

For immediate release

31 July 2020

BuildingIQ (ASX: BIQ) – Report on Quarterly Activities

Financial Summary

- Cash receipts from customers in Q2 FY2020 were up 6.74% to A\$1.60m (A\$1.50 million prior corresponding period (pcp))
 - Net cash from operating activities: A\$1.36m, up 194.0% (A\$0.46 million pcp)
 - Operating expenses: down 8.6% to A\$1.91m (A\$2.09 million pcp)
- Unaudited total income: A\$2.62 million, up 33.4% (A\$1.96m pcp)
 - Revenue: A\$1.69 million, up 10.6% (A\$1.53 million pcp)
 - Other income: A\$0.92 million, up 115.3% (A\$0.43 million pcp) includes Australian Government JobKeeper and Cashflow Boost payments of A\$0.32m
- A total of A\$0.65 million was provided by SNAPS Holding Company during the quarter, that will be converted into common stock and convertible notes, subject to stockholder approval
- A R&D Tax Credit for 2019 of A\$2.67m was received during the quarter
- Cash and cash equivalents at quarter end: A\$0.04 million (A\$0.53 million pcp)

Operational Summary

- An additional 4 buildings are now active on the 5i Platform for a total of 1,348 buildings and approx. 139M SF (31 additional buildings and total of 1,311 buildings pcp)
- 51 new sites were added in the quarter to BuildingIQ's Facility Worksite Service. 41,247 work order requests / transactions were processed in the quarter for 340 plus users
- Eight (8) customer contracts were renewed during the quarter, maintaining strong renewal rates of greater than 97% (noting contracts vary in size and duration)

Note: BuildingIQ is incorporated in Delaware and has a 31 December financial year-end.

Business Activities

BuildingIQ Inc. (ASX: BIQ), a tech-enabled services business, today released its Appendix 4C for the second quarter of FY2020 ending 30 June 2020.

Agreement with SNAPS Holding Company Finalised

In June (*ASX announcement 18 June 2020*), BuildingIQ confirmed the final agreement with SNAPS Holding Company had been signed.

As announced, under the Investment Agreement, SNAPS will invest up to A\$4,763,037 and in consideration, will acquire a total of 746,641,722 shares of common stock (approx. 66.26% of the total issued and outstanding shares). This Agreement, which is subject to approval by BuildingIQ's shareholders at a meeting to be held on 25 August 2020 will result in SNAPS having a majority ownership position in BuildingIQ. Additionally, BuildingIQ entered into a Management Agreement with SNAPS whereby they will guide, and in some cases assume control, of certain operations of BuildingIQ. The Management Agreement will also be considered by stockholders at the Special Meeting.

Board Changes

As a result of the Agreement, there were changes to the Board of BuildingIQ (*ASX announcement 18 June 2020*):

- Both the Interim Chair and Non-executive Director, Mr. William Deane, and the Acting President & CEO and Director, Mr. Gerd Goette, resigned, and
- Two new directors, Mr. Sanjay Patel and Mr. Daivesh Sanghvi, were appointed to the Board. Mr. Patel has agreed to act as the Executive Chairman and Acting CEO for BuildingIQ. He is not being paid any fees for these roles.

COVID-19 Impact

BuildingIQ referred to the challenges of COVID-19 and the Company's responses in previous announcements (the most recent *ASX announcement 1 May 2020*).

Over the quarter, despite the uncertain period in which businesses are operating, BuildingIQ's financial metrics improved on the prior corresponding period. The results reflect the continuing demand for BuildingIQ's services and our ability to service many of our customers remotely.

- BuildingIQ's subscription business operates remotely. Customers were assisted in transitioning to different building operations and we were able to remotely modify operations of equipment for them.
- The Greenfield business continued (governments declared construction an essential service) with a number of projects in healthcare and education completed and continuity of the supply of essential equipment largely rectified.
- Sales activities started to pick-up towards the end of the quarter and, after the slippage due to COVID restrictions, work has commenced to rectify project timelines.
- Collections are being delayed as clients manage their cash flows.
- Pre-empting the second wave of global COVID infections, and despite renewed interest from customers for COVID preparedness and compliance demands, it is anticipated FY2020 revenue is likely to be impacted.

We note the Board and management continue to assess the impact of COVID-19 on BuildingIQ's business. At this time, we cannot make accurate forecasts and any assumptions about future prospects would likely be erroneous.

Patent Infringement

In April, BuildingIQ became aware that a complaint had been filed against it by Johnson Controls Technology Company in the United States for patent infringement (*ASX announcement 21 April 2020*). The complaint has now been served on BuildingIQ. As noted in the previous announcement, BuildingIQ is seeking legal advice but believes the complaint to be without merit and is fully prepared to defend the action.

Operational Activities

In Australia, a number of projects were completed during the quarter, adding 4 buildings to the 5i Platform. The projects included two hospitals in NSW (Mudgee Hospital and Somerset Private Hospital, Kingswood) where the work was fast-tracked to ensure completion ahead of schedule so the hospitals were COVID-ready. The Wenona School Archimedes Project in North Sydney was also completed and ready for students return to campus in term 2. Having completed the installation of the 5i Platform for the new buildings, we are hopeful that the School will implement the 5i services across the entire campus.

The Forrestfield project continues to progress towards its estimated completion in Q3 2021 with an expected ramp-up in work through Q4 2020. Ensuring supply chain continuity of essential equipment is critical for the project to remain on track. Previously impacted by border closures, now more than 70% of the supplies of essential equipment have been moved from Melbourne to Perth.

New business was secured in our established states of NSW and WA, including contracts from existing customers for further services such as controller upgrades, repairs and defects work, and we were awarded our first contract in Melbourne that will be a national opportunity.

In the US, sales activities were constrained largely due to the slowdown due the impacts of COVID-19. Despite this, it was a busy period for BuildingIQ as we assisted customers transition to different building operations. Our work involved consulting and implementation of COVID programs and the completion of commissioning and transition to full control of a certain number of buildings.

Customers across all regions needed to implement swift operational changes as occupancy rates dropped dramatically - often to zero. Our team were able to remotely modify the operations of the equipment without physically going on site and endangering personnel. We expect the inconsistency in occupancy and use to continue for some time after the restrictions are lifted.

Additionally, as the quarter progressed, the need for deeper insight into the health of a building became paramount as owners prepared to meet new guidelines released by the Centre for Disease Control (CDC), Building Owners and Managers Association (BOMA) and ASHRAE (American Society of Heating, Refrigerating and Air-Conditioning Engineers) for humidity, pressure and operations. To meet this market demand and assist customers with compliance of the guidelines, BuildingIQ introduced an industry unique COVID Re-entry Preparedness Solution. Positively, this has already resulted in BuildingIQ being selected by one of the largest property management companies in USA.

The number of buildings active on the 5i Platform continued to grow, with 4 new buildings added during the quarter. Services are now provided to more than 1,345 buildings globally, reflecting the ongoing adoption albeit slower in this environment and up from 995 buildings three years ago.

Despite COVID constrained work environments, the Company is slated to release its next version of the 5i Platform on time through the second half of 2020.

Other than described above, there were no changes to the substantive business activities of BuildingIQ during the quarter.

Looking Ahead

The pipeline in Australia for Buildingsense projects is reasonably strong for the second half of 2020, despite the impacts of COVID-19.

Buildingsense is established in the key sectors of Aged Care; Hospitals; Schools; and Infrastructure, which are a focus of spending by governments to restart the economy. Negotiations are currently underway on up to 10 government or government-funded private projects in these sectors, predominantly in NSW and WA. The challenges in these times are the increased competition for projects and the resultant pricing pressure.

In North America, we anticipate new business opportunities from BuildingIQ's COVID Re-entry Preparedness Solution will start to emerge in the second half of 2020.

Additionally, although the pilot of BuildingIQ's technology across 20 sites (as announced ASX 23 March 2020) has been delayed by COVID-19 restrictions on access to buildings and travel, it is expected the pilot will be completed this calendar year.

Future updates

Financial Calendar

Future Dates*	Details
August 25, 2020	Special Meeting of Stockholders
August 31, 2020	FY2020 Interim Results
October 30, 2020	Appendix 4C & Q3 FY2020 Market Update
January 29, 2021	Appendix 4C & Q4 FY2020 Market Update

**NOTE: Dates may be subject to change*

This announcement has been authorised for release by the Board of BuildingIQ.

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. Approximately 139M square feet of building space is currently under management with BuildingIQ. www.buildingiq.com

Forward-Looking Statements

This announcement contains forward-looking statements that are based on assumptions and contingencies that are subject to change and involve known and unknown risks and uncertainties and other factors that are beyond the control of BuildingIQ and its management. The words "expect," "anticipate," "estimate," "intend," "believe," "should," "could," "may," "will," and other similar expressions are intended to identify forward looking statements. Management believes that these forward-looking statements are reasonable as and when made. You are strongly cautioned not to place undue reliance on forward-looking statements, particularly in light of the current economic climate and the significant uncertainty and disruption caused by the COVID-19 pandemic. Actual results or outcomes could differ materially from those disclosed in the forward-looking statements. No representation, warranty or assurance (express or implied) is given or made in relation to any forward-looking statement. Except as required by law or regulation, BuildingIQ does not assume any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Foreign Ownership Restrictions

BuildingIQ's CHES Depositary Interests (CDIs) are issued in reliance 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.