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Universal Proptech trades on our OTCQB Venture Market under the ticker UPIPF. Universal Proptech provides innovative building solutions. UPI is an operating building control systems company that invests in people ideas and innovations to deliver customary centric. Healthy building solutions and services. Frank thanks so much for joining us today.

Frank Carnevale

Hi Cecilia thank you and I am so looking forward to this discussion.

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Absolutely so Frank, begin with about your professional background and how you got involved with Universal Proptech and the origin and the mission and vision of the company.

Frank Carnevale

Okay I will try to make this short and sweet. Um, you know if I go back I have an arts degree in political science I spent some time working in municipal government and running a number of election campaigns at really every government level and all this by the age of 21 sort of put that in perspective. Um, the next twenty years I spent as I like to call myself an enabler consulting advising and raising funds for a slew of energy and sustainability related organizations. Um, so I worked many deals but um, you know as a Canadian saying this I'm proud to have originated. Over 3000000000 in transactions Canadian in not us dollars but the range was from technology to energy supply to distribution servicing and really every solution in between so the story of Universal Proptech is kind of a a cool one I was looking at that point having done all those transactions. Build a platform that would allow me to you know, buy build companies technology and really use them in the form of say a pubco as a vehicle. So back in 2012 I brought our first acquisition to this platform and we became publicly traded we bought and sold a few businesses since. And I'll explain a bit more of that. But I had the role of originally the chief operating officer a lot of what I did today but more of an operations oversight as well and you know a slight I diverge a little bit I left after a few years things weren't going the way I wanted them to go it just wasn't what I'd originally had planned. Um. And so I left and truthfully I built more businesses after I left but I did have unfinished business and Chris Hazelton who's our current CEO god bless them. He managed to buy out the previous leadership last summer in the summer of I guess eleven sorry 20 and he brought me back in to help do. And finish what we originally started so here I am about six months in and where are we from a vision

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perspective. It's really cool. The vision. The company will look quite different from where we are today but we need to take this foundation of our hvac controls. Heating ventilation air conditioning controls and mechanical services business and continue to expand its offering and capabilities. So really, we are a 1 ne-stop shop for customers a very customer centric healthy building solutions and services across all of North America so you know how are we choosing to do this today is to really make strategic investments and partnerships in Propte. So that's property technology and really thread those technologies through our full offer. Um what it does is make us way more customer-centric create a better.

Frank Carnevale

Sort of barrier to entry and differentiators in the marketplace and that's really where we are today.

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So on that note break down your business model and the different marketing entities you are exploring in marketing.

Frank Carnevale

Um, so our current model is actually quite simple. We have a great install base of our building controls mainly Eastern Canada and mainly governmental facilities and why that's relevant Cecilia is government facilities are quite credit worthy. So that's pretty important from our perspective. Um. So we provide ongoing service technicians and mechanics to support the needs of these hvac controls and mechanical opportunities. So once we're on a site doing service work. So imagine we're put changing filters. We're maintaining mechanical equipment heating ventilation air conditioning boilers you name it. That's usually where you have an opportunity to then provide repair work right? So you repairing things that are broken various valves various systems and that's a really big part of what we do today and that is a very traditional model. It's this traditional hvac system. But it's also a fairly competitive market. Right? And we've known this for a while. So our new model which is taking that and it has a lot of iterations to it over a period of time It's really saying you know what we want to be a trusted advisor to that customer. We really want to be delivering the full breath of that offering to help manage those facilities better and obviously in a healthy way. Um, and what that means in our business model of what we're doing. We're really investing and integrating those technologies like artificial intelligence. You know how do we? Um, how do we provide customers with really better customer care better. So not only I should say are we providing customers with better customer care better outcomes for them. Ah, we're also creating better margins for us and really what

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that also results in it's better stickiness with the customer if we're in and managing some components of their business and we're doing a good job as a trusted advisor. There's a lot more. We're going to be able to do that for them as a business and so. You know what? that means is we start changing our business starts looking more like indoor air quality and everything that comes with it. We're already in the controls business. We're already a mechanical business using things like Ai, we're growing our building optimization business and then a whole slew of energy resources as well becomes a big part. What our offering is in order to help these customers but the next iteration is probably the sexy part is if we did all that on its own. We'd be quite competitive and have a lot of fun in the marketplace of being this trusted Advisor one-stop shop or we're gonna take it a step further really, we need to look at this and say. Need to own and or finance those systems and those assets that's really the next stage of this. We want to fuel the desire by investors to find an alternate asset class. How do you get some coupon clipping as an investor and have a long-term stream of revenue attached to those assets. So if you take our business model of what we're trying to build.

Frank Carnevale

And continue later on the ability to fund and own those assets we're now in really exciting territory. So what does that mean it means a business model like ours today might only be worth four five times or so earnings from a you know, comparable perspective. But we're talking about changing. Our end result so that if we're far greater and invested in the assets and that altern asset side asset class side. We're talking about 20 times earnings. So it gives you a good sense of where this business model is moving. Um, you know so customers are increasingly appreciating these types of models. And the main reason is it's just not their core competency to worry about their hot water tanks their hvac systems that's just not something if they're running if you're fortune 500 and you know you have a number of buildings across. Obviously you'd have a number of buildings across state North America your core competency is not going to be. You know we're great and knowing when to turn off our lights and great at knowing what leds to install or what building controls to maintain our building. It's just not and increasingly we'll become a bigger part of that role and be you know alongside them in and running those buildings so that's. Kind of our business model and what's really changing.

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And so what is your competitive advantage and your targeted consumer group.

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Frank Carnevale

Yeah, um, you know I think the many challenges the space are moving into it is quite segmented I mean you can take any piece of it from the indoor quality from the product side from the indoor quality that controls the mechanical you know building performance which are really engineers and. Forming audits and then the energy resources side could be ev infrastructure that's electric vehicles Dc Infrastructure. It's a massive package. So if we didn't do it right? We're really going after a whole slew of segments that we have to be competitive and you're only as good as your weakest link. But. If we could manage to do this right? and be that trusted advisor and create that one-stop shop then we become. We're deployed at a far higher level than where all those other vendors or suppliers are being say you know generating their mandates from we're dealing with sea level. We're dealing with the very. Sophisticated relationship that allows us to manage what happens Downstream. So from a competitive Perspective. You know as we're becoming trusted advisors as we're moving to sort of the sea Level. We'll have a better opportunity to manage and be competitive and manage those relationships and protect our turf.

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And how did the covid 19 pandemic affect or perhaps enhance your company and business strategy. Well.

Frank Carnevale

Um, so I will say obviously I mean you're in New York I'm in Toronto I think we've all been New York was hit quite hard with the pandemic. So it certainly wasn't easy. We're still dealing with it in Ontario and Canada but. Um, you know there have been some negatives obviously from a business perspective I say the biggest one is you know while our services revenue and our repairs revenue have actually grown in the in the previous year our project revenue you know it's down a bit because. If you're in a commercial building and no one else is in your commercial building but you know a lot of those projects of let's replace the boilers replace the chillers the non-emergency items. A lot of people haven't been engaging on them yet. We expect that that's a backlog that will happen where they have to put those requests for proposals. Ah, those projects on the street. So that's certainly from a business operations perspective I guess one negative impact is there are a lumber of projects. We'd like to see that haven't come out yet but will shortly so where we are excited for that but all the positives which is horrible to say in in discussing covid nineteen but all the positives are. Um, you know the pandemic really identified a lot of weaknesses in facilities. You know there's people in an industry in the indoor air quality I aq right? It is a pretty big

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industry. But if you're dealing with a school a campus you know in a commercial building. Iacq would never have made it to the top of the list of priority capital items to spend money on it just never would have happened. Um, this pandemic has proved that's now going to be quite significant. So I think the elevation of iacq indoor air quality. Um, you know, assets and capital and spend. Now become a far more you know greater focus for building managers owners going forward. So we certainly see an opportunity to leverage that to use that as a way into facilities and it's not just let's install some indoor air quality equipment if you install equipment it means you're now identifying. When they should be on when they should be optimized how they're optimized. It's really going to change how building systems function and I think that's a huge opportunity for us and we've been anticipating that certainly in in the vein of all of us here we are doing calls that would love to have been in New York with you but here we are doing. Calls and interviews and everything from our own homes. Um, one thing that that's done is there's an entire generation who now know what? the how Zoom is so there's an entire generation of people who probably were the reasons why technology maybe weren't adopted as quickly as they could have been within their organizations.

Frank Carnevale

Think a lot of that just disappeared and so we're seeing a lot of the you know technology advancements in really just internet of things. lot Big data just a digitalization of facilities is now just been increased and you know. Increase quite quickly. So from that perspective. That's exactly what we've been trying to do in integrating Proptech which is really all that is propte into facility. So from that perspective. It's certainly elevated the timing and the speed to which changes can be made in these buildings. So we haven't been hurt by that. That's for sure and. You know I'd say the final piece which is quite exciting is look despite vaccinations across North America and you know I think north of seventy plus percent and Ontario vaccinated with the first dose. The us had done a great job and with both doses we certainly see and in belief for a while that you know there's covid passports vaccination passports. We certainly see if you look out another year or two. There will be a need for rapid testing and facilities. So despite people being vaccinated and the you know the rapid changes in mutations and variance. We certainly see a need for rapid testing to be done at the door in advance of entering a school a campus, a government building that's something I think. We'll see in various forms over the course of the next year or 2 so from that perspective. We certainly took advantage of the opportunity with covid to say you know how do we keep buildings healthier. Well one way is to keep people who are infected out of the buildings and so we did make a pretty significant investment minority investment. But a significant one in a in a Toronto company that using Ai



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noninvasively can detect the state of covid in an individual in under 20 seconds for under a dollar so we are in clinical trials or really the company we've invested in is in clinical trials with that as we speak. Um. In a Canadian board location so it is quite exciting. We're waiting for those updates so that's another layer of what we've done because of covid would we have even touched that or seen that if the pandemic hadn't happened probably not so that's a lot but certainly we're trying to do our best to take advantage of the. Ah, cards we were dealt because of the pandemic and we certainly think as a company we're well positioned to take advantage of this going forward.

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Um, what's on the horizon for UPI in 2021 and 2022?

Frank Carnevale

So um, you know that part is really exciting. We've had some great strategy discussions internally so our fiscal year end is end of August so you know we're in the middle of that to just wrap up what we're doing this year so I came in just over six months ago and we said fairly. And I take fairly aggressive strategic plan of what we have to achieve so we're fixing the foundation of what technologies what solutions do we need to have in our arsenal and I think in my opinion we're successfully executing on that plan more things will be rolled out and announced over the coming weeks and months for that matter and we're getting close to. Year end and it will all be to fill out the iacq building performance energy resources along with. We obviously have mechanical and controls so that is successful for the current year and that's great. But what that's meant is we're now able to take those that fundamental you know that infrastructure that we've just built. And when I look out in in our next fiscal year it's really about scaling that it's really about acquisitions getting the girth behind what those great offerings are and you know some people have asked me so I do think the next fiscal year will be a lot of acquisitions and opportunities to scale across Canada and hopefully. You know, being opportunistic looking at the us market as well. So that's certainly where we're headed. We're publicly traded. There's no point being small so that's for sure but a few people have asked. Why aren't you acquiring right now and you know I've done enough of acquisitions and even mergers to understand. Um, so what's my value proposition to that person who needs to sell it has to be because if it's just straight cash and I'm paying a premium that everyone else be willing to pay. What's really the point of that and so part of what we're building out the last six months is we're building a platform a company solution set and approach that makes. Any you know any person who runs and owns a business that is dying to exit and get up to say I want to exit with that I want to take shares in that business

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and hang on for that ride because they get where the market's going so we need to be able to lure and convince people who do want to sell that it makes sense. Them to be part of our type of platform and then in addition to that you know what would be it wouldn't be fun to go buy a bunch of companies and you can't really change it much. You need to lure talent and the talent also needs to know that where they're coming is you know this is an exciting place where we've embraced technology advancements. You've embraced a low carbon. Economy. We've embraced the fact that building can need to be healthy and I can tell you in a few months that already there are a lot of interesting engineers and people I've talked to in the industry who see what we're doing now and say you know I want to become part of that. So Twenty Twenty what 2021 22.

Frank Carnevale

Be a really big part of really scaling this platform so that's ultimately what we see in the next year

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And it's very exciting Frank so universal prop tech began trading on the OTCQB Venture Market in early 2021 and is also traded on the TSX-V how does cross trading on the OTCQB market enhance your investor strategy in the US?

Frank Carnevale

Yeah, um, you know if 1 of the big parts of our strategy clearly was we have to become more global if you want people even if we were the best company in Canada if only Canadians knew about us. It's not exactly a very robust and best market. So absolutely the intention was we you know we we're listed in Frankfurt and becoming listed on the OTCQB was really about having the access really the eyeballs to tell a story to um, an entire American investor I mean this is significant so that's critical to our success. But the other part of that is we're not just going to be Canada I mean now if we were and it becomes a little bit of a different play. Absolutely our intentions are to have American Investors get our story understand our story appreciate the value of our story and they will over the coming months. And enable them to hop on earlier and really hang on for the ride that we're on which is to scale across North America so the timing couldn't really be any better. Um, we get it. You know I've got involved again in this business just over six months ago and we know we need to we need to show. We're credible. Need to have a lot of evidence in earnings and revenue in in successes and I'm so looking forward to the next few months to really demonstrate that and how people say we're a bet worth making so this this bigger American market is critical to our success.

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Well, it's been a pleasure talking with you. Frank.

Frank Carnevale

Thank you Proud pleasure speaking with you as well.

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*\*This is an autogenerated transcript and may contain typos.*