

## For immediate release

29 October 2021

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

#### Financial Summary

- Cash receipts from customers in Q3 FY2021 were down 49.72% to A\$0.724m (A\$1.444 million prior corresponding period (pcp))
  - Net cash used in operating activities: A\$0.861m (A\$0.01 million pcp)
  - Operating expenses: increased 23.2% to A\$1.540m (A\$1.25 million pcp)
- Unaudited total income: A\$0.724 million, down 68.38% (A\$2.29m pcp)
  - Revenue: A\$0.724 million, down 60.86% (A\$1.85 million pcp)
- A\$0.046 million in funding was provided by SNAPS Holding Company during Q3 2021 and A\$0.777m YTD
- Cash and cash equivalents at quarter end: A\$0.002 (A\$0.15 million pcp)

#### Operational Summary

- For the past 15 months, SNAPS has been dedicating its resources for mitigating and resolving all legal and operational challenges of BuildingIQ which originated before BIQ-SNAPS transaction and prior to the new management took over.
- Due to its current situation, BuildingIQ has been considering to pursue complimentary business opportunities to help its future viability.
- 775+ buildings are active on the BuildingIQ Platform
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*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 third quarter of FY2021 ending 30 September 2021.

#### Receivership of Subsidiaries

From 21 December 2020, the Company continues to be under suspension from official quotation per its request from the 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 and subsequent notification by the ASX.

SNAPS Holding Company ('SNAPS'), major shareholder and secured lender of BuildingIQ Group, continues to ensure and protect of its investment and that they remain committed towards the growth of the Company.

#### Operational Activities

In the US, sales activities remained constrained largely due to the slow ramp up effects due the impacts of COVID-19, painstaking reduction of the workforce for the operations of the buildings and commercial real estate industry in general and issues faced by delayed supply chain

upheavals. Despite this, the Company has successfully renegotiated contracts with its key anchor clients with higher commercial value and ensured the delivery of same high quality service commitments.

Based on various business developmental activities and planned expansion of its product offerings, the Company's next version of the platform is slated now to be launched in second half of 2022 to include these modules and technologies to meet the needs of diverse customer base. Other than described above, there were no changes to the substantive business activities of BuildingIQ during the quarter.

### **Alleged Breach of Contract**

As disclosed in earlier announcements, 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. The Company continues to work through its US-based law firm to successfully prosecute the case and it strongly feels that the plaintiff's claims are without merit and remains confident for a successful closure of the case.

### **Dedicated to Mitigating Past Challenges**

The Company's new management remains dedicated and positively committed to enhancing the inherited technology infrastructure and offering in the marketplace. Operationally, the Company's new management remains committed to addressing all the inherited challenges including but not limited to operational efficiencies, product development, customer management, customer contracts, human resources, and legal prosecutions. It has taken time and resources (both financial and manpower) from the new management to ensure that amid all of these challenges, the Company's operations and business development activities are pursued for long-term growth and success of the Company.

### **Considering Complimentary Business Lines**

As an integral part of its growth plan and following through in its commitments, the Company has been considering to pursue various complementary business opportunities to expand the scope and offering in the marketplace including but not limited to product diversity, services diversity, and bolstering its sales and marketing activities. The Company management recognizes that this new initiative shall require additional funding, which the management is prepared to pursue alongside pursuing business developmental activities.

### **Patent Infringement**

BuildingIQ continues to make progress in the lawsuit filed by Johnson Controls Technology Company in the United States for patent infringement (*ASX announcement 21 April 2020*). For the past three quarters, BuildingIQ continues to defend its technology and has been pursuing with Johnson Controls for an amicable settlement using all possible legal means at its disposal. The Company remains confident for a successful settlement of the case.

### **Corporate Update**

#### **Company Secretary Changes**

Effective 30 September 2021, Mr. Joe Graziano will be taking over the position of Company Secretary of BuildingIQ. We take this opportunity to express our appreciation for Ms. Kelly Moore and Ms Megan Hamblin



for their services to the Company in past and successfully transitioning the role and responsibilities to Mr. Granziano. (ASX announcement 1 October 2021)

### **Australian Subsidiaries**

BuildingIQ Pty Ltd: This entity is under receivership as of the date of this announcement.

BuildingSense Australia Pty Ltd: This entity has been liquidated ((ASX announcement 1 February 2021)

***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.