



For immediate release - ASX announcement

23 March 2020

BuildingIQ (ASX: BIQ) enters into Letter of Strategic Intent with SNAPS Holdings Company

Sydney – BuildingIQ, Inc. (ASX:BIQ) and SNAPS Holdings Company (SNAPS), a US-based diversified technology holdings firm, have signed a Letter of Strategic Intent (LOI) for SNAPS to invest a total of A\$5.9m in BuildingIQ in a combination of promissory notes and a private placement. This would result in a majority ownership position in BuildingIQ, subject to approval by BuildingIQ's shareholders. The parties also intend to enter into a strategic collaboration agreement, combining SNAPS Internet of Things (IoT) solutions with BuildingIQ's 5i technology stack.

Headquartered in Fargo, North Dakota in the United States of America, SNAPS owns a portfolio of companies providing a range of products and solutions worldwide, some of which include: mission-critical, utilities and aviation land mobile radio communication control technologies; Internet of Things (IoT) / Artificial Intelligence (AI) based wireless networks; location services, situation awareness and asset tracking technologies; healthcare IT systems, IoT-driven smart agriculture technology; and smart building automation solutions.

SNAPS wireless venture, a countrywide data network, in making exclusively for IoT, addresses a market currently estimated at US\$300 Billion and growing. Initial deployment schedule of SNAPS involves end-2-end IoT/AI driven smart building automation solutions for Commercial Real Estate (CRE) and Digital Farming and Animal Health Markets.

There are significant benefits to this collaboration. First, BuildingIQ's technology has strong synergies with a broad range of SNAPS' offerings. Further, by utilising its operational and financial resources, SNAPS will accelerate the global expansion of the strategic alliance.

The combined offering will include wireless connectivity and IoT solutions provided by SNAPS' portfolio companies along with BuildingIQ's 5i technology, providing leading edge energy management solutions based on cloud/edge computing and Artificial Intelligence (AI). Commercial building owners and operators, ranging from smaller retail locations to large office buildings, healthcare facilities and education campuses, will reap significant operational benefits and energy savings from this comprehensive solution.

The terms of the proposed transaction are summarised below:

- The non-binding LOI is subject to a period of due diligence and contingent on the execution of definitive agreements between the parties.
- A\$2m of the funds will be provided in the form of convertible promissory notes as follows:
 - (i) A\$424,780, to be drawn immediately, convertible into 23,598,914 CDIs (approx. \$0.018 per CDI) under similar terms to the Company's private placement announced on 13 December 2019.
 - (ii) Subject shareholder approval, to be drawn as soon as possible and maturing on 31 May 2020:
 - A\$475,220 convertible at maturity into 26,401,086 CDIs (approx. \$0.018 per CDI), to be drawn as soon as possible following the receipt of shareholder approval
 - A\$100,000 convertible at maturity into 10,000,000 CDIs (approx. \$0.010 per CDI).
 - (iii) A\$1,000,000 convertible at maturity into 100,000,000 CDIs (approx. \$0.010 per CDI) subject to shareholder approval and to be drawn as required up to 31 May 2020 (with approval from SNAPS) maturing on 31 May 2020.

(iv) In each case, the above is subject to interest at 6.0% per annum to be converted to CDIs at the same price per CDI as the relevant tranche. They are also convertible, at the discretion of SNAPS, at any time up until maturity.

- A\$3.9m will be provided in a private placement for 390,000,000 CDIs (approx. \$0.010 per CDI) following the successful completion of a pilot of BuildingIQ technology by 31 May 2020.
- SNAPS will also be issued 178,000,000 options to acquire additional CDIs, exercisable at a price of approx. A\$0.010 per CDI within 12 months from issuance.
- BuildingIQ will maintain its listing status on the Australian Securities Exchange (ASX)

Assuming shareholders approve the proposed transaction, and the full exercise of the options, SNAPS will acquire a 66.67% ownership position in BuildingIQ.

The transaction, as outlined above, is estimated to be completed by 31 May 2020.

This announcement was approved by SNAPS Holdings Company and the Board of BuildingIQ, Inc. and authorised for lodgement with the ASX by the Board of BuildingIQ, Inc.

Ends.

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About SNAPS Holding Company

SNAPS Holding Company is a Fargo, North Dakota (USA) based corporation, which owns and operates multiple companies in the fields of telecom, healthcare, communication, industrial, software and agriculture technology industries. SNAPS has significant investments and relationships in commercial real estate markets with its core team management experience of over 130 years.

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. Over 140M square feet of building space is currently under management with BuildingIQ. www.buildingiq.com

Foreign Ownership Restrictions

BuildingIQ's CHES Depository 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.

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