month period. Contracts expiring within 12 months, renewal is assumed. If contracts > 12months, only revenue within period included. This new measure better reflects business performance as our current contracts vary between one (remaining) month up to greater than 5 years.

## Business Model Drivers

- > 600 Buildings added to the portfolio (primarily through acquisition)
- Average building SF decreased by acquisition
- > 60M SF under contract

# 2016 Performance

## PERFORMANCE TO DATE

- Acquisition and integration of Energy & Facility WorkSite completed
- Increase in building portfolio from 153 (December 2015) to 781 at 30 June 2016 - substantially due to acquisition
- Acquired core technology from CSIRO
- Launch of transformational new 5i Platform
- New significant wins in Higher Education and CRE markets
- US patent granted
- Substantively cleared implementation backlog
- New VP Product, VP Operations and VP Marketing in place

# Second half focus

In light of the performance during the first half, the Board and management are reviewing the priorities and targets for the remainder of the year. At this point this includes a focus on:

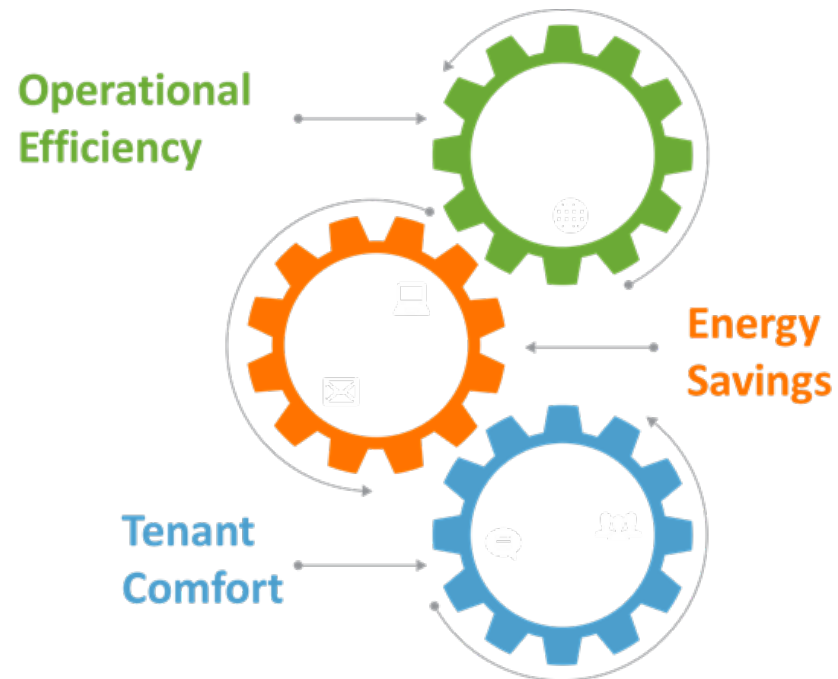
- Shortening sales cycle to convert growing sales pipeline
- Further reducing implementation time-frames
- Monthly recurring revenue
- Re-evaluating the cost base
- Reconsidering both organic and inorganic expansion opportunities

We will keep shareholders informed of material developments as we focus on driving growth in the underlying business.



## SECTION 3

# Key Financial Information



# Income Statement

Income Statement (A\$ in thousands)	PRIOR 30.6.15	CURRENT 30.6.16
Revenue	1,870	2,024
Other income	276	564
<b>Total revenue &amp; other income</b>	<b>\$2,146</b>	<b>\$2,589</b>
COGs	896	1,145
<b>Gross Margin</b>	<b>\$1,249</b>	<b>\$1,443</b>
Sales & marketing	1,305	2,019
Research costs	676	933
Administrative costs	911	1,802
<b>Total underlying OPEX</b>	<b>\$2,892</b>	<b>\$4,754</b>
<b>Underlying EBITDA (loss)</b>	<b>\$1,642</b>	<b>\$3,311</b>
Depreciation & amortisation	317	342
Finance costs (net of interest income)	411	(9)
Employee options expense	39	81
Transaction advisory costs	-	121
Impairment of accrued revenue	-	719
<b>Net loss before tax</b>	<b>\$2,409</b>	<b>\$4,565</b>
Income tax expense	-	-
<b>Net loss after tax</b>	<b>\$2,409</b>	<b>\$4,565</b>

Recurring revenue up from \$1.6m to \$2.0m

Relates to R&D grant for research expenses.

Increase driven by employment costs (up 42%) – headcount in sales, R&D and exec team. Balance due to marketing & public coy costs

Energy WorkSite & Facility WorkSite acquisition costs

Impairment of accrued revenue from utility program

# Balance Sheet

Balance Sheet (A\$ in thousands)		PRIOR 31.12.15	CURRENT 30.6.16
<b>Current Assets</b>	Cash and cash equivalents	20,983	14,988
	Trade and other receivables	1,616	1,596
	R&D grant receivable	1,648	903
	Other current assets	255	200
	<b>Total current assets</b>	<b>\$24,502</b>	<b>\$17,687</b>
<b>Non-current Assets</b>	Property and equipment	92	120
	Goodwill & intangibles	887	5,578
	Other non-current assets	93	140
	<b>Total assets</b>	<b>\$25,576</b>	<b>\$23,525</b>
<b>Current Liabilities</b>	Trade and other payables	589	423
	Provisions & other liabilities	1,001	1,400
	Deferred consideration	-	2,687
	<b>Total current liabilities</b>	<b>\$1,590</b>	<b>\$4,510</b>
	<b>Total liabilities</b>	<b>\$1,590</b>	<b>\$4,510</b>
	<b>Net assets</b>	<b>\$23,985</b>	<b>\$19,015</b>
<b>Equity</b>	Issue capital	44,176	44,079
	Accumulated losses & reserves	(20,191)	(25,065)
	<b>Total equity</b>	<b>\$23,985</b>	<b>\$19,015</b>

Trade debtors \$0.6m, Gov.  
Receivable \$0.4m, Utility  
Receivable \$0.2m

June amount represents 6 months  
compared to 12 months at  
December

Goodwill from acquisition \$4.1m  
& CSIRO buy-out \$0.5m

Relates to acquisition of Energy  
WorkSite & Facility WorkSite

# Our Board and Executive Team

Combining energy efficiency and commercial building sector experience with valuable strategic and financial relationships



**Michael Nark**  
President and CEO /  
Executive Director



**Rob Goss**  
CFO and Company  
Secretary



**Adam Bensen**  
VP Engineering



**Dave McCroskey**  
VP Global Operations



**Sampath Gomatam**  
VP Product



**Alan Cameron**  
Chair/Non-Executive  
Director



**Tanya Cox**  
Non-Executive Director



**William Deane**  
Non-Executive Director



**Gerd Goette**  
Non-Executive Director



**Ken Pentimonti**  
Non-Executive Director



# Thank you!

[www.buildingIQ.com](http://www.buildingIQ.com)