

## For immediate release

29 January 2021

### BuildingIQ (ASX: BIQ) – Report on Quarterly Activities (Q4, 2020)

#### Financial Summary

- Cash receipts from customers in Q4 FY2020 were down 30.22% to A\$1.427m (A\$2.045 million prior corresponding period (pcp))
  - Net cash used in operating activities: A\$0.127m (A\$1.331 million pcp)
  - Operating expenses: down 50.9% to A\$1.136m (A\$2.313 million pcp)
- Unaudited total income: A\$1.454 million, down 24.3% (A\$1.921m pcp)
  - Revenue: A\$1.297 million, down 20.6% (A\$1.633 million pcp)
  - Other income: A\$0.157 million, down 45.4% (A\$0.288 million pcp) includes Australian Government JobKeeper and Cashflow Boost payments of A\$0.025m
- A\$0.2 million in funding was provided by SNAPS Holding Company during the quarter
- Cash and cash equivalents at quarter end: A\$0.041 million (A\$0.701 million pcp)

#### Operational Summary

- Buildings are now active on the BuildingIQ Platform for a total of 1,348 buildings covering approx. 139M SF
- Multiple 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)** ('BuildingIQ' or 'the Company'), a tech-enabled services business, today releases its Appendix 4C for the fourth quarter of FY2020 ending 31 December 2020.

#### Receivership of Subsidiaries

On 21 December 2020, the Company requested a trading halt in response to correspondence received by subsidiaries BuildingIQ Pty Ltd and BuildingSense Australia Pty Ltd regarding the appointment of Receivers and Managers over certain assets (namely the bank accounts and accounts receivable) of the subsidiaries.

On 23 December 2020, the Company was suspended from official quotation until the ASX is satisfied that any uncertainty in relation to the appointment of Receivers and Managers is resolved. The Company continues to liaise with the ASX to have the BIQ securities reinstated to quotation.

SNAPS Holding Company ('SNAPS'), major shareholder and secured lender of BuildingIQ Group, has stated that they are prepared to take appropriate action to protect its investment and that they remain committed towards the growth of the Company.

## **Operational Activities**

In the US, sales activities were constrained largely due to the slowdown resulting from 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 optimise the operations of the infrastructure 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 from 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, air quality 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 BuildingIQ 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 BuildingIQ Platform on time through the second half of 2021.

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

## **Agreement with SNAPS Holding Company Finalised**

On 18 June 2020, BuildingIQ confirmed the final agreement with SNAPS had been signed.

Shareholder approval for the Agreement was received on 25 August 2020 with the shares of common stock being issued in November 2020.

## **Alleged Breach of Contract**

On 20 October 2020, BuildingIQ announced that mCloud Technologies Corp. ('mCloud') had filed a complaint in the United States Superior Court of the State of Delaware for an alleged breach of contract, fraud and misrepresentation arising from the Expression of Interest dated 9 February 2020. mCloud is seeking liquidation damages in the amount of A\$500,000, compensatory damages and interest and costs. As previously announced, the Company believes the claims are without merit and continues to vigorously defend all claims asserted.



## **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 previous announcements, BuildingIQ is seeking legal advice but believes the complaint to be without merit and is fully prepared to defend the action.

## **Corporate Update**

### **Company Secretary Changes**

During the quarter, Ms Lisa Jones resigned as Company Secretary and Ms Kelly Moore and Ms Meagan Hamblin were appointed as Joint Company Secretaries effective 15 December 2020.

### **Lapse of Options**

During the quarter, 10,116,464 unlisted options lapsed in accordance with their terms or due to employee departures. Following the expiry of the options, the Company has a total of 11,654,210 unlisted options.

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

**Ends.**

### **For further information contact:**

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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 cloud-based platform and Managed Services deliver on the promise of Internet of Things (IoT) for buildings.

## **Foreign Ownership Restrictions**

BuildingIQ's CHESS 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.