2020

Annual Report

Annual Report for the financial year ended 31 December 2020

BuildingIQ, Inc.
ARBN 605 422 160

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Dear Shareholders,

It gives us great pleasure to present the BuildingIQ, Inc. ("BuildingIQ") 2020 Annual Report.

The Annual Report summarises the Fiscal Year 2020, a year in which we focused our efforts on expanding our capabilities to address the energy needs of our clients, their comfort, and their operational needs. The next gen technology enabled services that we deliver from our advanced AI-driven platform have given us the ability to expand our reach and growth in commercial real estate marketplace. This is a key driver for future growth and further solidifies our role in supporting the entire lifecycle of a building.

BuildingIQ is in a strong competitive position as the leadership technology platform is the market's only integrated offering that brings visualisation, analytics, control, and optimisation services together, enabling a complete building portfolio automation value proposition.

The financial summary for 2020 (all AUD):

- Revenue from ordinary activities (continuing operations) fell 11% to $1.19m
- Revenue from ordinary activities (discontinued operations) fell 3% to $4.86m
- Revenue and other income (continuing operations) fell 11% to $1.19m
- Revenue and other income (discontinued operations) fell 16% to $5.47m
- Receipts from customers increased 5% to $7.85m (2019: increased 12% to $7.46m)
- Cost of sales (continuing operations) decreased 6% to $0.56m
- Total comprehensive income improved by 27% to ($8.42m) (2019: loss increased 204% to $11.54m).

Since 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), the major shareholder and a secured lender of BuildingIQ Group, continues to work diligently to ensure and protect its investment and they remain committed towards the growth of the company.

For the past 5 months, the company has been working closely with ASX through its legal advisors to actively engage in pursuing the opportunity to reinstate company's listing at the exchange.

On behalf of the Board, our due appreciation to the team at BuildingIQ for their collective contributions. While the financial results fell short of expectations, our continued focus on new client adoption, new technology development and transformation, enhancement of our operational efficiencies, cost containment and stringent cash flow management positions BuildingIQ well for future success.

Looking ahead, BuildingIQ will continue to focus on optimizing its cash flows and achieving financially astute growth. We will strengthen our position in current markets by leveraging partnerships to accelerate our business in North America. We will also continue to drive more of our services to existing clients while exploring new geographies.

Yours sincerely,

Sanjay Patel
Executive Chairman and Interim CEO
31 March 2022

Directors	Sanjay Patel Daivesh Sanghvi
Company secretary	Mr. Joe Graziano Email: csecretary@buildingiq.com
US Company Registered office	251 Little Falls Drive, Wilmington, Delaware 19808-1674, USA
US Principal place of business	16 South 16th Street, Suite 200 Fargo, ND 58103, USA
Australian Registered Office & Principal Place of Business	Level 8, 80 Clarence Street, Sydney, NSW 2000, Australia
Share register	Automic Pty Limited Level 5, 126 Phillip Street, Sydney, NSW 2000, Australia www.automicgroup.com.au
Auditor	KrestonSW Audit Pty Ltd Level 1 34 Burton Street Kirribilli NSW 2061, Australia
Stock exchange listing	BuildingIQ's CDIs (CHESS Depository Interests) are quoted on the Australian Securities Exchange (ASX code: BIQ)
Website	www.BuildingIQ.com

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity' or 'BuildingIQ') consisting of BuildingIQ, Inc. (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 31 December 2020.

Directors
The following persons were directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Sanjay Patel (appointed 18 June 2020)
Daivesh Sanghvi (appointed 18 June 2020)
William Deane (resigned 18 June 2020)
Gerd Goette (resigned 18 June 2020)
Michael Nark (resigned 21 February 2020)
Gregory Pynt (resigned 24 January 2020)

Principal activities
BuildingIQ is a leading provider of building automation, analytics and energy efficiency services for facilities throughout the United States, Canada and Australia, with sales and partnership activities in the Middle East and parts of South East Asia. BuildingIQ's principal service is the development, design, engineering, and installation of integrated software smart solutions that reduce the energy, operations and equipment maintenance costs of customers' facilities and infrastructures. These solutions typically include a variety of measures deployed for each facility and are designed to improve the efficiency of major building systems, such as heating, ventilation, and air conditioning systems.

Dividends
No dividends were paid during the year or subsequent to the year end.

Review of operations
BuildingIQ's revenues consist primarily of managed services, software license fees, software implementation, hardware sales, project management services, installation, consulting and post-sale maintenance and support. BuildingIQ also receives grants and tax incentives in Australia.

Operationally, revenue and other income from continuing operations decreased from last year by approximately 11% to $1,187,584. Revenue and other income from discontinued operations decreased by 16% to $5,467,288. Receipts from customers (incl. GST) increased 5% to $7,853,108, and net cash used in operating activities decreased 60% to $970,744.

Operating expenses increased by 3% to $2,412,520 primarily due to increase in administrative expenses.

Total comprehensive income improved by 27% to ($8,416,999). 2019: ($11,535,011).

Changes in the state of affairs
There have been no other significant changes in the state of affairs of the consolidated entity, other than those already disclosed as matters subsequent to the end of the financial year.

Matters subsequent to the end of the financial year

CHESS Depositary Interests (CDIs)
The issuance 671,287,833 CDIs to SNAPS was approved by shareholders on 25 August 2020. The CDIs were issued in February 2022.

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.

Liquidation of Buildingsense Australia Pty Ltd
The company engaged Price Waterhouse Coopers (PwC) for the liquidation of one of its subsidiaries in Australia, Buildingsense Australia Pty Ltd. PwC has completed its investigations into the company's affairs and have not identified any further avenues of recovery or lines of investigation. The Receivers and Managers of the Company are expected to retire

upon which PwC will proceed to finalize the liquidation and request the Australian Securities & Investments Commission to deregister the Company.

Other matters

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

For past 5 months, the company has been working closely with ASX through its legal advisors to actively engage in pursuing the opportunity to reinstate company's listing at the Exchange.

Operational Activities

In the US, sales activities remained constrained largely due to the slow ramp up effects from 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 year.

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, although exact timeline is still unknown, Company remains hopeful that upon successfully clearing all inherited challenges that originated from the period prior to June 2020, the Company shall consider pursuing various complementary business opportunities to expand its 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 implementing such new initiatives shall require substantial additional funding, for which the management would have to exercise additional capital raise activities alongside pursuing business developmental activities.

COVID-19

Beginning in February 2020, governments worldwide have issued increasingly stringent orders to contain the spread of COVID-19, including shelter-in-place orders and travel bans. In response, BuildingIQ has established a work-from-home policy for all employees with the exception of staff working on greenfield project sites. Travel has been reduced to an absolute minimum.

Support for the software / platform subscription customers is provided remotely, therefore the impact on customers is largely limited to changing regular account management meetings from in-person to virtual meetings. To date only a limited number of construction sites have been affected by shutdowns or other restrictions due to cases of Covid-19. However, if such measures were broadly implemented by governments, BuildingIQ's revenue and customer receipts are likely to be at risk of significant delay. This shortfall would be partly compensated by an offsetting delay in COGS for third party equipment and services. In case of a prolonged shutdown of construction activities there is an increased risk of insolvency of customers, suppliers, and subcontractors. The directors have reviewed their financial forecasts in response to COVID-19 and, where possible, adjusted for potential impacts to revenue, expenses, and cash flows. However, the quantum of any such impact is currently unable to be accurately estimated and, as such, no adjustments to the financial statements have been made as a result of the COVID-19 situation.

The board and management will continue to assess the impact of Covid-19 on BuildingIQ's business including the impact on existing projects, its sales pipeline, and the collection of receivables. The board and management emphasizes that at this time BuildingIQ cannot make accurate forecasts and any assumptions about the future prospects are likely to be erroneous.

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.

Settlement of Johnson Control Lawsuit
The lawsuit with JCI has been successfully settled by the new management of the company through its diligent and progressive commitment. This lawsuit was inherited by the new management and well defended by the attorneys of the new management. This case was litigated in USA.

Gerd Goette vs BuildingIQ Inc
Gerd Goette, a former director has lodged a claim against BuildingIQ Inc (BIQ Inc), allegedly claiming unpaid expenses from certain period in the past. The company does not agree with Gerd Goette's claim. BIQ Inc has a counterclaim against Gerd Goette. The case awaits a trial.

At this stage, it is not practical to estimate the potential effect of this claim and therefore it is not possible to estimate with any certainty the size of any liability that may arise or the likely timing of it or when that liability will materialise.

There have been no other transactions or events of a material or unusual nature between the end of the reporting period and the date of this report that will, in the opinion of the directors, significantly affect the operations of the consolidated entity, the results of those operations, or state of affairs of the consolidated entity in future years.

Likely developments and expected results of operations
BuildingIQ will continue to focus on expanding beyond the buildings currently deployed on its software platform. This will be achieved via a combination of existing sales channels and alternate, cost effective distribution channels including strategic partnerships with industry participants and relationships that will deliver accelerated customer acquisition in new markets. Upon successful implementation of such new orders, Gross Profit is anticipated to also increase significantly, even though the gross margin percentage would decrease if the revenue mix in the consolidated entity shifts towards greenfield buildings.

Environmental regulation
The consolidated entity is not directly subject to any significant environmental regulation.

Corporate Governance
The company, as a Delaware incorporated corporation, seeks to achieve substantive compliance with the governance recommendations set out in the 'Corporate Governance Principles and Recommendations 4th Edition for financial year 2020, published by the ASX Corporate Governance Council (the ASX Principles). The company's Corporate Governance Statement can be viewed at www.buildingiq.com/investor-relations.

Company secretary
Mr. Joe Graziano was appointed Company Secretary of the consolidated entity on 30 September 2021.

Ms Kelly Moore and Ms Meagan Hamblin served as Joint-Company Secretaries for the consolidated entity from 15 December 2020 to 30 September 2021.

Ms Lisa Jones served as company secretary for the consolidated entity from 17 May 2017 to 14 December 2020.

Information on directors

Name:	**Sanjay Patel**
Title:	Executive Chairman and Interim CEO (appointed 18 June 2020)
Qualifications:	Electronics, Communication, Computer Engineer, Computer Science
Experience and expertise:	Sanjay is a serial entrepreneur driven by the passion to develop and deliver industry unique solutions. In the past 32+ years, he has created a balanced portfolio of technology and real estate companies. Current technology portfolio includes ventures in industries such as Telecom, IT Infrastructure, IP and Radio communications, Wireless Frequency Spectrum, Healthcare, Media, and Software services. Sanjay joined the Board of BuildingIQ, Inc in June 2020.
Other current directorships:	SNAPS Holding Company
Former directorships (last 3 years):	None
Special responsibilities:	Former Chair of the Audit & Risk Management Committee and the Remuneration Committee and member of the Nomination Committee.
Interests in shares:	757,261,222 held as a beneficial interest in common shares through SNAPS Holding Company. Sanjay holds greater than 20% of voting securities of SNAPS Holding Company.
Interests in options:	None
Contractual rights to shares:	None

Name:	**Daivesh Sanghvi**
Title:	Director (appointed 18 June 2020)
Qualifications:	Electronics Engineer and Computer Science
Experience and expertise:	Being a member of the key management of SNAPS group of companies, Mr. Sanghvi has pursued, for the last 35 years, his professional career and entrepreneurial ambitions in the next generation technologies involving cutting edge hardware, software, networks, and enterprise solutions. Mr. Sanghvi has deployed and managed over 350 large, cross - functional, multi - division, multi - location projects across various high growth industry verticals, including in IoT / AI, telecom, critical communication, location services, asset tracking, utility, local, state, and federal governmental markets. His areas of expertise include telecommunication, geospatial database management, SDLC, SaaS, Custom application development and enterprise application development. Daivesh joined the Board of BuildingIQ, Inc in June 2020
Other current directorships:	SNAPS Holding Company
Former directorships (last 3 years):	None
Special responsibilities:	Overall management of BuildingIQ Inc
Interests in shares:	None
Interests in options:	None
Contractual rights to shares:	None

Information on directors (continued)

Name:	**Gerd Goette**
Title:	Non-Executive Independent Director, Interim President & CEO (resigned 18 June 2020)
Qualifications:	M.S. Electrical Engineering
Experience and expertise:	Gerd is a seasoned venture capital investor, board member and strategic advisor with deep domain expertise in energy, transportation and the built environment. He is the Managing Director of Lupine Growth Advisors, an advisory firm helping start-ups navigate the growth challenges from minimum viable product to tens of millions in revenue. Gerd serves on the board of directors of Sunverge Energy, Rhombus Energy Solutions and Zen Ecosystems; he also serves on the Investment Committee of the Clean Energy Trust (CET) and the Investor Advisory Board of the National Renewable Energy Laboratory (NREL). Previously, Gerd spent 18 years at Siemens Venture Capital, where as a Managing Partner he was the global head of the energy practice. Gerd joined the Board of the company in December 2012.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Chair of the Remuneration Committee and the Nomination Committee, Chair of the Audit & Risk Management Committee
Interests in shares:	2,091,482
Interests in options:	None
Contractual rights to shares:	None

Name:	**William Deane**
Title:	Non-Executive Director, Interim Chairman (resigned 18 June 2020)
Qualifications:	LL.B., BA
Experience and expertise:	William is a Managing Director of Exto Partners Pty Ltd, a venture capital firm based in Sydney. He has successfully managed IPOs, mergers and acquisitions for Exto's portfolio companies. Prior to joining Exto Partners, William was a corporate lawyer in New York with Sidley Austin LLP and Skadden, Arp, Slate, Meagher and Flom LLP, and in Australia with Ashursts (formerly Blake Dawson Waldron). Will joined the Board of the company in October 2012 and was previously a director of BuildingIQ Pty Ltd from 2009.
Other current directorships:	Non-Executive Director of RedHill Education (ASX:RDH)
Former directorships (last 3 years):	None
Special responsibilities:	Interim Chairman, member of the Nominations Committee and member of the Audit & Risk Management Committee and the Remuneration Committee
Interests in shares:	4,634,796, held as a beneficial interest in CDIs through Exto Partners Australia Pty Ltd. William does not control Exto Partners Australia but he holds greater than 20% of its voting securities.
Interests in options:	None
Contractual rights to shares:	None

Information on directors (continued)

Name:	**Michael Nark**
Title:	Executive Director, President & CEO (resigned 21 February 2020)
Qualifications:	B.S. Engineering
Experience and expertise:	Michael brings over 25 years' experience in software and technology-enabled service delivery businesses. He recently served as President and CEO of Power Analytics. He has a proven track record of building successful, efficient organisations and experience in leading companies to profitable growth. Michael was appointed President and CEO and joined the Board of the company in October 2014 and resigned effective 21 February 2020.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Former President and CEO, member of the Nomination Committee
Interests in shares:	552,000
Interests in options:	None
Contractual rights to shares:	None

Name:	**Gregory Pynt**
Title:	Non-Executive Independent Director (appointed 20 December 2019, resigned 24 January 2020)
Qualifications:	
Experience and expertise:	Greg is a highly experienced corporate financial adviser and businessman, with over 40 years' professional experience. Early in his career, Greg worked in accounting and general management roles in public companies. He then moved into merchant banking where he was involved in IPOs, including inter alia significant roles in many of the Government floats such as Qantas and Telstra. Greg serves on the board of directors of VeroGuard Systems Holdings Limited. Greg resigned on 24 January 2020.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Former Member of the Audit and Risk Management Committee, the Remuneration Committee and the Nomination Committee.
Interests in shares:	3,440,639 CDIs held directly and 7,113,522 held indirectly
Interests in options:	None
Contractual rights to shares:	None

'Other current directorships' noted above are current directorships for ASX listed entities only and exclude directorships of all other types of entities.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for ASX listed entities only and exclude directorships of all other types of entities.

'Interest in shares' is in accordance with the Appendix 3X/3Y lodged with the ASX in respect of each director.

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 31 December 2020, and the number of meetings attended by each director were:

	Board		Remuneration		Nomination		Audit & Risk	
	Attended	**Held[5]**	**Attended**	**Held[5]**	**Attended**	**Held[5]**	**Attended**	**Held[5]**
Sanjay Patel[1]	0	0	0	0	0	0	0	0
Daivesh Sanghvi[1]	0	0	0	0	0	0	0	0
William Deane[2]	13	13	0	0	1	1	5	5
Gerd Goette[2]	13	13	0	0	1	1	5	5
Michael Nark[3]	10	13	0	0	0	0	0	0
Gregory Pynt[4]	0	0	0	0	0	0	0	0

[1] *Appointed 18 June 2020*
[2] *Resigned 18 June 2020*
[3] *Resigned 21 February 2020*
[4] *Independent director from 20 December 2019 to 24 January 2020*
[5] *Number of meetings held during the time, the director held office or was a member of the committee during the year.*

Remuneration Report – audited

This remuneration Report outlines the overall remuneration strategy, framework and practices adopted by the consolidated entity for Non-executive and Executive Directors, and executives determined by the Board to be Key Management Personnel ("KMP").

The information provided in this Remuneration Report has been audited.

A Key Management Personnel disclosed in this report

Key Management Personnel (KMP) include those personnel who have the authority and responsibility to plan, direct and control the major activities of the consolidated entity.

Sanjay Patel	Executive Chair (appointed 18 June 2020)
Daivesh Sanghvi	Independent Director (appointed 18 June 2020)
William Deane	Interim Chair (resigned 18 June 2020)
Gerd Goette	Independent Director (Non-executive); Interim CEO (resigned 18 June 2020)
Michael Nark	Executive Director, President and Chief Executive Officer (resigned 21 February 2020)
Gregory Pynt	Director (Non-executive) (joined 20 December 2019, resigned 24 January 2020)

B Remuneration governance

BuildingIQ Pty Ltd was founded in Sydney, Australia in 2009. BuildingIQ, Inc. a U.S based entity was formed in 2012 as a Delaware Corporation, and is now headquartered in Fargo, North Dakota. BuildingIQ Pty Ltd was acquired in the same year and since that time has been operated as a wholly owned subsidiary of BuildingIQ Inc. As a consequence, BuildingIQ's executive remuneration framework is international in flavour.

The Remuneration Committee's objectives for BuildingIQ's remuneration framework are for the framework to be:

- competitive and reasonable, enabling BuildingIQ to attract and retain key talent in the jurisdictions in which it operates;
- aligned to BuildingIQ's strategic and business objectives and the creation of shareholder value;
- transparent and easily understood, and
- acceptable to shareholders.

The objectives of BuildingIQ's remuneration policies are to ensure that remuneration packages for executive KMP reflect their duties, responsibilities and level of performance - as well as to ensure that all executive KMP are motivated to pursue the long-term growth and success of the consolidated entity.

Fundamental to all remuneration arrangements is that executive KMP must contribute to the achievement of short and long-term objectives, enhance shareholder value, avoid unnecessary or excessive risk taking and discourage behaviour that is contrary to BuildingIQ's values.

Details of the short and long-term incentive schemes are set out below in the "Executive remuneration policy and framework" section C of the Remuneration Report.

Securities Trading Policy

The trading of CHESS Depository Interests & shares issued to eligible employees under any of BuildingIQ's employee equity plans is subject to, and conditional upon, compliance with BuildingIQ's Securities Trading Policy. KMP must not use BuildingIQ securities in connection with a margin loan or similar financing arrangement, nor are they permitted to engage in hedging activities, deal in derivatives or enter into other arrangements that limit the economic risk associated with BuildingIQ securities. US Persons are subject to additional restrictions in accordance with US regulations and per the FOR US restriction imposed by ASX.

Remuneration Report – audited (continued)

C Executive remuneration policy and framework

The Board reviews the remuneration packages for executive KMP annually by reference to performance against individual objectives and BuildingIQ's consolidated results. The performance review of the President and Chief Executive Officer is undertaken by the Board.

BuildingIQ aims to reward executive KMP with a level of remuneration commensurate with their responsibilities and position within the consolidated entity and their ability to influence shareholder value creation. The remuneration framework links rewards with the strategic objectives and performance of the consolidated entity.

The executive KMP remuneration framework has three components:

- fixed base pay and benefits, including superannuation (where applicable);
- short-term incentives (STIs); and
- long-term incentives (LTIs) through participation in the 2012 Equity Incentive Plan (EIP).

The combination of these components comprise the total remuneration package of executive KMP.

Base pay

Base pay may be delivered as a combination of cash and prescribed non-financial benefits at the discretion of the KMP. Executive KMP are offered a modest base pay that comprises cash salary, superannuation and non-monetary benefits. Base pay for executive KMP is reviewed annually by the Remuneration Committee, which takes into account capability, experience, value to the organisation and performance of the individual.

Retirement benefits for KMP

There are no retirement benefits made available to KMP, other than as required by law.

Short-term incentive (STI)

To ensure that remuneration for executive KMP is aligned to BuildingIQ's performance, a significant component of each executive KMP's remuneration package is performance based and therefore "at risk".

Executive KMP have the opportunity to earn an annual STI if pre-defined targets are achieved. 50% of each executives' total STI opportunity is tied to corporate performance. The remaining 50% is tied to personal Key Performance Indicators (KPIs). The maximum STI opportunity for each KMP is based on the role, responsibility and ability to influence the performance of the consolidated entity.

There are no STI for executive KMP for the financial year ended 31 December 2020.

***Prior Period 2019*:**

KMP	Key Performance Indicators
Michael Nark	● 50% based on the consolidated entity's financial performance, comprising bookings, revenue and EBITDA targets ● 50% based on individual KPIs linked to the consolidated entity's strategic plan, including business growth, profitability, cash and capital management targets

The target remuneration mix for executive KMP to 31 December 2019 was:

KMP	Fixed	STI	Total
Michael Nark	67%	33%	100%

Details of the performance based remuneration awarded and forfeited during the period were:

KMP	Performance	Target	Awarded	Forfeit
Michael Nark	Financial KPIs	$98,016	-	$98,016
	Strategic KPIs	$98,016	-	$98,016
	Discretionary		$nil	

Remuneration Report – audited (continued)

With respect to KPIs based on the consolidated entity's financial performance, the stretch financial targets were not met.

With respect to KPIs based on the President and Chief Executive Officer's individual contribution to the achievement of BuildingIQ's strategic objectives, the board concluded that targets were not met.

Long-term incentive (LTI)

The objective of the LTI scheme is to deliver long-term shareholder value by incentivising executive KMP to achieve sustained financial performance. BuildingIQ grants directors and key employees options under its:

- 2012 Equity Incentive Plan ('EIP'), and
- Employee Share Option Plan ('ESOP')

No additional LTIs were awarded to KMP during 2020 (2019: nil).

D Relationship between remuneration and the consolidated entity's performance

The overall level of reward for executive KMP takes into account the performance of the consolidated entity. 50% of STI awards for KMP are based on performance against predetermined financial targets. For this component of STI in 2020 the President and Chief Executive Officer was awarded a total of $nil (2019: nil), as achievement of target bookings were not met. The Company did not achieve stretch EBITDA or revenue targets.

Earnings of the consolidated entity for the five years to 31 December 2020 are summarised below:

	2020 $	2019 $	2018 $	2017 $	2016 $
Sales revenue	6,050,872	6,366,602	7,358,880	5,263,762	3,958,342
Other income	604,000	1,469,540	1,458,595	1,760,896	1,048,501
EBITDA	(5,661,710)	(4,861,946)	(3,148,947)	(1,929,716)	(7,098,507)
EBIT	(7,882,109)	(10,696,234)	(4,472,163)	(3,536,950)	(7,783,293)
Loss after income tax	(8,863,110)	(11,511,446)	(4,467,916)	(3,535,583)	(7,770,900)

The factors considered to affect total shareholders return ('TSR') are summarised below:

	2020	2019	2018	2017	2016
Share price at financial year end	$0.016	$0.02	$0.04	$0.14	$0.09
Total dividends declared (cents per share)	-	-	-	-	-
Basic earnings per share (cents per share)	(2.3)	(3.9)	(2.0)	(4.2)	(9.2)

E Non-executive Director remuneration policy

Non-executive Director's fees are determined within an aggregate Directors' fee pool limit.

The maximum annual aggregate Directors' fee pool limit is $427,707 (US$300,000) per annum. Aggregate total Directors' fees for 2020 were $69,479 (2019: $100,000).

During 2020 the Remuneration Committee had reviewed the remuneration of board of directors and acknowledged the Board's focus on cash retention and profitability, and decided that no director fee will be payable to directors in 2020.

Retirement allowance for Directors

There are no retirement allowances paid to Non-executive Directors.

Remuneration Report – audited (continued)

F Details of remuneration of Directors and Key Management Personnel

Current Period – 2020

Key Management Personnel		Short-term benefits Salary and fees $	Cash Bonus $	Other $	Post-Employment Benefits Super $	Option-based payments $	Total $
Sanjay Patel	2020	-	-	-	-	-	-
Daivesh Sanghvi	2020	-	-	-	-	-	-
William Deane	2020	10,000	-	-	-	-	10,000
Gerd Goette	2020	59,479	-	-	-	-	59,479
Michael Nark	2020	91,001	-	-	-	-	91,001
Gregory Pynt[2]	2020	-	-	-	-	-	-
Total		**160,480**	**-**	**-**	**-**	**-**	**160,480**

Prior period – 2019

Key Management Personnel		Short-term benefits Salary and fees $	Cash Bonus[1] $	Other $	Post-Employment Benefits Super $	Option-based payments $	Total $
Alan Cameron	2019	20,000	-	-	-	-	20,000
Tanya Cox	2019	36,667	-	-	-	-	36,667
William Deane	2019	20,000	-	-	-	-	20,000
Gerd Goette	2019	20,000	-	-	-	-	20,000
Michael Nark	2019	392,065	126,958	-	-	12,599	531,622
Gregory Pynt[2]	2019	3,333	-	-	-	-	3,333
Total		**492,065**	**126,958**	**-**	**-**	**12,599**	**631,622**

[1] STI was earned/awarded in 2018 and paid in 2019.
[2] Mr. Pynt joined the board on 20 December 2019 and resigned on 24 January 2020.

G Share-based compensation

Options

The assessed fair value at the grant date of options awarded to individuals is allocated over the period from grant date to expiry date, and the amount for the current period is included in the remuneration table in this report. Fair values are determined using a Black-Scholes pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield, and the risk-free interest rate for the term of the option.

H Equity instruments held by Key Management Personnel (options)

Current Period – 2020

Key Management Personnel	Balance at start of period	Granted as compensation	Exercised	Other changes	Balance at end of period	Vested and exercisable to date	Unvested at 31 Dec 2020
Sanjay Patel	-	-	-	-	-	-	-
Daivesh Sanghvi	-	-	-	-	-	-	-
William Deane	-	-	-	-	-	-	-
Gerd Goette	-	-	-	-	-	-	-
Michael Nark	1,241,030	-	-	(1,241,030)	-	-	-
Gregory Pynt[1]	-	-	-	-	-	-	-

Prior Period - 2019

The number of options exercisable for shares of common stock in the company held during the 2019 period by each Key Management Personnel of the company are set out below.

Key Management Personnel	Balance at start of period	Granted as compensation	Exercised	Other changes	Balance at end of period	Vested and exercisable to date	Unvested at 31 Dec 2019
Alan Cameron	-	-	-	-	-	-	-
Tanya Cox	-	-	-	-	-	-	-
William Deane	-	-	-	-	-	-	-
Gerd Goette	-	-	-	-	-	-	-
Michael Nark	2,703,089	500,000	-	-	3,203,089	1,962,059	1,241,030
Gregory Pynt[1]	-	-	-	-	-	-	-

[1] Mr. Pynt joined the board on 20 December 2019 and resigned on 24 January 2020.

Share holdings

The number of shares in the company held during the period by each director of BuildingIQ, Inc. including their personally related parties, are set out below.

Current Period – 2020

Key Management Personnel	Balance at start of the period	Received during the period on exercise of options	Other changes during the period	Balance at end of the period
Sanjay Patel	-	-	-	757,261,222
Daivesh Sanghvi	-	-	-	-
William Deane	4,634,796	-	-	4,634,796
Gerd Goette	2,091,482	-	-	2,091,482
Michael Nark	552,000	-	-	552,000
Gregory Pynt	10,554,161	-	-	10,554,161

Prior Period – 2019

Key Management Personnel	Balance at start of the period	Received during the period on exercise of options	Other changes during the period	Balance at end of the period
Alan Cameron	880,000	-	-	880,000
Tanya Cox	80,000	-	-	80,000
William Deane[1]	4,634,796	-	-	4,634,796
Gerd Goette[2]	-	-	2,091,482	2,091,482
Michael Nark	552,000	-	-	552,000
Gregory Pynt	10,554,161	-	-	10,554,161

[1]William Deane holds the beneficial interest in CDIs through Exto Partners Australia Pty Ltd. William does not control that company but holds greater than 20% of its voting securities and due to its ownership structure claims an interest in 50% of these CDIs.

[2] *Gerd Goette acquired 2,091,482 CDIs in a private placement, upon receiving shareholder approval at an Extraordinary General meeting on 27 September 2019.*

I Additional information

Loans to Directors and Executives

There were no loans to Directors or other KMP during the period.

This concludes the remuneration report, which has been audited.

Indemnity and insurance of officers
As permitted under Delaware law, the company has agreements whereby officers and directors are indemnified for certain events or occurrences while the officer or director is, or was, serving at the company's request in such capacity. The maximum potential amount of future payments the company could be required to make under these indemnification agreements is not limited; however, the Company has directors' and officers' insurance coverage that reduces the exposure and may enable the Company to recover a portion of any future amounts paid. The Company has determined that estimated fair value of these indemnification agreements in excess of applicable insurance coverage is minimal.

During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor
The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on behalf of the company
No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Non-audit services
Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 25 to the financial statements. There were no non-audit services provided by the auditor in 2020.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

Auditor
KrestonSW Audit Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors.

On behalf of the directors,

Sanjay Patel
Executive Chairman
31 March 2022
Sydney

Auditor’s Independence Declaration

As lead auditor of BuildingIQ Inc for the year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of BuildingIQ Inc and the entities it controlled during the year.

K Thakkar

Kamal Thakkar
Director

KrestonSW Audit Pty Ltd

Sydney

31 March 2022

KrestonSW Audit Pty Ltd > ABN 73 624 822 386
Level 1, 34 Burton Street, Kirribilli NSW 2061, Australia > PO Box 50, Milsons Point NSW 1565, Australia
T +61 2 9923 2666 > F +61 2 9922 3063 > info@krestonsw.com.au > krestonsw.com.au

General information

The financial statements cover BuildingIQ, Inc. as a consolidated entity consisting of BuildingIQ, Inc. and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is BuildingIQ, Inc.'s presentation currency.

BuildingIQ, Inc. is incorporated in Delaware USA. Its principal place of business is:

16 South 16th Street, Suite 200
Fargo, ND 58103 USA

A description of the nature of the consolidated entity's operations and its principal activities are included in the Directors' Report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 31 March 2022. The directors have the power to amend and reissue the financial statements.

BuildingIQ, Inc.
Consolidated Statement of Profit or Loss and other Comprehensive Income
For the year ended 31 December 2020

	Note	Consolidated 2020 $	2019 $
Revenue from continuing operations	4	1,187,584	1,336,389
Other income from continuing operations		-	(2,087)
Revenue & other income from continuing operations		**1,187,584**	**1,334,302**
Cost of sales		(562,887)	(600,366)
Gross profit		**624,697**	**733,936**
Expenses			
Sales and marketing		(34,295)	(399,314)
Employment expenses	6	(865,240)	(1,143,659)
Administrative expenses		(1,512,986)	(805,517)
Impairment expenses	5	(2,656,624)	(3,936,019)
Finance costs		(25,731)	(80,282)
Depreciation & amortisation	6	(1,382,210)	(641,242)
Total expenses		**(6,477,086)**	**(7,006,033)**
Loss before income tax expense		**(5,852,389)**	**(6,272,097)**
Income tax expense	7	-	-
Loss from continuing operations, net of tax		**(5,852,389)**	**(6,272,097)**
Loss from discontinued operations, net of tax	36	**(3,010,721)**	**(5,239,349)**
Loss for the year after income tax expense		**(8,863,110)**	**(11,511,446)**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		446,111	(23,565)
Other comprehensive income for the year, after tax		446,111	(23,565)
Total comprehensive income for the year		**(8,416,999)**	**(11,535,011)**
Net (loss) / profit attributable to;			
Owners of the parent entity		(9,580,147)	(11,184,590)
Non-controlling interest		717,037	(326,856)
		(8,863,110)	**(11,511,446)**
Total comprehensive income attributable to;			
Owners of the parent entity		(9,134,036)	(11,208,155)
Non-controlling interest	29	717,037	(326,856)
		(8,416,999)	**(11,535,011)**
		Cents	**Cents**
Basic earnings per share (continuing)	34	(1.5)	(2.1)
Basic earnings per share (discontinued)	34	(0.8)	(1.8)
Diluted earnings per share (continuing)	34	(1.5)	(2.1)
Diluted earnings per share (discontinued)	34	(0.8)	(1.8)

The accompanying notes form part of these financial statements.

BuildingIQ, Inc.
Consolidated Statement of Financial Position
As at 31 December 2020

	Note	Consolidated 2020 $	2019 $
Assets			
Current assets			
Cash and cash equivalents	8	21,882	702,702
Trade and other receivables	9	577,471	3,605,817
R&D grant receivable	10	-	2,671,990
Other current assets	11	98,514	556,190
Total current assets		697,867	7,536,699
Non-current assets			
Property, plant and equipment	12	26,068	56,306
Right of use assets	20	-	526,974
Goodwill	13	-	931,805
Other intangible assets	14	-	3,876,181
Total non-current assets		26,068	5,391,266
Total assets		**723,935**	**12,927,965**
Liabilities			
Current liabilities			
Trade and other payables	15	995,751	2,351,959
Employee benefits	17	254,291	696,810
Deferred revenue	16	125,937	254,831
Borrowings	18	725,425	2,983,368
Lease liabilities	20	-	283,974
Other current liabilities	19	647,461	421,234
Total current liabilities		2,748,865	6,992,176
Non-current liabilities			
Lease liabilities	20	-	288,385
Total non-current liabilities		-	288,385
Total liabilities		**2,748,865**	**7,280,561**
Net assets		**(2,024,930)**	**5,647,404**
Equity			
Issued capital	21	55,202,989	54,467,679
Reserves	22	(118,212)	474,651
Non-controlling interest	29	-	(717,037)
Accumulated losses		(57,109,707)	(48,577,889)
Total equity		**(2,024,930)**	**5,647,404**

The accompanying notes form part of these financial statements.

BuildingIQ, Inc.
Consolidated Statement of Changes in Equity
31 December 2020

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Non-controlling interest $	Total Equity $
Balance at 1 January 2019	**51,006,884**	**456,411**	**(37,393,299)**	**(390,181)**	**13,679,815**
Loss after income tax expense for the year	-	-	(11,184,590)	(326,856)	(11,511,446)
Other comprehensive income for the year, net of tax	-	(23,565)	-	-	(23,565)
Total comprehensive income for the year	-	(23,565)	(11,184,590)	(326,856)	(11,535,011)
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs (note 21)	3,460,795	-	-	-	3,460,795
Share option expenses (note 22)	-	41,805	-	-	41,805
Balance at 31 December 2019	**54,467,679**	**474,651**	**(48,577,889)**	**(717,037)**	**5,647,404**

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Non-controlling interest $	Total Equity $
Balance at 1 January 2020	**54,467,679**	**474,651**	**(48,577,889)**	**(717,037)**	**5,647,404**
Loss after income tax expense for the year	-	-	(9,580,147)	717,037	(8,863,110)
Other comprehensive income for the year, net of tax	-	446,111	-	-	446,111
Total comprehensive income for the year	**-**	**446,111**	**(9,580,147)**	**717,037**	**(8,416,999)**
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs (note 21)	735,310		-	-	735,310
Share option expenses (note 22)	-	9,998	-	-	9,998
Share option reserve adjustment (note 22)	-	(1,048,972)	1,048,329		(643)
Balance at 31 December 2020	**55,202,989**	**(118,212)**	**(57,109,707)**	**-**	**(2,024,930)**

The accompanying notes form part of these financial statements.

BuildingIQ, Inc.
Consolidated Statement of Cash Flows
31 December 2020

	Note	Consolidated 2020 $	Consolidated 2019 $
Cash flows from operating activities			
Receipts from customers (including GST)		7,853,108	7,455,340
Payments to suppliers (including GST)		(7,060,673)	(6,854,537)
Payments to employees		(3,454,169)	(4,959,682)
Payments for interest		(981,000)	(563,044)
R&D tax incentive		2,671,990	2,494,439
Net cash used in operating activities	32	(970,744)	(2,427,484)
Cash flows from investing activities			
Payments for plant and equipment	12	-	(13,279)
Payments for intangible assets		(530,000)	(2,588,719)
Net cash used in investing activities		(530,000)	(2,601,998)
Cash flows from financing activities			
Proceeds from borrowings		410,994	5,581,390
Repayment of borrowings		-	(4,879,126)
Repayment of lease liabilities		(106,150)	(418,898)
Proceeds from issues of shares	21	735,310	3,460,795
Net cash generated by financing activities		1,040,154	3,744,161
Net decrease in cash and cash equivalents		(460,590)	(1,285,321)
Cash and cash equivalents at the beginning of the financial year		702,702	1,975,777
Effects of exchange rate changes on cash and cash equivalents		(220,230)	12,246
Cash and cash equivalents at the end of the financial year	8	21,882	702,702

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation
These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board ('IASB').

Historical cost convention
The financial statements have been prepared under the historical cost convention.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2. The annual financial statements are prepared on a going concern basis, as disclosed in note 35.

Parent entity information
In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 28.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of BuildingIQ as at 31 December 2020 and the results of all subsidiaries for the year then ended. BuildingIQ, Inc. and its subsidiaries together are referred to in these financial statements as the consolidated entity.

Subsidiaries
Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity where the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

Loss of Control
Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, a non-controlling interest and other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in the statement of profit or loss and other comprehensive income.

Foreign currency translation
The financial statements are presented in Australian dollars. BuildingIQ’s functional currency is USD.

Foreign currency transactions
Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations
The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity. The foreign currency reserve will be recognised in profit or loss when the foreign operation or net investment is disposed of.

1. Significant accounting policies (continued)

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Intangible assets
Intangible assets are initially recognised at cost. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The method and useful lives of finite life intangible assets are reviewed annually.

Goodwill
Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Impairment of non-financial assets
Intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Provisions
Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Employee benefits
Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Share-based payments
Equity-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares that are provided to employees in exchange for the rendering of services. There are no cash-settled share-based compensation benefits.

The cost of equity-settled transactions is measured at fair value on grant date. Fair value is independently determined using the Black-Scholes option pricing. The cost of equity-settled transactions is recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value, therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied. No equity-settled awards have been modified.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied

1. Significant accounting policies (continued)

during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

Fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement. For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Right-of-use assets
A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any re-measurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Lease liabilities
A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of

1. Significant accounting policies (continued)

GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Non-current assets (or disposal groups) held for sale and discontinued operations
Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the noncurrent asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit or loss

Accounting Policies
Other than the implementation of the new accounting policy noted below, the accounting policies adopted are consistent with the most recent annual financial statements and the corresponding year-end reporting period.

New, revised or amending Accounting Standards and Interpretations adopted
The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue, and expenses. Management bases its judgements, estimates, and assumptions on historical experience and on various other factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below and within the respective notes.

Goodwill and other indefinite life intangible assets
The consolidated entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment in accordance with the accounting policies stated in note 1. The recoverable amounts of cash-generating units have been determined based on the higher of the value-in-use and the fair value less costs of disposal. In previous periods, the recoverable amount has been measured with reference

2. Critical accounting judgements, estimates and assumptions (continued)

to the value-in-use. These calculations require the use of assumptions, including discount rates based on the current cost of capital and growth rates of the estimated future cash flows. For the year-ended 31 December 2020, the recoverable amount has been measured with reference to the fair value less cost of disposal, using a market based approach. These calculations require the use of judgements in relation to the execution of a transaction between market participants.

Recovery of trade receivables and accrued income
Trade receivables and accrued income are recognised only to the extent that the consolidated entity considers it probable that the contractual amounts due will be received. The recoverability of trade receivables and accrued income is considered with reference to the expected credit loss model. Allowances for impairment of trade receivables are based upon the lifetime expected credit loss, which requires a degree of estimation and judgement. To measure the expected credit losses, trade receivables have been grouped based on days overdue, with an expected credit loss determined for each group. These assumptions include recent sales experience, historical collection rates and forward looking information.

Share-based payment transactions
The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at each reporting date. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Revenue recognition
There are two key judgements associated with sales of good and services and these are as follows:

a) Revenue is recognised at the value of consideration received or receivable and there is judgement associated with the expected revenue to be received over the life of a contract with a customer. Management recognise revenue based on the best estimate of expected revenue to be received for individual contracts, using the expected value method. There are some instances where the consolidated entity enters into trial programs or other arrangements where billing does not occur until the conclusion of a trial period when performance can be measured. The consolidated entity recognises this revenue as the services are performed to the extent that it can be reliably measured. There is no measurement constraint applied to estimates of variable consideration, as it is probable that a significant reversal in the amount of cumulative revenue recognised will not occur; and
b) Revenue in relation to installation services provided to customers is determined by reference to the stage of completion of the transaction at reporting date. There is judgement associated with determining the stage of completion of each individual contract with a customer.

Determination of disposal group and discontinued operations
As disclosed in Note 36, the events during the year relating to the appointment of receivers and managers over certain assets (namely the bank accounts and accounts receivable) of the Group's subsidiaries BuildingIQ Pty Ltd and Buildingsense Australia Pty Ltd has been determined to be a loss of control over those subsidiaries and accounted for as a disposal group and discontinued operations in accordance with the Group's accounting policies and the Accounting Standards.

The appointment of receivers to the subsidiaries resulted in the Board and Management of BuildingIQ Inc not being able to direct the operations of the business and discharge its obligations in the ordinary course of business.

This deemed loss of control is a critical judgement in the accounting and presentation of this event and the deemed disposal that has been accounted for in accordance with provisions AASB 5 *Non-current Assets Held for Sale and Discontinued Operations* and AASB 10 *Consolidated Financial Statements* for the year ended 31 December 2020. Details of the treatment are further explained in the Group's accounting policies relating to the *Principles of Consolidation and Non-current Assets Held for Sale and Discontinued Operations* in Note 1, and the effects to the financial report are disclosed in Note 36.

3. Operating segments

Identification of reportable operating segments
The consolidated entity has only one reportable segment which is the development, design, engineering, sale and installation of integrated software projects that reduce the energy, operations and maintenance costs of the customers' facilities. All geographic locations are interdependent and share common infrastructure, including both tangible and intangible assets. This operating segment is based on the internal reports that are reviewed and used by the Chief Executive (who is identified as the Chief Operating Decision Maker ('CODM') in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments. The consolidated entity's single reportable segment operates mainly in two

3. Operating segments (continued)

geographic regions, North America and Australasia. Both regions are supported by a mix of resources from the single reportable operating segment.

Geographical information

	Sales to external customers		Geographical non-current assets	
	2020 $	2019 $	2020 $	2019 $
Australasia (Discontinued)	4,863,288	5,030,213	-	2,943,761
North America (Continuing)	1,187,584	1,336,389	26,068	2,447,505
	6,050,872	6,366,602	26,068	5,391,266

4. Revenue from contracts with customers

The 5i Platform is a comprehensive set of activities provided by BuildingIQ to enhance and optimise its customers' buildings, by installing heating, ventilation, and air-conditioning systems (HVAC), setting up building management systems (BMS), configuring mechanical/electrical support systems (Mechelec) and placing Internet-of-Things (IoT) devices at key control points. From this hardware foundation, BuildingIQ is able to maximise energy savings and customer comfort by using Software-as-a-Service (SaaS) subscriptions and managed services. Revenue is recognised on a stage-of-completion basis for construction-type hardware installations in greenfield buildings, and on a monthly basis for the duration of SaaS subscription services in greenfield and established buildings.

	Continuing		Discontinued		Total	
	31-Dec-20 $	31-Dec-19 $	31-Dec-20 $	31-Dec-19 $	31-Dec-20 $	31-Dec-19 $
Installation	17,462	34,228	4,575,059	5,008,755	4,592,521	5,042,983
Subscription	1,141,060	1,369,416	288,229	(82,290)	1,429,289	1,287,126
Other	29,062	(67,255)	-	103,748	29,062	36,493
Total revenue	1,187,584	1,336,389	4,863,288	5,030,213	6,050,872	6,366,602

Revenue is recognised as the entity satisfies its performance obligations under the contract, and control of the good or service is transferred to the customer.

Installation services revenue is recognised over time as the performance obligation is satisfied over the term of the implementation. The revenue is recognised by reference to the stage of completion of the individual contract. Stage of completion is derived from the estimated costs to complete the project, which is measured on a monthly basis. The timing of invoicing may differ to the revenue recognition due to contract milestones included with the contract with a customer, which will result in the recognition of accrued income or deferred revenue.

SaaS subscription revenue is recognised over time as the performance obligation is satisfied over the term of the subscription. The revenue is recognised equally over the term of the subscription or in cases where it is billed up front, results in deferred revenue to ensure it is recognised over the subscription term.

Other revenue relates to fees earned on partner agreements and other miscellaneous items. Other revenue is recognised over time, as the performance obligation is satisfied.

Disaggregation of revenue

The group has disaggregated revenue from customer contracts into various categories in the following table, which is intended to depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic data.

4. Revenue from contracts with customers (continued)

Revenue stream	**Revenue recognition**	**Australasia (Discontinued)**	**North America (Continuing)**	**Consolidated**
Year-ended 31 December 2020		**$**	**$**	**$**
Installation revenue	Over time	4,575,059	17,462	4,592,521
Subscription revenue	Over time	288,229	1,141,060	1,429,289
Other revenue	Over time	-	29,062	29,062
		4,863,288	1,187,584	6,050,872

Revenue stream	**Revenue recognition**	**Australasia**	**North America**	**Consolidated**
Year-ended 31 December 2019		**$**	**$**	**$**
Installation revenue	Over time	5,008,755	34,228	5,042,983
Subscription revenue	Over time	-	1,302,161	1,302,161
Other revenue	Over time	21,458	-	21,458
		5,030,213	1,336,389	6,366,602

5. Impairment expenses

	Consolidated	
	2020	**2019**
	$	**$**
Other impairment expenses[1]	1,724,819	-
Goodwill impairment – Buildingsense Australia Pty Ltd (Note 13)	931,805	-
Goodwill impairment – Energy Worksite & Facility Worksite	-	3,936,019
	2,656,624	3,936,019

[1]Relates to impairment expenses recognised for investment in Australian subsidiaries and intercompany accounts with Australian subsidiaries in financial year 2020.

6. Expenses

	Consolidated	
	2020	**2019**
	$	**$**
Loss before income tax from continuing operations includes the following specific expenses:		
Employee benefit expenses		
Wages and Salaries	865,240	1,143,659
Infrastructure costs		
Systems, servers and hosting fees	256,153	304,087
Share-based payments expense		
Net change for issuance/(cancellation) of employee share options	9,998	41,805

7. Income tax expense

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction. BuildingIQ's loss before income tax is $8,863,110 (2019: $11,511,446), and no income tax expense is recognised.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. No deferred tax asset has been recognised.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Previously unrecognised deferred tax assets will be recognised when it is probable that there are future taxable profits available to recover the asset.

8. Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

	Consolidated	
	2020	**2019**
	$	**$**
Cash at bank	21,882	702,702
	21,882	702,702

9. Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for expected credit losses. Trade receivables are generally due for settlement within 30-60 days.

Other receivables are recognised at amortised cost, less any provision for expected credit losses.

	Consolidated	
	2020	**2019**
	$	**$**
Trade receivables	1,841,504	3,483,177
Less: Provision for expected credit losses on receivables	(1,635,880)	(945,004)
	205,624	2,538,173
Accrued income & other receivables	371,847	1,067,644
	577,471	3,605,817

Trade receivables include invoices issued to Software-as-a-Service customers, billed monthly on 30 day settlement terms, as well as installation customers, billed on a stage-of-completion basis, when key installation milestones are met, on 60 day settlement terms.

Impairment of trade receivables
The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

9. Trade and other receivables (continued)

The consolidated entity has recognised an increase to the provision of $707,170 (2019: $1,044,902) in the Statement of Profit or Loss and Other Comprehensive Income in respect of expected credit losses on receivables for the period ended 31 December 2020.

The ageing of the impaired receivables provided for above are as follows:

	Expected credit loss rate		Carrying amount		Allowance for expected credit losses	
	2020	**2019**	**2020**	**2019**	**2020**	**2019**
Consolidated	**%**	**%**	**$**	**$**	**$**	**$**
Not overdue	0%	0%	-	1,264,998	-	-
0 to 3 months overdue	0%	1%	-	101,492	-	844
3 to 6 months overdue	0%	10%	-	23,853	-	2,385
Over 6 months overdue	89%	45%	1,841,504	2,092,834	1,635,880	941,775
			1,841,504	3,483,177	1,635,880	945,004

Movements in the expected credit losses on receivables are as follows:

	Consolidated	
	2020	**2019**
	$	**$**
Opening balance	945,004	317,351
Additional provisions recognised	707,170	1,044,902
Receivables written off during the period as uncollectible	(16,294)	(417,249)
Closing balance	1,635,880	945,004

10. R&D grant receivable

	Consolidated	
	2020	**2019**
	$	**$**
Research & development grant receivable	-	2,671,990

The Company was eligible for a research and development (R&D) grant for financial year ended 31 December 2019, which was received on 17 June 2020.

11. Other current assets

	Consolidated	
	2020	**2019**
	$	**$**
Prepayments	32,240	284,090
Deferred expenses for installation service contracts	66,274	207,688
Security deposits	-	79,817
PAYG & GST (payable)	-	(15,405)
	98,514	556,190

12. Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Leasehold improvements	3-10 years
Plant and equipment	3-7 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

	Consolidated 2020 $	Consolidated 2019 $
Plant and equipment - at cost	174,489	321,672
Less: Accumulated depreciation	(148,421)	(265,366)
	26,068	56,306

Consolidated	**Plant and equipment $**	**Total $**
Balance at 1 January 2019	106,707	106,707
Additions	13,279	13,279
Disposals	(20,874)	(20,874)
Depreciation expense	(42,806)	(42,806)
Balance at 31 December 2019	56,306	56,306
Balance at 1 January 2020	56,306	56,306
Additions	-	-
Disposals	-	-
Depreciation expense	(30,238)	(30,238)
Balance at 31 December 2020	26,068	26,068

13. Goodwill

Goodwill of $931,805 recognised on acquisition of Buildingsense Australia Pty Ltd in 2018 has been impaired fully during the current financial year ended 31 December 2020.

Consolidated	**Goodwill $**
Balance at 31 December 2019	931,805
Goodwill impairment during the year	(931,805)
Balance at 31 December 2020	-

14. Other intangible assets

Research and Development
Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the consolidated entity is able to use or sell the assets; the consolidated entity has sufficient resources; and intent to complete the development and its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 3 years.

CSIRO Technology License
Costs associated with intellectual property acquired from the CSIRO are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 3 years.

Software (ERP)
Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 3 years.

Customer contracts and relationships
Customer contracts and relationships identified in a business combination are recognized by the company and valued using a multi-period excess earnings approach, and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 4-10 years.

Supplier relationships
Supplier relationships identified in a business combination are recognized by the company and valued using a multi-period excess earnings approach, and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 10 years.

Summary of closing balances:	**Consolidated**	
	2020	**2019**
	$	**$**
Development asset (net of R&D incentive) – at cost	303,410	8,671,302
Less: Accumulated amortisation	(303,410)	(5,950,395)
	-	2,720,907
CSIRO developed optimisation technology – at cost	-	468,315
Less: Accumulated amortisation	-	(468,315)
	-	-
NetSuite – at cost	-	198,479
Less: Accumulated amortisation	-	(194,583)
	-	3,896
Supplier relationships	390,874	390,874
Less: Accumulated Amortisation	(390,874)	(50,546)
	-	340,328
Customer contracts and relationships	1,260,832	1,297,149
Less: Accumulated Amortisation	(1,260,832)	(486,099)
	-	811,050
Total	-	3,876,181

14. Other intangible assets (continued)

Consolidated

	Development $	CSIRO $	ERP $	Supplier relationships $	Customer relationships $	Total $
Balance at 1 January 2019	2,224,024	130,701	68,497	390,874	1,025,268	3,839,364
Additions (net of R&D incentive)	1,462,627	-	-	-	-	1,462,627
Amortisation expense	(967,462)	(130,701)	(64,601)	(50,546)	(216,565)	(1,429,876)
Foreign exchange	1,719	-	-	-	2,347	4,066
Balance at 31 December 2019	2,720,907	-	3,896	340,328	811,050	3,876,181
Additions (net of R&D incentive)	1,283,590	-	-	-	-	1,283,590
Amortisation expense	(468,650)	-	(3,896)	(340,328)	(811,050)	(1,623,924)
Impairment	(3,535,847)	-	-	-	-	(3,535,847)
Balance at 31 December 2020	-	-	-	-	-	-

15. Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 60 days of recognition.

	Consolidated	
	2020 $	2019 $
Trade payables	995,751	2,351,959

16. Deferred revenue

	Consolidated	
	2020 $	2019 $
Deferred revenue	125,937	254,831

Reconciliation of deferred revenue

	Consolidated	
	2020 $	2019 $
Opening balance	254,831	140,818
Additions	-	1,453,603
Transfer to revenue from contracts with customers	(128,894)	(1,339,590)
	125,937	254,831

17. Employee benefits

	Consolidated 2020 $	Consolidated 2019 $
Current[1]		
Employee benefits	254,291	696,810

[1]Current provision for employee benefits includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments.

The consolidated entity expects all employees to take the full amount of accrued leave within the next twelve months.

18. Borrowings

	Consolidated 2020 $	Consolidated 2019 $
Paycheck Protection Program	183,121	-
SNAPS loan[1]	542,304	-
Fifo Capital	-	2,983,368
	725,425	2,983,368

[1]SNAPS Loan
During the year ended 31 December 2020, the Group executed an agreement with SNAPS Holdings Company (SNAPS).

The terms of the agreement are as follows:

- Private placement of up to A$4.7m ($542,304 has been provided by SNAPS as at 31 December 2020, and approximately $1,200,000 as at the date of this report)
- Convertible notes as follows:
  - $424,780 convertible notes were issued to SNAPS in April 2020, convertible to 23,598,914 CDIs at maturity (at $0.018 per CDI), pending approval from shareholders
  - $310,530 convertible notes were issued to SNAPS in May 2020, convertible to 51,755,000 CDIs at maturity (at $0.006 per CDI), pending approval from shareholders

In exchange for the above, under the terms of the agreement, SNAPS would receive 671,287,833 CDIs and 178,000,000 options.

The following has occurred during and subsequent to year end:

- Shareholder approval was obtained on 25 August 2020 for the conversion of $424,780 convertible notes to 23,598,914 CDIs at $0.018 per CDI. The shares were issued on 1 November 2020.
- Shareholder approval was obtained on 25 August 2020 for the conversion of $310,530 convertible notes to 51,755,000 CDIs at $0.006 per CDI. The shares were issued on 1 November 2020.
- 10,619,500 options of the 178,000,000 options were issued during the year (refer Note 22). These were valued at $643.
- 671,287,833 CDIs were approved by shareholders on 25 August 2020 and were issued in February 2022.

19. Other current liabilities

	Consolidated	
	2020	2019
	$	$
Accrued expenses	147,461	301,234
Deferred settlement (Buildingsense acquisition)	-	120,000
mCloud advance & break fee	500,000	-
	647,461	421,234

20. AASB 16 Leases

Right of use assets

	Consolidated	
	2020	2019
	$	$
Office building	-	526,974

Lease liabilities

	Consolidated	
	2020	2019
	$	$
Current	-	283,974
Non-current	-	288,385
	-	572,359

The consolidated entity leased buildings for its Sydney & San Mateo offices under lease agreements which were terminated in June 2020.

21. Reconciliation of contributed equity

Details	No of shares	Issued $
Balance at 1 January 2018	96,924,191	44,632,556
Share issue, net of transaction costs and tax	138,663,270	5,490,434
Balance at 30 June 2018	235,587,461	50,122,990
Share issue, net of transaction costs and tax	13,636,364	883,894
Balance at 31 December 2018	249,223,825	51,006,884
Share issues, net of transaction costs and tax		
Share issue 8 March 2019	693,050	35,568
Share issue 29 April 2019	23,728,814	840,000
Share issue 25 June 2019	7,062,148	244,905
Share issue 23 August 2019	27,722,877	978,584
Share issue 4 October 2019	10,742,235	386,374
Share issue 16 December 2019	54,500,000	975,364
	124,449,124	3,460,795
Balance at 31 December 2019	373,672,949	54,467,679
Share issue 1 November 2020 [1]	23,598,889	424,780
Share issue 1 November 2020 [1]	51,755,000	310,530
	75,353,889	735,310
Balance as at 31 December 2020	449,026,838	55,202,989

[1] Refer to Note 18 for further details.

Common stock and CDIs
As a Delaware corporation, the company has issued common stock under Delaware law. The shares of common stock are held by CHESS Deposit Nominees Pty Ltd (CDN) on behalf of CDI holders who may trade CDIs on the ASX. CDIs entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number and amount paid on the common stock underlying the CDIs. The common stock has a par value of US$0.0001 per share.

Capital risk management
The consolidated entity's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for CDI holders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to CDI holders, return capital to CDI holders, issue new CDIs or sell assets to reduce debt. The capital risk management policy remains unchanged from the prior year.

22. Reserves

	Consolidated 2020 $	Consolidated 2019 $
Options reserve	643	1,039,617
Foreign currency reserve	(118,855)	(564,966)
	(118,212)	474,651

Options reserve
The options reserve is used to recognise the fair value of options issued but not exercised

Foreign currency reserve
The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars.

Movements in reserves
Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Options reserve $	Foreign currency $	Total $
Balance at 1 January 2019	997,812	(541,401)	456,411
Employee share options	41,805	-	41,805
Foreign currency translation	-	(23,565)	(23,565)
Balance at 31 December 2019	1,039,617	(564,966)	474,651
Balance at 1 January 2020	1,039,617	(564,966)	474,651
Employee share options	9,998	-	9,998
Net charge for issuance/cancellation of employee share options[1]	(1,048,972)	-	(1,048,972)
Foreign currency translation	-	446,111	446,111
Balance at 31 December 2020	643	(118,855)	(118,212)

[1] Options 10,619,500 were issued to SNAPS during the year, which were valued at $643 (refer Note 18). 13,950,297 options were forfeited during the year and the corresponding value of $1,049,615 has been transferred to retained earnings.

23. Financial instruments

Financial risk management objectives
The consolidated entity's activities expose it to a variety of financial risks including credit risk and liquidity risk. Risk management is carried out by senior finance executives under policies approved by the Board.

Foreign currency risk
A large proportion of the consolidated entity's operations are denominated in USD, which are translated into the consolidated entity's presentation currency of Australian dollars. A 10% strengthening of the Australian dollar against the USD would have a net impact from continuing operations of approximately $459,565. Conversely a 10% weakening of the Australian dollar against the USD would have a net impact from continuing operations of ($813,630).

The Foreign Currency Translation Reserve reflects the effect of the movements in USD-denominated foreign assets values due to the decline in USD:AUD foreign exchange rates in FY20.

Price risk
The consolidated entity is not exposed to any significant price risk.

23. Financial instruments (continued)

Interest rate risk
The consolidated entity's main interest rate risk arises from short-term borrowings. The consolidated entity does not currently have borrowings obtained at variable rates. Borrowings obtained at fixed rates (see note 18) expose the consolidated entity to fair value risk.

Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has a strict code of credit, including contracting payment in advance where possible, obtaining agency credit information, confirming references and setting appropriate credit limits. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The consolidated entity does not hold any collateral. Refer to note 9 for details of the consolidated entities credit risk.

Liquidity risk
Liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) or available borrowing facilities to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves, continuously monitoring actual and forecast cash flows and matching maturity profiles of financial assets and liabilities.

Remaining contractual maturities
The following table details the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The table is based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The table includes both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated – 2020	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 Years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	0%	995,750	-	-	-	995,750
Deferred settlement liability	0%	-	-	-	-	-
Borrowings	15%	725,425	-	-	-	725,425
Leases	15%	-	-	-	-	-
Total non-derivatives		1,721,175	-	-	-	1,721,175

Consolidated – 2019	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 Years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	0%	2,351,959	-	-	-	2,351,959
Deferred settlement liability	0%	120,000	-	-	-	120,000
Borrowings	15%	2,983,368	-	-	-	2,983,368
Leases	15%	283,974	288,385	-	-	572,359
Total non-derivatives		5,739,301	288,385	-	-	6,027,686

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed.

24. Key management personnel disclosures

Compensation
The aggregate compensation made to directors and key management personnel is set out below.

	Consolidated	
	2020	2019
	$	$
Short-term employee benefits	160,480	619,023
Share-based payments	-	12,599
	160,480	631,622

25. Remuneration of auditors

The following fees were paid or payable for services provided by the auditor of the company and its network firms:

	2020	2019
	$	$
Audit services – BDO Audit Pty Ltd		
Audit or review of the financial statements, half year and full year	139,135	92,650
	139,135	92,650

26. Contingent liabilities

The group had contingent liabilities at 31 December 2020 in respect of the following matters that are outstanding as at the time of this report. Further details are disclosed in Note 31, and the status of each is as follows:

- **Gerd Goette vs BuildingIQ Inc** - the case is currently awaiting a trial.
- **Receivership and Liquidation** – outcomes of the receivership of BuildingIQ Pty Ltd and the liquidation of Buildingsense Australia Pty Ltd have not been finalised.

The Group had no contingencies at 31 December 2019.

27. Related party transactions

Parent entity
BuildingIQ, Inc. is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 30.

Terms and conditions
The only related party transactions occurred between the parent and its subsidiaries. All transactions were made on normal commercial terms and conditions and at market rates and were fully eliminated on consolidation.

28. Parent entity information

Set out below is the supplementary information about the parent entity.

	Parent	
	2020	**2019**
	$	**$**
Loss after income tax	(5,852,389)	(6,189,171)
Total comprehensive income	(5,406,278)	(6,212,736)

Statement of financial position

Total current assets	697,867	2,231,819
Total assets	723,935	7,638,365
Total current liabilities	2,748,865	1,100,546
Total liabilities	2,748,865	(10,284,494)
Equity		
Issued capital	55,202,989	54,467,679
Reserves	(118,212)	(564,323)
Accumulated losses	(57,109,707)	(56,549,485)
Total equity	(2,024,930)	(2,646,129)

Contingent liabilities
The parent entity had no contingent liabilities as at 31 December 2020 (2019: $nil).

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 31 December 2020 (2019: $nil).

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

29. Non-controlling interest

Former shareholders of Buildingsense Australia Pty Ltd have 30% shareholding (non-controlling interest) in BIQSense Pty Ltd, which owns 100% of Buildingsense Australia Pty Ltd.

Net gain of $717,037 attributable to the non-controlling interest represents a 30% share from operational results of Buildingsense Australia Pty Ltd and BIQSense Pty Ltd, for the current reporting period ended on 31 December 2020. This has been derecognised at 31 December 2020.

30. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

		Ownership interest	
	Principal place of business / Country of incorporation	2020 %	2019 %
Name			
BuildingIQ Pty Ltd	Australia	-	100.00
BIQsense Pty Ltd	Australia	70.00	70.00
Buildingsense Australia Pty Ltd	Australia	-	70.00
BuildingIQ Singapore Pte Ltd	Singapore	100.00	100.00

No other subsidiaries are incorporated in the consolidated financial statements.
BIQSense Pty Ltd owns 100% of Buildingsense Australia Pty Ltd.

31. Events after the reporting period

CHESS Depositary Interests (CDIs)
The issuance 671,287,833 CDIs to SNAPS was approved by shareholders on 25 August 2020. The CDIs were issued in February 2022.

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.

Liquidation of Buildingsense Australia Pty Ltd
The company engaged Price Waterhouse Coopers (PwC) for the liquidation of one of its subsidiaries in Australia, Buildingsense Australia Pty Ltd. PwC has completed its investigations into the company's affairs and have not identified any further avenues of recovery or lines of investigation. The Receivers and Managers of the Company are expected to retire upon which PwC will proceed to finalize the liquidation and request the Australian Securities & Investments Commission to deregister the Company.

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

For past 5 months, the company has been working closely with ASX through its legal advisors to actively engage in pursuing the opportunity to reinstate company's listing at the Exchange.

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.

COVID-19
Beginning in February 2020, governments worldwide have issued increasingly stringent orders to contain the spread of COVID-19, including shelter-in-place orders and travel bans. In response BuildingIQ has established a work-from-home policy for all employees with the exception of staff working on greenfield project sites. Travel has been reduced to an absolute minimum.

31. Events after the reporting period (continued)

Support for the current software subscription customers is provided remotely, therefore the impact on customers is largely limited to changing regular account management meetings from in-person to virtual meetings. To date only a number of construction sites have been affected by shutdowns or other restrictions due to cases of Covid-19. However, if such measures were broadly implemented by governments, BuildingIQ's revenue and customer receipts are likely to be at risk of significant delay. This shortfall would be partly compensated by an offsetting delay in COGS for third party equipment and services. In case of a prolonged shutdown of construction activities there is an increased risk of insolvency of customers, suppliers and subcontractors. The directors have reviewed their financial forecasts in response to COVID-19 and, where possible, adjusted for potential impacts to revenue, expenses and cash flows. However, the quantum of any such impact is currently unable to be accurately estimated and, as such, no adjustments to the financial statements have been made as a result of the COVID-19 situation.

The board and management will continue to assess the impact of Covid-19 on BuildingIQ's business including the impact on existing projects, its pipeline and the collection of receivables. The board and management emphasise at this time BuildingIQ cannot make accurate forecasts and any assumptions about future prospects are likely to be erroneous.

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.

Settlement of Johnson Control Lawsuit
The lawsuit with JCI has been successfully settled by the new management of the company through its diligent and progressive commitment. This lawsuit was inherited by the new management and well defended by the attorneys of the new management. This case was litigated in USA.

Gerd Goette vs BuildingIQ Inc
Gerd Goette, a former director has lodged a claim against BuildingIQ Inc (BIQ Inc), allegedly claiming unpaid expenses from certain period in the past. The company does not agree with Gerd Goette's claim. BIQ Inc has a counterclaim against Gerd Goette. The case awaits a trial.

At this stage, it is not practical to estimate the potential effect of this claim and therefore it is not possible to estimate with any certainty the size of any liability that may arise or the likely timing of it or when that liability will materialise.

There have been no other transactions or events of a material or unusual nature between the end of the reporting period and the date of this report that will, in the opinion of the directors, significantly affect the operations of the consolidated entity, the results of those operations, or state of affairs of the consolidated entity in future years.

32. Reconciliation of loss after income tax to net cash from operating activities

	2020 $	2019 $
Loss after income tax expense for the year	(8,863,110)	(11,511,446)
Adjustments for:		
Depreciation and amortisation	1,382,210	1,898,269
Share-based expenses	9,998	41,805
Impairment expense	2,656,624	3,936,019
Change in operating assets and liabilities:		
Decrease/(Increase) in R&D receivable	2,671,990	(101,194)
Increase in provision for impairment of trade receivables	(690,876)	(627,653)
Decrease in trade and other receivables	2,337,470	1,650,555
(Decrease)/Increase in deferred revenue	(128,894)	114,014
Decrease in prepayments & other assets	1,452,571	211,263
(Decrease)/Increase in trade and other payables	(1,356,209)	2,306,876
(Decrease) in employee benefits	(442,518)	(345,992)
Net cash used in operating activities	(970,744)	(2,427,484)

33. Share-based payments

2012 Equity Incentive Plan and AU Plan

The consolidated entity has adopted two equity incentive plans for employees and other relevant persons, a plan under US law known as the 2012 Equity Incentive Plan and a plan under Australian law known as the AU Plan. Under the 2012 Equity Incentive Plan and the AU Plan the Board may grant stock options to employees, officers, directors, consultants, independent contractors and advisors to the company. The purpose of these Plans is to attract, retain, and motivate eligible persons whose present and potential contributions are important to BuildingIQ's success by offering them an opportunity to participate in the company's future performance through equity awards of stock options. Under the terms of the Plans, the exercise price of stock options may not be less than 100% of the fair market value on the date of grant.

Valuation of Stock-Based Awards

The fair value of each stock option granted under the company's equity incentive plans is based on independent valuations and estimated on the grant date using a Black-Scholes option-pricing model. The following weighted-average assumptions would apply as at 31 December 2019:

Expected life	4.95 years
Expected volatility	44.4%
Risk-free interest rate	1.48%
Expected dividends	- %

Expected volatility is based on the average of the historical volatility of the company's issued shares. The risk free interest rate is equal to the U.S. Treasury constant maturity rates for the period equal to the expected life. The company does not currently pay cash dividends on the company's issued shares and does not anticipate doing so in the foreseeable future. Accordingly, the company's expected dividend yield is zero.

The table below sets out details of the movements in options granted for the period ending 31 December 2019.

Consolidated	**Number of Options**
Balance at 31 December 2019	14,985,007
Options granted to SNAPS	10,619,500
Options forfeited	(13,950,297)
Balance at 31 December 2020	11,654,210

The Company has on issue a total of 11,654,210 options as at 31 December 2020 comprising the following:

- 1,034,710 options issued to directors, executives and employees under the Company's 2012 Equity Incentive plan with various exercise prices ranging from $0.067 to $1.00 and expiring on various dates from January 2024 to March 2028; and
- 10,619,500 options issued to SNAPS Holding Company on 27 April 2020 having an exercise price of $0.018 and expiring on 27 April 2021.

34. Earnings per share

	2020 $	**2019 $**
Loss attributable to the ordinary equity holders of the company used in basic and diluted earnings per share		
Loss after income tax attributable to the owners of BuildingIQ, Inc.	8,863,110	11,511,446
Less non-controlling interest	717,037	(326,856)
Adjusted loss attributable to common equity holders of the company	9,580,147	11,184,590

34. Earnings per share (continued)

	Number	Number
Weighted average number of common stock used in calculating basic earnings per share	386,231,931	284,387,222
Adjustments for calculation of diluted earnings per share:		
Options	11,654,210	11,261,260
Adjustment for options (anti-dilutive)	(11,654,210)	(11,261,160)
Weighted average number of common stock used in calculating diluted earnings per share	386,231,931	284,387,222

	Cents	Cents
Basic earnings per share (continuing)	(1.5)	(2.1)
Basic earnings per share (discontinued)	(0.8)	(1.8)
Diluted earnings per share (continuing)	(1.5)	(2.1)
Diluted earnings per share (discontinued)	(0.8)	(1.8)

35. Going concern

The consolidated financial statements are prepared on a going concern basis. At 31 December 2020, the Company recorded a loss before income tax of $8,863,110 (31 December 2019: $11,511,446) and operating cash outflows of $970,744 (31 December 2019: $2,427,484). As at 31 December 2020, the Group's total liabilities exceeded its total assets by $2,024,930. The Group's cash position at 31 December 2020 was $21,882 (2019: $702,702) and $3,150 at 31 March 2022. The Group's borrowings through the SNAPS loan at 31 December 2020 amount to $542,304 (2019: $nil), and $1,200,000 at 31 March 2022.

The directors' forecasts indicate that the consolidated entity would be required to raise further capital through debt and/or equity channels within 12 months from the date of approval of these consolidated financial statements in order to sustain its operating cash position and working capital requirements.

The above conditions give rise to a material uncertainty that may cast significant doubt upon the consolidated entity's ability to continue as a going concern.

The directors believe there are reasonable grounds to conclude the consolidated entity will continue as a going concern, after having regard for the following factors:

- The consolidated entity continues to receive funding from SNAPS under the terms of the private placement of up to A$4.7m entered into on 18 June 2020, which remains in place subject to the consolidated entity's reinstatement to the ASX. The directors believe this funding will be adequate to support the consolidated entity's cash requirements to continue as a going concern for a period of 12 months from the date of approval of the financial report;
- The directors have focussed resources to work closely with its advisors and the ASX to actively meet all requirements and fulfil the consolidated entity's reinstatement to the ASX;
- Since being placed under suspension from official quotation, the directors and new management have been focussed on completing the liquidation and receivership of Buildingsense Australia Pty Ltd and BuildingIQ Pty Ltd so that the consolidated entity may embark on a targeted transformation initiative to reinvent the core business operations. This detailed plan involves technology, business, and financial transitions in addition to remaining committed to successfully and amicably resolving all the business impeding litigation matters;
- The directors have prepared cash flow projections through to 31 March 2023 that reflect the above factors and are satisfied with the key judgements, progress and assumptions applied in relation to the revenue pipeline for 2022 and 2023 financial years, subject to any potential impacts of COVID19, which will provide ongoing operating cash inflows to supplement the capital injections by leveraging all potential and available funding instruments including but not limited to that from the SNAPS, debt, equity, public and private funding mechanisms; and
- Management and the directors are continuing to assess and mitigate the impact of COVID19 and are implementing definitive plans to address any potential slowdown.

35. Going concern (continued)

The directors are of the opinion that the consolidated entity can continue to access debt and equity funding to meet its working capital requirements. Accordingly, the directors consider that it is appropriate to prepare the consolidated entity's financial statements on a going concern basis.

The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount of liabilities that might result should the consolidated entity be unable to continue as a going concern and meet its debts as and when they fall due.

36. Discontinued operations

On 21 December 2020, the Company was placed 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.

In February 2021, PwC were appointed as liquidators for Buildingsense Australia Pty Ltd and the company was liquidated subsequently in 2021.

BuildingIQ Pty Ltd continues to be under receivership. The directors of the consolidated entity intend to wind-up the company once it comes out of receivership. The loss of control of the disposal group effected by the appointment of receivers on 21 December 2020 was deemed to be a disposal in the year.

For the financial year ended 31 December 2020, the consolidated entity has treated both the businesses (Buildingsense Australia Pty Ltd and BuildingIQ Pty Ltd, referred as 'Disposal Group') as discontinued operations and have shown their financial results under discontinued operations in the consolidated statement of profit or loss and other comprehensive income. The comparative for financial year ended 31 December 2019 has been re-presented to show the discontinued operations separately from continuing operations.

Similarly, assets and liabilities of the disposal group are shown separately under 'Assets held for sale' and 'Liabilities held for sale' in the consolidated statement of financial position as at 31 December 2020.

Results of discontinued operations

	Disposal Group	
	2020	**2019**
	$	**$**
Revenue (note 4)	4,863,288	5,030,213
Other income	604,000	1,471,627
	5,467,288	6,501,840
Cost of sales	(4,592,627)	(4,641,451)
Gross profit	**874,661**	**1,860,389**
Interest income	1,756	1,010
Expenses	(6,167,459)	(7,100,748)
Gain on deemed disposal	2,280,321	-
Results from discontinued operations	**(3,010,721)**	**(5,239,349)**
Income tax expense	-	-
Gain (Loss) from discontinued operations, net of tax	**(3,010,721)**	**(5,239,349)**
Basic earnings (loss) per share (cents)	(0.8)	(1.8)
Dilutes earnings (loss) per share (cents)	(0.8)	(1.8)

36. Discontinued operations (continued)

Assets and liabilities of disposal group held for sale

At 31 December 2020, the disposal group was stated at fair value less costs to sell and comprised the following assets and liabilities:

	2020 $
Cash and cash equivalents	-
Trade and other receivables	-
Other current assets	-
Assets held for sale	**-**
Trade and other payables	-
Employee benefits	-
Borrowings	-
Other current liabilities	-
Liabilities held for sale	**-**

BuildingIQ, Inc.
Directors' Declaration
31 December 2020

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001, and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;

- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the financial year ended on that date; and

- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The directors have been given the declaration required by section 5A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made in accordance with section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Sanjay Patel
Executive Chairman

31 March 2022
Sydney

Independent Auditor's Report
To the Members of BuildingIQ Inc

Report on the Audit of the Financial Report

Qualified Opinion

We have audited the financial report of BuildingIQ Inc (the Company) and its controlled entities (collectively the Consolidate Entity), which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, except for the matters described in the Basis for Qualified Opinion section of our report, the accompanying financial report of the Consolidated Entity is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the financial position of the Consolidated Entity as at 31 December 2020 and of its financial performance for the year then ended; and
- complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Qualified Opinion

As detailed in Note 36 to the financial statements, on 21 December 2020, Receivers and Managers were appointed in respect of the Consolidated Entity's subsidiaries, Building IQ Pty Ltd and Buildingsense Australia Pty Ltd, gaining control over certain assets (namely bank accounts and accounts receivables) of these entities. The event represented a loss of control over those entities and has resulted in accounting for the operations of these subsidiaries up to 21 December 2020 as discontinued operations of a disposal group. The accounting for the disposal group has resulted in a loss from discontinued operations of $3,010,721 being recognised in the in the statement of profit or loss and other comprehensive income and the derecognition of the assets and liabilities of the subsidiaries which the Company lost control of. This loss comprises a net loss from the operations of the disposal group of $5,291,042 and a deemed gain on disposal of $2,280,321 arising from deconsolidation of these subsidiaries.

It is further noted that the receivership and liquidation of the subsidiaries is ongoing at the time of our report.

Because of the restrictions on being able to access the accounting books and statutory records of the subsidiaries which have been under the control of the receivers and managers from the date of their appointment, we were unable to obtain sufficient appropriate audit evidence to be able to form an opinion on the completeness and accuracy of the components of the disclosure set forth in Note 36. Accordingly, we are unable to express an audit opinion on the figures disclosed in Note 36 relating to the revenue, expenses, net loss, gain on disposal, resulting loss on discontinued operations and the carrying values of the associated assets and liabilities derecognised which collectively comprise the discontinued operations of the Group for the year ended 31 December 2020.

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Consolidated Entity in accordance with the

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auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 35 in the financial report, which indicates that the Consolidated Entity incurred a net loss after income tax of $8,863,110 during the year ended 31 December 2020, operating cash outflows of $970,744 and, as of that date, the Consolidated Entity's total liabilities exceeded its total assets by $2,024,930 and is in a net current liability position of $2,050,998. As stated in Note 35, these events or conditions, along with other matters as set forth in Note 35, indicate that a material uncertainty exists that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current year. Except for the matters described in the Basis for Qualified Opinion and Material Uncertainty Related to Going Concern sections to our report, we have determined that there are no other key audit matters to be communicated in our report.

Information other than the financial report and the Auditor's Report thereon

Other information comprises financial and non-financial information included in the Consolidated Entity's annual report for the year ended 31 December 2020 which is provided in addition to the financial report and the auditor's report. The directors are responsible for the other information.

Our opinion on the financial report does not cover the other information and accordingly we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Consolidated Entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Consolidated Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: *http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf*.

This description forms part of our auditor's report.

Report on the Remuneration Report

Qualified Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 31 December 2020.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion on the Remuneration Report section of BuildingIQ Inc for the year ended 31 December 2020 complies with section 300A of the *Corporations Act 2001*.

Basis for Qualified Opinion on the Remuneration Report

Because of the significance of matters described in the Basis of Qualified Opinion section of our report, we are unable to express an opinion on the completeness and accuracy of the amounts disclosed in the Remuneration Report for the year ended 31 December 2020.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Kreston SW Audit

KrestonSW Audit Pty Ltd

K Thakkar

Kamal Thakkar

Director

Sydney

31 March 2022

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Additional Shareholder Information

Below we set out additional information in relation to the company's corporate structure and shareholders. This includes the information required under ASX Listing Rule 4.10.

Unless stated otherwise, the information and details in the tables below is current as at 31 March 2022.

Overview

The company's securities are listed for quotation in the form of CHESS Depositary Interests (***CDI***s) on the Australian Securities Exchange (***ASX***) and trade under the symbol 'BIQ'. Each share of common stock is equivalent to one CDI.

The company has a total of 449,026,838 (2019: 373,672,949) shares of common stock on issue, equivalent to 449,026,838 (2019: 373,672,949) CDIs.

The company has granted options exercisable for a total of 18,516,002 shares of common stock (2019: 14,373,951) which are not quoted on ASX.

Shareholder Information

Substantial holders

The names of substantial holders in the company and their respective equity holdings (to the best of the company's knowledge) as at 24 March 2022 are set out below:

NAME OF HOLDERS	NUMBER AND CLASS OF EQUITY SECURITIES IN WHICH HOLDER, TOGETHER WITH ASSOCIATES, HAS A RELEVANT INTEREST	PERCENTAGE OF VOTING POWER
SNAPS Holding Company	757,261,222	67.15%
Welas Group	130,874,108	11.61%
Siemens Venture Capital GmbH	34,313,644	3.04%
Emerald Shares Pty Ltd	30,000,000	2.66%

Number of Holders and Distribution of Holdings

The following table is a distribution schedule of the number of holders of CDIs and shares of common stock (as converted to CDIs) as at 24 March 2022:

CATEGORY	NUMBER OF HOLDERS
1 – 1,000	33
1,001 – 5,000	119
5,001 – 10,000	25
10,001 – 100,000	162
above 100,000	150
Total	**489**

Unmarketable Parcels

There are 219 holders of CDIs and shares (as converted to CDIs) holding less than a marketable parcel of CDIs (being a parcel of securities less than $500).

Top 20 Holders

Set out below is a schedule of the 20 largest holders of securities (CDIs and shares, as converted to CDIs) in the company accurate as at 24 March 2022. (Related but separate legal entities are not aggregated for the purpose of the table below).

Rank	Name	Units	% Units
1	SNAPS HOLDING COMPANY	757,261,222	67.15%
2	Welas Group	130,874,108	11.61%
3	SIEMENS VENTURE CAPITAL GMBH\C	34,313,644	3.04%
4	EMERALD SHARES PTY LIMITED <EMERALD UNIT A/C>	30,000,000	2.66%
5	HARESHWAR RAMNATH SINGH <SINGH FAMILY A/C>	13,636,364	1.21%
6	MR WARREN JOHN KINSTON	12,355,556	1.10%
7	PALADIN GLOBAL ALTERNATIVE ENERGY FUND LP	12,204,817	1.08%
8	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	9,179,644	0.81%
9	BANNABY INVESTMENTS PTY LIMITED <BANNABY SUPER FUND A/C>	8,514,686	0.76%
10	SUPERHERO NOMINEES PTY LTD <CLIENT A/C>	5,900,000	0.52%
11	ASTER CAPITAL PARTNERS SAS	5,771,267	0.51%
12	HARESHWAR RAMNATH SINGH & ANITA SINGH <HARIANITA SUPER FUN	5,572,112	0.49%
13	BANNABY INVESTMENTS PTY LIMITED <BANNABY SUPER FUND A/C>	5,557,556	0.49%
14	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	5,454,045	0.48%
15	EXTO PARTNERS AUSTRALIA PTY LTD	4,634,796	0.41%
16	MR RHETT ANTHONY JOHN MORSON	4,500,000	0.40%
17	CHD HOLDINGS PTY LTD <CPTL A/C>	2,927,153	0.26%
18	YARRAC PTY LTD <COLEBATCH PROPERTY A/C>	2,624,174	0.23%
19	GURRAVEMBI INVESTMENTS PTY LTD	2,500,000	0.22%
19	MR SIMON CHARLES MATTHEWS	2,500,000	0.22%
20	MR GREGORY DAVID PYNT	2,482,551	0.22%
Totals: Top 20 holders of CHESS DEPOSITORY INTERESTS (Total)		1,058,763,695	93.89%
Total Remaining Holders Balance		68,900,268	6.11%

Restricted Securities

The company has no securities subject to ASX imposed or voluntary escrow.

Options

As at 31 March 2022 there were 22,746,810 options on issue to purchase shares (equivalent to 22,746,810 CDIs).

Voting Rights

At a meeting of the company, every holder of common stock, present in person or by proxy is entitled to one vote for each share of common stock held on the record date for the meeting on all matters submitted to a vote of shareholders.

CDI holders may attend and vote at BuildingIQ's general meetings. The company must allow CDI holders to attend any meeting of the shareholders unless relevant US law at the time of the meeting prevents CDI holders from attending those meetings.

In order to vote at such meetings, CDI holders have the following options:

- Instruct CDN, as the legal owner, to vote the shares underlying their CDIs in a particular manner. A voting instruction form is sent to CDI holders with the notice of meeting or proxy statement for the meeting and this must be completed and returned to the share registry before the meeting;
- Informing the company that they wish to nominate themselves or another person to be appointed as CDN's proxy for the purposes of attending and voting at the general meeting;
- Converting their CDIs into a holding of shares of common stock before the record date for the meeting and voting these at the meeting (however, if thereafter the former CDI holder wishes to sell their investment on the ASX it would need to convert the shares back to CDIs).

As holders of CDIs do not appear on the company's share register as the legal holder of the shares, they will need to undertake one of the steps above in order to be entitled to vote at general meetings of shareholders. As each CDI is equivalent to one share of common stock, each CDI holder is entitled to one vote for every one CDI that they hold.

Required Statements

(a) There is no current on-market buy back of the company's securities;
(b) The company is incorporated in the state of Delaware in the United States of America;
(c) The company is not subject to Chapters 6, 6A, 6B and 6C of the Corporations Act 2001 (Cth) dealing with the acquisition of shares (i.e. substantial holdings and takeovers).
(d) The company's securities are not quoted on any exchange other than ASX.
(e) Under the Delaware General Corporation Law ('DGCL'), shares are generally freely transferable subject to restrictions imposed by US federal or state securities laws, by the company's certificate of incorporation or bylaws, or by an agreement signed with the holders of the shares. The company's amended and restated certificate of incorporation and amended and restated bylaws do not impose any specific restrictions on transfer
(f) The name of the Australian company secretary is Lisa Jones.
(g) The address and phone number of our registered office and principal administrative office in Australia is:
Level 8
80 Clarence Street
Sydney NSW 2000, Australia
(h) The register of CDIs and shares are:
Automic Pty Limited
Level 5, 126 Phillip Street
Sydney, NSW 2000, Australia
www.automicgroup.com.au

Foreign Ownership Restriction

The CDIs are issued in reliance on the exemption from registration contained in Regulation S of the US Securities Act of 1933, as amended (**Securities Act**) for offers of securities 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. As a result of relying on the Regulation S exemption, the CDIs are "restricted securities" under Rule 144 of the Securities Act. This means that you are unable to sell the CDIs into the US or to a US person for the foreseeable future except in very limited circumstances after the end of the restricted period, 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. However, you are still able to freely transfer your CDIs on ASX to any person other than a US person. In addition, hedging transactions with regard to the CDIs may only be conducted in accordance with the Securities Act.