

# Operational Update

ASX: BIQ

## Overview

In BuildingIQ's most recent update (*ASX: Q1 FY2018 Market Update - 27 April 2018*), the Company announced it had delivered consecutive quarters of growth in the number of buildings active on the 5i Platform since June 2016. BuildingIQ services are now provided to over 1,100 buildings (approx. 110m SF under contract). Expectations of continued growth were noted in our 1H FY2018 Operational Outlook (to 30 June 2018), which indicated 45 New Buildings under Contract resulting in 110m SF under contract being exceeded and continued growth in Greenfield buildings.

This Operational Update provides a snapshot of recent growth, contributed through our multi-faceted approach of channel partnerships; direct sales; and renewals.

Our commitment to the ongoing investment in technology R&D, which drives the development of new services, also supports growth. In this Update we share details of BuildingIQ's recently launched Mobile App.

## Entering New Markets through Channel Partnerships

Our Channel Partnerships program supplements our direct sales efforts. Agreements have recently been established with a number of new partners to enter new markets, including the following:



**Caribbean Islands and Columbia, South America** in commercial office, healthcare, and hospitality sectors for the suite of 5i services. PURfx, Inc. provides turnkey solutions from Design/Build Engineering and Project Management to Custom Fabrication and Installation. BuildingIQ services will help PURfx differentiate its sustainable solutions.



**Dubai, UAE.** Through our partner, Smart Energy Automation, LLC, who provide turnkey solutions for facilities, BuildingIQ's full 5i services will be implemented alongside SmartAE's extensive facility services.

Whilst these new partnerships are exciting opportunities for BuildingIQ, at this stage it is too early to ascribe the revenue benefits.

## Channel Partners – expanding new business opportunities

Our existing and new channel partnerships are important in broadening BuildingIQ's direct sales efforts.



McMac Commissioning Services, LLC deliver third party systems commissioning services to the commercial market. The partnership will expand our services in the Texas market.



JouleSmart Solutions integrate technical, operational, and financial solutions to help small- and mid- sized businesses access the benefits of smart building management. The partnership will offer EWS and FWS.

Utility incentive programs that are offered to businesses to enable Platform adoption, are another aspect of our Channel Partnerships program.

Our partnership with the New York State Energy Research and Development Authority (NYSERDA) is now well over a year old. The Emerging Technologies and Accelerated Commercialization (ETAC) and Real-Time Energy Management (RTEM) Program are designed to promote solutions that use building data to optimize energy usage and offer cost-sharing incentives for installing the systems, continues to deliver new business.

The following are some of the buildings in the state of New York that recently adopted BuildingIQ's 5i Platform services through this program:

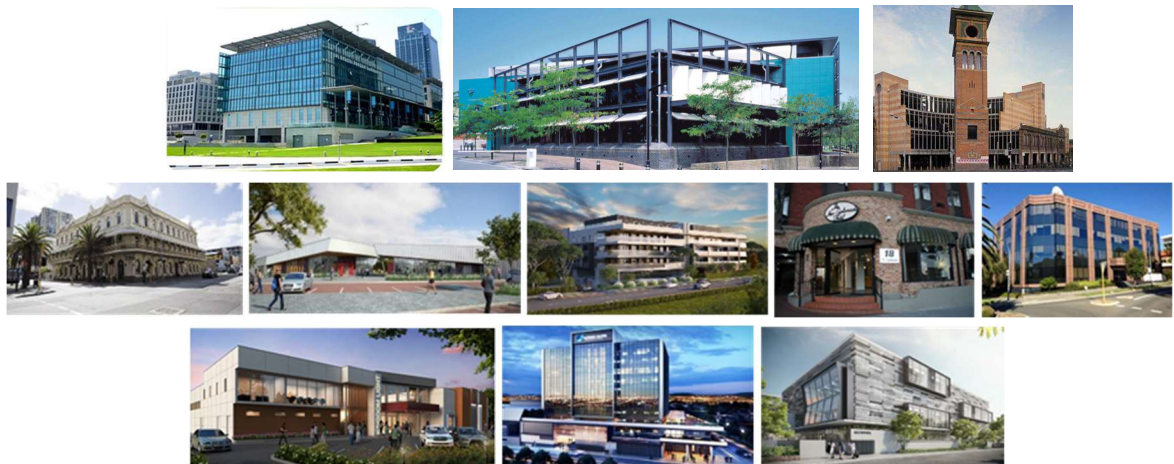
- Family Recreation Centres – a portfolio of twenty-four buildings
- Medical Office - a portfolio of two buildings
- Commercial Office – a portfolio of two buildings
- Hospital / Medical Complex – a portfolio of three buildings

## New Business

BuildingIQ continues to experience growth across all sectors, in its key markets of Australia and North America. Specifically, in Australia, and alongside our partner BuildingSense, there has been continued growth in the number of greenfield buildings, which utilise the services of the 5i Platform from initial construction through ongoing operations.

Below (and shown from L to R) are some examples of the buildings that have recently contracted BuildingIQ.

- SCB, Dubai, UAE – Visualization, Analytics, Control and Optimization
- Department of Transport, Eveleigh NSW - Visualization and Analytics
- University of Technology, Ultimo, NSW - Visualization, Analytics, Control and Optimization
- Melbourne Hotel, Perth, WA - heritage listed landmark hotel
- Ernest Johnson Reserve facilities, South Perth, WA
- Regis Aged Care – Woodlands, WA
- Esplanade Hotel, Fremantle, WA
- 24 Outram St, Perth, WA
- Kingdom Light Church, Perth, WA
- Flinders Centre, Bankstown, NSW
- MLC School, Burwood, NSW



Additionally, through our partnership with a mechanical engineering firm, the new Phoenix Art Gallery, an integrated performance space, garden and art gallery in Chippendale, NSW – has commissioned our services.

## Renewals – validating the customer benefits

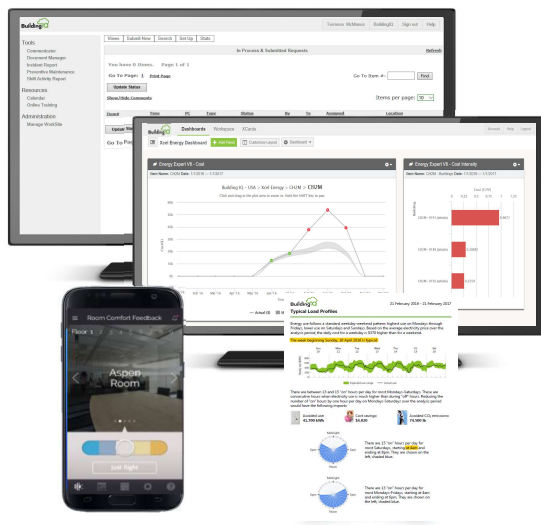
BuildingIQ's strong ongoing renewal rates from existing customers is validation of the operational efficiency and improved occupant comfort delivered to customers by the workflow component of our 5i Platform of services.

Contracts are typically for between 12-36 months and currently, better than 95% of all contracts are renewed when due. Over past four months, all contracts that were up for renewal – more than 20 customers were re-signed.

Below are some of the companies that renewed their Facility Worksite contracts over the period:

- Pacific Office Properties (four sites)
- Rockwell Automation (single site)
- Marsden Holdings (enterprise >100 sites)
- Honeywell – CN Tower (single site)
- Capri Urban Baldwin (three sites)
- Landmark Master Assoc. (two sites)
- Beacon Power Services (enterprise >25 sites)
- Building Maintenance Management (BMM) (enterprise >50 sites)

## New Services – continuing to invest in technology R&D



One of BuildingIQ's core strategic growth initiatives is to invest in technology R&D and, in doing so, continually seek to extend the services available to customers using the 5i Platform.

Our recently launched Mobile App, designed to provide a building's facilities team with access to BuildingIQ's 5i Platform while on-the-go, has received very positive feedback and a demand for more mobile features. As a result of this feedback, we are accelerating the integration of mobile into our 5i services.

BuildingIQ currently receives an ATO R&D Tax credit of \$2m per annum, which supports our product innovation initiatives.

Our Outcome-based Fault Detection (OFD) service was launched this week. OFD leverages our data science, human expertise and workflow engine, in helping discover, diagnose, prioritise, and action equipment and operational faults; and then close the loop by validating the change in data trends. With OFD, BuildingIQ is bringing a differentiated service to a market that not only helps maximise existing facility personnel, but also creates opportunities for other BuildingIQ services, such as Control and Optimization.

## Case Study – proof of concept

Hospital cuts operational costs by A\$54,000 annually utilising the BuildingIQ Platform.

In 2016, the St. John of God Murdoch Hospital in Perth, which operates more than 500 beds and provides comprehensive medical services to nearly 50,000 patients per year, invited BuildingIQ to test and evaluate the potential of the 5i Platform to improve the facility's energy strategy.



A six-month proof of concept was agreed. BuildingIQ committed to saving the hospital 5% of total energy based on optimising 80% of the space in 6 months.

The staged approach that led to savings being delivered by BuildingIQ included monitoring the energy performance data and the responsiveness of the building management system, providing advice on power surges and the recommended plant tuning requirements and the phased optimisation of the building.

Despite only managing half of the 38,450-sqm. hospital, BuildingIQ's services reduced the facility's projected HVAC energy consumption by 10 percent and its overall projected energy consumption by 5 percent. The reductions translated to net savings per month of approximately \$4,500. The savings are expected to grow over the remaining years of the initial contract.

The hospital is part of St. John of God Health Care, a leading not-for-profit health care group serving Australia, New Zealand, and the wider Asia-Pacific region. The success of the strategy in this hospital can be easily scaled and replicated among other St John of God Health Care properties, with our platform serving as a central portal for operational information.

### 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. Over 100M square feet of building space is currently under management with BuildingIQ. [www.buildingiq.com](http://www.buildingiq.com)

### Foreign Ownership Restrictions

BuildingIQ's CHES Depositary Interests (CDIs) rely on the exemption from registration contained in Regulation S of the US Securities Act of 1933 (Securities Act) for offers or sales which are made outside the US. Accordingly, the CDIs have not been, and will not be, registered under the Securities Act or the laws of any state or other jurisdiction in the US. The holders of BuildingIQ's CDIs are

unable to sell the CDIs into the US or to a US person unless the re-sale of the CDIs is registered under the Securities Act or an exemption is available. To enforce the above transfer restrictions, all CDIs issued bear a 'FOR US' designation on the ASX. This designation restricts any CDIs from being sold on ASX to US persons. In addition, hedging transactions with regard to the CDIs may only be conducted in accordance with the Securities Act.