Facilio Recognized for

2021

Product Leadership

Global IoT Solution for Building Operations
and Maintenance Industry
Excellence in Best Practices

FROST *&* SULLIVAN

Best Practices Criteria for World-Class Performance

Frost & Sullivan applies a rigorous analytical process to evaluate multiple nominees for each award category before determining the final award recipient. The process involves a detailed evaluation of best practices criteria across two dimensions for each nominated company. Facilio excels in many of the criteria in the IoT solution for building operations and maintenance space.

AWARD CRITERIA

Product Portfolio Attributes	Business Impact
Match to Needs	Financial Performance
Reliability and Quality	Customer Acquisition
Product/Service Value	Operational Efficiency
Positioning	Growth Potential
Design	Human Capital

Emerging Growth Opportunities in an Evolving Market

The global building operation and maintenance (O&M) space is undergoing a significant digital transformation owing to the rapid deployment of advanced technologies [such as automation, artificial intelligence (AI), Internet of Things (IoT), and cloud computing], progressively ubiquitous connectivity, and ever-evolving machine-to-machine networks across the built environment. The growing focus on building energy management (and the corresponding need for proper energy benchmarking and environmental, social, and corporate governance reporting) led by supportive government policies and energy reduction targets further drives this ongoing digitalization. To this end, real estate owners and operators increasingly deploy AI-based and IoT-driven platforms to leverage data and analytics-driven insights to facilitate improved decision-making capabilities to optimize building operations and streamline maintenance activities.

The COVID-19 pandemic considerably accelerated the ongoing digitalization across all industry verticals. The residential and commercial real estate space, in particular, is witnessing an intensifying demand for operational transparency, agility, and efficiency from building tenants and occupants. Likewise, the more stringent government regulations and higher service level agreement adherence thresholds in critical verticals such as the healthcare sector propel the demand for IoT-enabled building O&M solutions. Furthermore, the growing electronic commerce in the retail food segment spurs the need for optimized O&M capabilities in cold storage and warm storage facilities. The increasing demand to

maximize profits by improving energy efficiency, reducing operational risks, and optimizing building O&M systems from these verticals drive the IoT solutions for building O&M market growth.

Despite these positive prospects, the building O&M space's traditional business model consisting of multiple, incompatible systems (such as disparate automation systems and equipment for lighting, fire safety, water systems, and access), point solutions (such as tenant management, maintenance management, space and lease, and asset inventory), and teams working independently in silos significantly reduces operational efficiencies and decreases profit margins for customers. This rigid approach restricts access to real-time building data leading to limited decision-making visibility and results in higher operational risks and overlooked opportunities. Moreover, existing solutions fail to cater to customers' integration needs with extensive and diverse real estate portfolios.

Frost & Sullivan anticipates market participants with IoT-driven technology platforms that leverage data generated from built environments to enhance service delivery, control, and monitoring will witness robust growth in the coming years. Moreover, participants adopting the everything-as-a-Service model to deploy software solutions with exceptional customer value and improved customer experiences will enjoy accelerated market adoption.

Facilio: AI-driven Operations and Maintenance Platform for Real Estate Portfolios

Founded in 2017, New York, United States-headquartered Facilio is a pure-play enterprise software-as-a-service (SaaS) company offering an AI- and IoT-powered property operations platform that allows

"In a space dominated by hardware-centric incumbents, Facilio employs a differentiated software platform approach to address the challenges prevalent in the traditionally siloed and fragmented building operations market. A huge differentiator for Facilio is the depth of alignment it creates between people, processes, automation systems, and business software across multiple buildings into a single pane of glass software, and in real-time."

- Dennis Marcell Victor, Industry Analyst – Energy & Environment

owners and operators to aggregate their building data, optimize performance, and control operations across their entire real estate portfolios. The company's end-to-end cloud-based solutions run data-driven operations for customers across retail, office, healthcare, and higher education categories. Facilio maintains partnerships with 15+ prominent original equipment manufacturers (OEMs) and 30+ system integrator (SIs) partners, serving a global enterprise client base across North America, Brazil, the United Kingdom, Europe, Middle East, Asia Pacific, and Australia. The company serves real estate portfolio owners, operators, and service providers of leading companies such as ICD Brookfield, Mercatus, and Aster Hospitals.

In a space dominated by hardware-centric incumbents, Facilio employs a differentiated software platform approach to address the challenges prevalent in the traditionally siloed and fragmented market. The company's platform harnesses the IoT edge to consolidate disparate vendor and automation systems to aggregate data in real time, generate actionable insights, and instantaneously develop a complete operational picture of a customer's building assets. Facilio utilizes these data driven insights within its suite of SaaS applications to optimize building performance, remotely control spaces and assets in real time, elevate tenant/customer experience, realize energy savings, and facilitate

sustainable operations. The company complements its powerful data-driven platform **with a purpose-built** applications suite addressing a modern real estate portfolio's specific needs, simplifying O&M activities significantly.

Facilio offers its suite of products across three core modules;

1. **O&M Suite:**

The O&M suite unifies and orchestrates portfolio operations and facilitates workforce productivity improvements through seamless integrations with building management systems (BMS), low code/no code workflow automations, intuitive persona centric mobile applications, contextualized information, and interactive dashboards. This suite comprises modular offerings such as maintenance management with integrated assets, inventories and work orders, customer/tenant management, vendor management with centralized audit, compliance, induction, contracts and policy management, incident and risk management, workplace management for agile spaces with expansion planning occupancy benchmarking, visitor management with kiosk automation, and connected optimization (with centralized alarms, remote CC, and automated BMS alarm to work order creation [in CaFM/CMMS]).
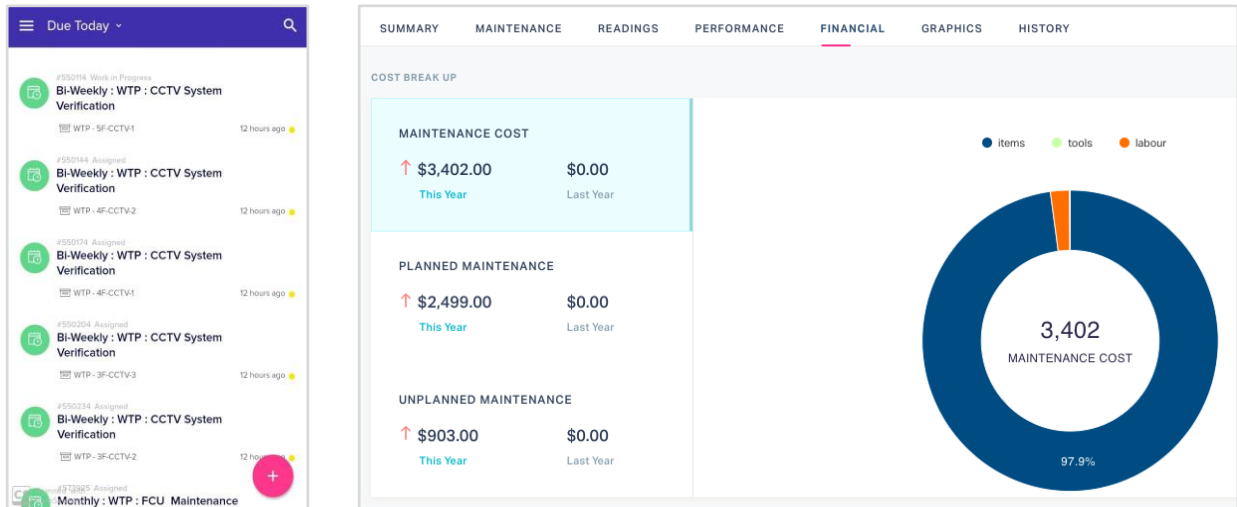
2. **Sustainability Suite:**

The sustainability suite enables fault detection and diagnostics capabilities through integration with existing automation systems (BMS/BAS) and smart sensors over various sensing platforms. This module also provides access to sustainability performance benchmarking tools (such as Energystar, GRESB, LEEDs, and others). Moreover, Facilio's sustainability suite offers complete visibility of a portfolio's energy performance, detects anomalies and inefficiencies across assets, enables automation of corrective actions, offers sophisticated measurement and verification tools, and facilitates utility bill management (for tenants and owners), thus ensuring next-generation building energy management.

3. **Connected Buildings Suite:**

The connected buildings suite offers a hybrid overlay solution that resolves any kind of siloes that exists between systems (legacy and automation systems, different functions, data, and buildings); enables central command and control (CCC) for performance monitoring, benchmarking and critical asset control, and supports portfolio automation through customized/templatized workflows combined with the power of deep analytics.
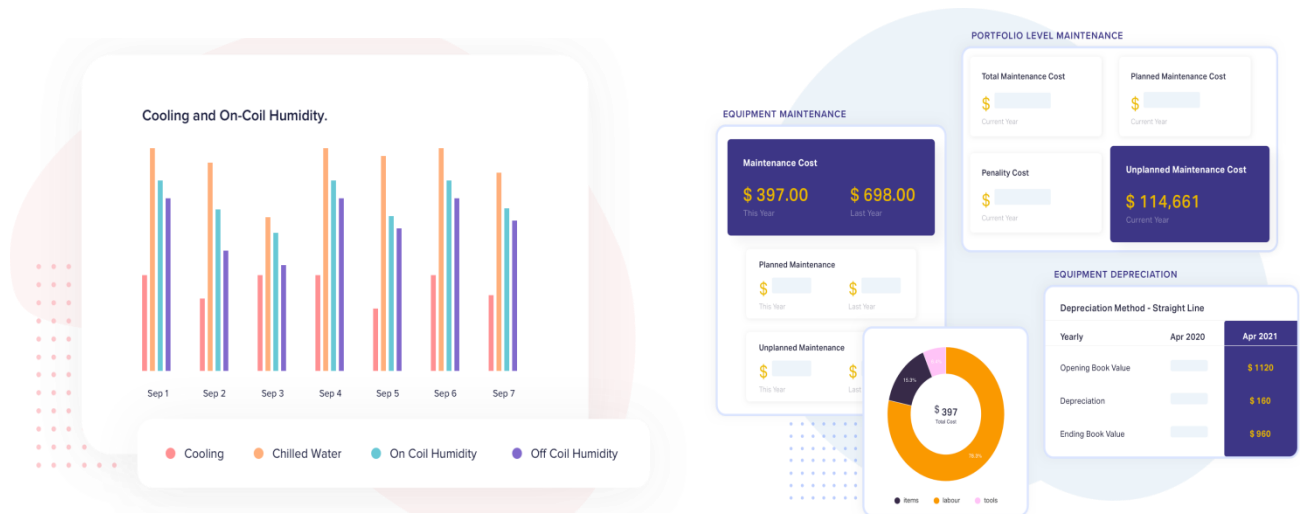
Facilio Dashboard View: Maintenance Management

Facilio Sustainability Suite
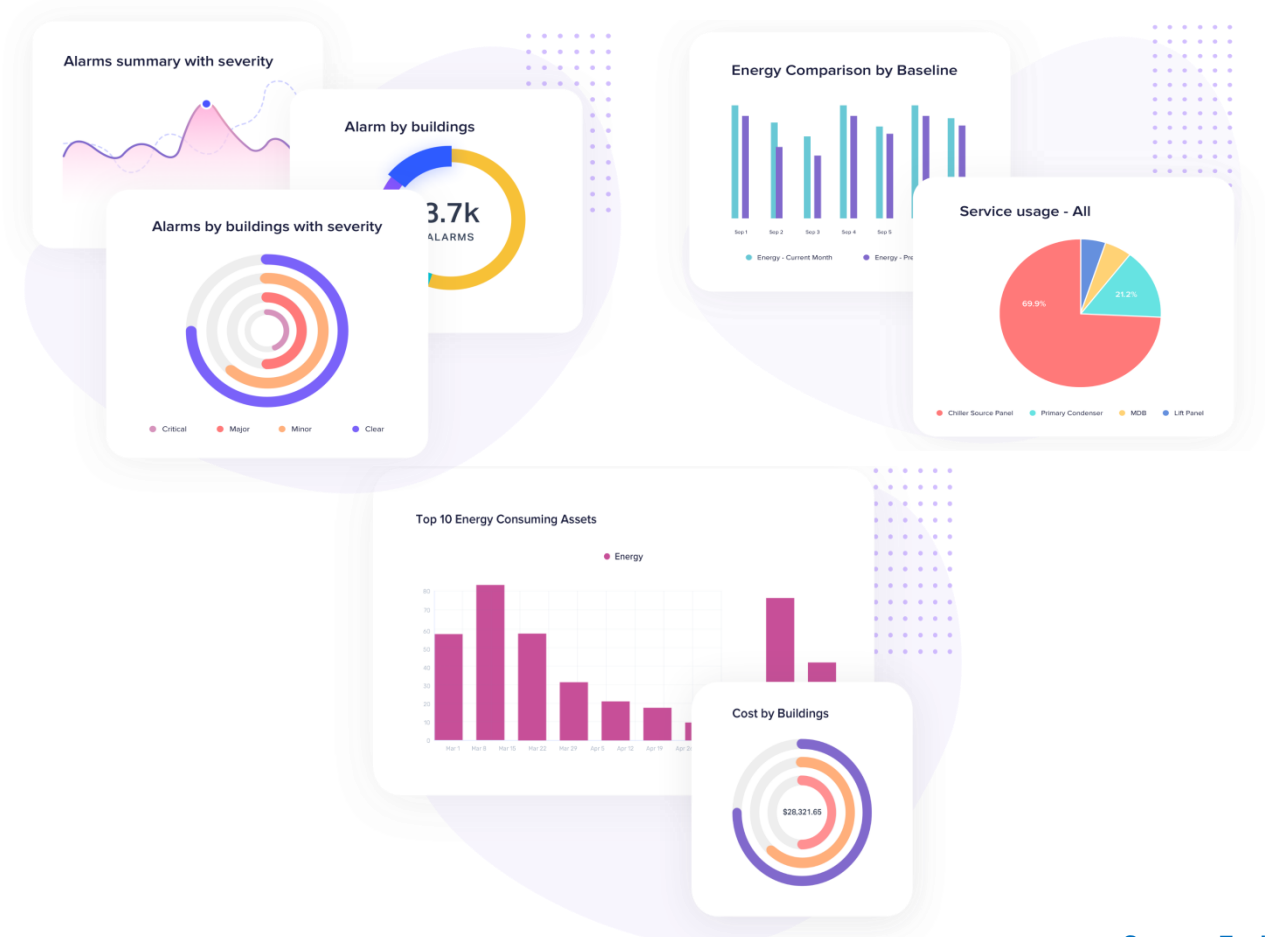
Facilio Connected Buildings Suite

Empowering Customers with New Age Flexibility and Unmatched Modularity

The Facilio platform's modularity enables a new level of flexibility and customizability, allowing customers to pick and choose modules based on their unique requirements, technology maturity, and overall operational objective. Furthermore, this capability makes the platform accessible to customers at different stages in their digital transformation journeys. For instance, the company encourages customers in the nascent stage of digitalization to start with a basic add-on, moving to progressively more complex capabilities as they mature. The enhanced accessibility afforded by this platform feature also supports Facilio's customer acquisition activities.

Unlike most of its contemporaries in the building O&M space, Facilio's IoT-based platform is hardware agnostic and built as an open framework, enabling seamless integrations with its customers' existing systems (including everything from building automation systems to sensory platforms and business applications). For instance, the platform effortlessly integrates with customer building automation and heating, ventilation, and air conditioning systems from multiple vendors, such as Honeywell, Siemens, Schneider Electric, and Johnson Controls. More importantly, the company's integration capabilities enhance customer value immensely by helping clients future-proof their real estate O&M systems by ensuring the platform grows along with the customers' needs, as the scalable platform easily supports new system and workflow additions. Moreover, Facilio is among the few market participants with a global channel ecosystem encompassing industry stakeholders such as OEMs, SIs, energy service providers, and government institutions. The company leverages its network of 30+ international partners to expand its customer base and extend its geographic reach.

Frost & Sullivan commends Facilio for its powerful AI- and IoT-driven software platform that consolidates siloed systems, equipment, and teams across customers' multiple facilities into one unified platform, transforming the traditional, tactical O&M activities into a smarter predictive management experience.

Customer-centric Efforts Drive Market Growth

Facilio's offers a suite of products developed for O&M stakeholders, delivering customized insights addressing the specific needs of different target groups on native mobile applications (Android and IoS). The company's Operational Visibility Hub is built for its customers' Chief Information Officers and Senior Executives to facilitate the identification and location of operational issues. This solution offers executive leadership teams operational visibility across various functions (including equipment health, customer experience, sustainability, and spend summary), enabling customers to improve their net asset value, enhance tenant satisfaction, and expedite risk assessment. Likewise, Facilio designs its Building Performance Suite to support real estate managers and operators in optimizing building performance. This offering assists customers in maximizing the value of existing systems, deriving data-driven actionable insights, and modernizing operations by empowering functional teams with predictive analytics, sustainability, and centralized building automation system capabilities.

> *"The unparalleled capabilities of Facilio's highly advanced cloud platform and exceptional customer-facing operations enable it to deliver unmatched efficiency, customer experience, and operating margin improvements. For instance, the company reduces annual O&M costs by up to 40% (per square foot savings), decreases asset downtime by 50%, extends asset lifecycle by 5%, and shrinks energy bills by up to 30%."*
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> *- Sama Suwal, Best Practices Research Analyst*

Additionally, Facilio's SaaS approach allows the company to deliver exceptional customer value in addition to the inherent flexibility and agility associated with the business model. By negating the need to purchase any additional hardware component, this model saves onboarding time for new customers and considerably reduces the total cost of ownership. Furthermore, subscribed customers gain access to any new system updates or version upgrades on the platform free of charge. Moreover, the SaaS route empowers Facilio with the freedom to continuously improve on product design, engineering, and management, directly benefiting customers with more advanced platform capabilities.

Facilio supplements the customer value generated by the unique strengths of its innovative technology platform and applications suite with its customer-centric onboarding process, dedicated customer service offering, and proficient customer success teams. The company's productized software solution, coupled with its user-friendly platform, vastly accelerates and simplifies the onboarding process compared to its competitors. Once onboarded, customers enjoy ready access to dedicated account managers to support them through any issues and concerns, in addition to prompt responses from customer support emails and specific WhatsApp groups. For its more mature customers, Facilio deploys its customer success teams to help maximize the value out of its platform. These teams help customers optimize their use of Facilio's solutions by working with them to understand their specific needs. Additionally, the company's customer success teams conduct monthly and quarterly reviews with

customers to analyze and align their subscription packages with their evolving needs. Facilio's client-focused efforts result in excellent customer satisfaction, as evidenced in its outstanding net dollar retention rate of 98.4%, indicating minimal customer churn.

Use Case Example: One of the largest global real estate investment organizations chose Facilio to create a connected built environment to facilitate the delivery of exceptional services to the tenants of their iconic skyscraper in Dubai's business bay. The 53-storey best-in-class property houses 980,000 square feet (sq. ft.) of highly functional, Grade A office space and 150,000 sq. ft. of retail space. The customer aspired to achieve their sustainability targets while ensuring the highest occupant safety and security standards per new workforce wellness regulations. Facilio, with its scalable O&M platform, demonstrated the capabilities essential to provide operational agility and flexibility to all stakeholders, including senior management, O&M teams, tenants, and occupants. The company successfully integrated with the property's existing multi-vendor and CMMS systems and leveraged its IoT/OT capability to aggregate voluminous data across 13,000 diverse data point sets. Moreover, Facilio enabled the customer's facility management teams to proactively identify faults, energy anomalies, and compliance violations; unlock performance improvement opportunities, and optimize processes and systems by creating and customizing an extensive library of standard rules. Overall, Facilio equipped the customer with real-time visibility, better control of equipment and spaces, and intuitive insight-filled dashboards (for occupants and operators), empowering the commercial real estate organization to fulfill its vision of creating the workplaces of tomorrow.[1]

The Facilio Advantage

The unparalleled capabilities of Facilio's highly advanced cloud platform and exceptional customer-facing operations enable it to deliver unmatched efficiency, customer experience, and operating margin improvements. For instance, the company reduces annual O&M costs by up to 40% (per square foot savings), decreases asset downtime by 50%, extends asset lifecycle by 5%, and shrinks energy bills by up to 30%. These unprecedented customer outcomes result in consistently high customer satisfaction with Facilio's offerings, as documented in customer testimonials;

"We needed a scalable and flexible solution to unify all of our disparate building systems. Facilio's thought leadership and innovative product portfolio stood out clearly & aligned well with our vision."

-Rob Devereux, CEO, ICD Brookfield

"Facilio is filling the right gap by enabling data for all types of people—from end users to technicians to energy managers to the c-suite. I believe in a strong future of our companies together".

- Abu Zahra Esam, Managing Director, Belimo

"Using Facilio is like driving a Ferrari—no limitations on how you wish to bend your workflows. We can confidently state that we are miles ahead in our mission of 'excellence through innovation', surpassing the capabilities of legacy CaFM and ERP solutions."

-Balaji Parthasarathy, Director- Operations, Bright Environment LLC

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[1] https://facilio.com/resources/case-study/connected-skyscraper/, accessed December 2021.

Facilio consistently records favorable financial performance due to its unique software platform and customer value generation efforts. Most notably, the company reported an average of 30% revenue increase every quarter since the second quarter of 2020, recording a cumulative growth of 5X over the last year. Frost & Sullivan believes Facilio is well positioned to leverage the emerging demand for its software services from the food retail and healthcare verticals to drive robust growth in the foreseeable future.

Conclusion

The global building operation and maintenance space faces reduced operational efficiencies and decreased profit margins challenges resulting from the traditional business model consisting of multiple incompatible systems, point solutions, and teams working independently in silos. Facilio, a pure-play enterprise software-as-a-service company, addresses this market gap with its innovative AI- and IoT-powered property operations platform that allows owners and operators to aggregate their building data, optimize performance, and control operations across their entire real estate portfolios in real time. By complementing the unparalleled capabilities of its highly advanced cloud platform with exceptional customer-facing functions, Facilio consistently delivers unmatched operational efficiencies, customer experiences, and operating margin improvements. Moreover, the company's hardware-agnostic and scalable platform offers enhanced customer value by supporting integrations with its clients existing and future systems. With its powerful platform facilitating the real estate industry transition from reactive and inefficient operations to a proactive, data-driven model, Facilio is uniquely positioned for robust growth in the coming years.

With its strong overall performance, Facilio earns Frost & Sullivan's 2021 Global Product Leadership Award in the IoT solution for building operations and maintenance industry.

What You Need to Know about the Product Leadership Recognition

Frost & Sullivan's Product Leadership Award recognizes the company that offers a product or solution with attributes that deliver the best quality, reliability, and performance in the industry.

Best Practices Award Analysis

For the Product Leadership Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

Product Portfolio Attributes

Match to Needs: Customer needs directly influence and inspire the product portfolio's design and positioning

Reliability and Quality: Products consistently meet or exceed customer expectations for performance and length of service

Product/Service Value: Products or services offer the best value for the price compared to similar market offerings

Positioning: Products serve a unique, unmet need that competitors cannot easily replicate

Design: Products feature innovative designs, enhancing both visual appeal and ease of use

Business Impact

Financial Performance: Strong overall financial performance is achieved in terms of revenues, revenue growth, operating margin, and other key financial metrics

Customer Acquisition: Customer-facing processes support efficient and consistent new customer acquisition while enhancing customer retention

Operational Efficiency: Company staff performs assigned tasks productively, quickly, and to a high-quality standard

Growth Potential: Growth is fostered by a strong customer focus that strengthens the brand and reinforces customer loyalty

Human Capital: Commitment to quality and to customers characterize the company culture, which in turn enhances employee morale and retention

About Frost & Sullivan

Frost & Sullivan is the Growth Pipeline Company™. We power our clients to a future shaped by growth. Our Growth Pipeline as a Service™ provides the CEO and the CEO's growth team with a continuous and rigorous platform of growth opportunities, ensuring long-term success. To achieve positive outcomes, our team leverages over 60 years of experience, coaching organizations of all types and sizes across 6 continents with our proven best practices. To power your Growth Pipeline future, visit Frost & Sullivan at http://www.frost.com.

The Growth Pipeline Engine™

Frost & Sullivan's proprietary model to systematically create ongoing growth opportunities and strategies for our clients is fuelled by the Innovation Generator™.
Learn more.

Key Impacts:

- **Growth Pipeline:** *Continuous Flow of Growth Opportunities*
- **Growth Strategies:** *Proven Best Practices*
- **Innovation Culture:** *Optimized Customer Experience*
- **ROI & Margin:** *Implementation Excellence*
- **Transformational Growth:** *Industry Leadership*

The Innovation Generator™

Our 6 analytical perspectives are crucial in capturing the broadest range of innovative growth opportunities, most of which occur at the points of these perspectives.

Analytical Perspectives:

- Mega Trend (MT)
- Business Model (BM)
- Technology (TE)
- Industries (IN)
- Customer (CU)
- Geographies (GE)