

For immediate release - ASX announcement

18 December 2017

Entitlement Offer –Notice to Eligible Holders

Sydney - BuildingIQ, Inc (ASX: BIQ) (**BuildingIQ** or the **Company**) advises that the attached letter is being sent to Eligible Holders today in respect of its partially underwritten 1 for 1 non-renounceable pro-rata entitlement offer to raise up to approximately A\$3,792,686 at A\$0.045 (4.5c) per CDI (**Entitlement Offer**) as announced to ASX on 15 December 2017.

Yours faithfully,

A handwritten signature in black ink, appearing to read "Lisa Jones".

Lisa Jones
Company Secretary



BIQ

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Dear CDI Holder,

NON-RENOUNCEABLE PRO-RATA ENTITLEMENT OFFER

On 15 December 2017, BuildingIQ, Inc (**BuildingIQ** or the **Company**) announced that it was conducting a capital raising by way of (a) a non-renounceable pro-rata entitlement offer (**Entitlement Offer**) of new CHESS Depositary Interests (**CDIs**) over newly issued shares of common stock (**Shares**), (b) an institutional placement of new CDIs (**Institutional Placement**); and (c) a placement of New CDIs to existing institutional CDI holders (**Existing Securityholder Placement**). In aggregate the Entitlement Offer, Institutional Placement and Existing Securityholder Placement will raise up to \$6.5 million.

Under the Entitlement Offer holders of CDIs or Shares with a registered address in Australia, New Zealand, the Cayman Islands, the British Virgin Islands, Germany or France (**Eligible Holders**) as at 7.00pm (Sydney time) on Wednesday 20 December 2017 (**Record Date**), are entitled to subscribe for New CDIs on a 1 for 1 basis, at an offer price of \$0.045 (4.5c) per New CDI (**Offer Price**), to raise a total of \$3,792,686.

The Entitlement Offer is being carried out pursuant to an offer booklet dated 15 December 2017 (**Offer Booklet**) in accordance with section 708AA of the *Corporations Act 2001* (Cth), as modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84*, ASIC Class Order CO [14/287] and ASIC Instrument 17-1085.

The Offer Booklet was lodged with ASX on 15 December 2017 and is available on the ASX website (www.asx.com) or on the Company's website (<https://buildingiq.com/investor-relations/>). The closing date of the Entitlement Offer is 5.00pm (Sydney time) on 19 January 2018.

Details of the Entitlement Offer

Pursuant to the Entitlement Offer, the Company will issue up to 84,281,905 CDIs, which would increase the total number of shares of common stock on issue in the Company to 168,563,810. The Company also expects to issue up to 47,520,254 CDIs under the Institutional Placement and 12,642,286 CDIs under the Existing Securityholder Placement. The Company will issue up to 6,861,111 CDIs to be issued in payment of underwriting and management fees to the lead manager of the Institutional Placement and the underwriter of the Existing Securityholder Placement and Entitlement Offer which would take the total shares of common stock on issue to 235,587,461, with 232,303,212 of those represented as CDIs. Each CDI is equivalent to one Share. New CDIs will rank equally with the Company's existing CDIs and the Company will apply to ASX for quotation of the new CDIs. Eligible Holders who choose not to take up their entitlement will not receive any CDIs under the Offer and their holding in the Company will be diluted.

The Offer Price of \$0.045 per CDI represents a discount of:

- 30.77% to the 30 day volume weighted average price of BuildinIQ's CDIs (calculated using the 30 days on which trades were recorded); and
- 35.71% to the most recent CDI closing price as quoted on ASX on 13 December 2017.

As the Entitlement Offer is non-renounceable, the entitlements will not be tradeable on the ASX or otherwise transferable.

The Entitlement Offer and Existing Securityholder Placement are partially underwritten (up to \$3 million in aggregate) by Exto Partners Pty Ltd (**Underwriter**) a CDI holder associated with one of the Company's directors. Further details of the underwriting agreement are set out in the Offer Booklet, the announcement and the cleansing notice which were all lodged with ASX on 15 December 2017. The underwriting fee is the issue to the Underwriter (or its nominee) of 4,603,899 CDIs, subject to shareholder approval. If shareholder approval is not obtained the Company has agreed to pay the Underwriter (or its nominee) a cash fee of \$207,175. The Offer Booklet will be dispatched to Eligible Holders in accordance with the timetable below.

The Directors of the Company reserve the right to issue CDIs that were not taken up under the Entitlement Offer at their discretion during the 3 month period following the close of the Entitlement Offer.

Use of Funds

The Entitlement Offer will raise up to approximately \$3,792,686 which, combined with the amounts expected to be raised under the Existing Securityholder Placement and Institutional Placement, will total up to approximately \$6.5 million (before costs).

The Company intends to apply these funds to grow the Company's growing sales pipeline, its 5i Platform services development and to provide additional working capital.

Timetable

The Company anticipates the Entitlement Offer will be conducted in accordance with the following timetable:

Event	Date
Announcement of Offer	15 December 2017
Lodgement of Announcement, Offer Booklet, Investor Presentation, Cleansing Notice and Appendix 3B	
Notice sent to Securityholders	18 December 2017
Notification of Entitlement Offer dispatched to Securityholders	
Ex Date	19 December 2017
Date from which CDIs commence trading without entitlement	
Record Date	7.00pm (Sydney time) on 20 December 2017
Date for determining entitlements of Eligible Holders to participate in the Entitlement Offer	
Dispatch of Offer Booklet to Eligible Holders	22 December 2017
Dispatch of Offer Booklet and personalised Acceptance Forms to Eligible Holders and announcement of completion of dispatch	
Entitlement Offer Opening Date	22 December 2017
First day for receipt of acceptances under the Entitlement Offer, including applications for New CDIs under the Top Up Facility	



Event	Date
Entitlement Offer Closing Date	5.00pm (Sydney time) on 19 January 2018
Closing Date for acceptances	
Deferred Settlement Trading	22 January 2018
New CDIs quoted on ASX on a deferred settlement basis	
Dispatch of holding statements	30 January 2018

*This timetable is indicative only and subject to change. The Company, in conjunction with the Underwriter and subject to the Corporations Act, the ASX Listing Rules and other applicable laws, has the right to vary any of the above dates without notice. In particular, the Company reserves the right to extend the Closing Date or accept late applications, either generally or in particular cases, without prior notice. Quotation of the New CDIs is subject to confirmation from ASX.

CDI or Share holders of the Company whose address in the Company's register of members is outside Australia, New Zealand the Cayman Islands, the British Virgin Islands, Germany or France are excluded from participating in the Entitlement Offer.

You are not required to do anything in response to this letter, which is provided for your information only and does not constitute an offer of New CDIs under the Entitlement Offer. The Offer Booklet will be sent to Eligible Holders together with a personalised entitlement and acceptance form in accordance with the timetable above.

Before deciding to acquire New CDIs, you should read and consider the Offer Booklet in its entirety and, if in any doubt, consult with your professional advisor.

Yours faithfully

Alan Cameron
Chairman