



ASX Announcement

30 July 2021

ASSETOWL QUARTERLY UPDATE AND APPENDIX 4C For the period ended 30 June 2021

Highlights:

- **Licencing agreement signed with leading real estate agency Attree, which includes use of the new Owner's portal capability**
- **Total number of real estate agencies licencing inspector360 reaches double figures**
- **Funding for growth strategy boosted with oversubscribed \$1.5m equity raise**
- **Executive and board changes prepare the Company for next phase of growth**

Enterprise property management platform provider AssetOwl Limited (ASX: AO1, **Asset Owl** or **the Company**) is pleased to present its Appendix 4C — Quarterly Cash Flow Report for the period ended 30 June 2021.

The Company's new-generation photo-centric property inspection platform, inspector360, is designed for residential real estate and provides a complete photographic record of the state of a property at the commencement of a property lease period and throughout a tenancy.

During the quarter, AssetOwl achieved a number of significant growth milestones amid a rapid acceleration of activity. In April, leading Western Australia agency Attree entered a licencing agreement for inspector360. Adding a portfolio of approximately 650 managed properties, the agency is now licenced to use the platform for entry, exit and routine inspections, as well as the recently released Owner portal functionality.

The quarter also delivered a customer number milestone, with the tenth real estate agency signing on to use the inspector360 platform in June. At the time of writing the Company had 13 signed up customers (paying plus on-trial customers), a growing pipeline of potential customers, and is well progressed with the rebranding of its inspection tool and website relaunch.

Development of new exit workflow

During the June quarter, the AssetOwl team completed development of its new exit workflow functionality, with testing and launch occurring in July. Whilst exit inspections are a critical component of the tenancy life cycle, to date inspection platforms have provided limited support in this area. Inspector360's industry leading exit function provides extensive support to property managers, reducing time to perform inspections, whilst producing a step change improvement in report quality. These quality improvements will increase transparency for owners and tenants alike, with the potential to lead to a decrease in disputes over time.

Corporate

Statements pursuant to ASX Listing Rule 4.7C

For purposes of ASX listing rule 4.7C.1, the Company advises that Business activities of the quarter included:

- Completion of upgrades to the exit inspection workflow functionality
- Continued product development towards the Company's expansion into Victoria
- Activities towards completion of re-branding.
- Continued growth of the Company's Real Estate Agency pipeline.

Total expenditure in relation to this activity amounted to circa. \$372,000 which included salaries and wages and fees paid to contractors and consultants.

For purposes of ASX listing rule 4.7C.3, the Company provides the following disclosure with respect to payments to related parties, which are included in the Company's appendix 4C

- The Company paid directors fees totalling \$33,000 to its three directors for their service during the quarter.
- The Company paid \$30,000 to Tribis Pty Ltd under an agreement for the provision of administration and management support services. The Company's Chairman, Mr Simon Trevisan is the Managing Director of Tribis Pty Ltd, AssetOwl's largest shareholder.

- The Company paid \$49,731 to its CEO Mr Geoff Goldsmith during the quarter. Mr Goldsmith was appointed as the Company's CEO on 8 April 2021. This includes \$13,500 paid for service provided in the quarter ended 31 March 2021.
- The Company paid \$12,000 in favour of AssetOwl Director Mr Geoff Baldwin for consultancy services in connection with growing AssetOwl's Real Estate Agency pipeline.

Capital raise

AssetOwl raised \$1.5 million (before costs) during the quarter to support the Company's growth strategy. The oversubscribed share placement was increased from \$1 million to \$1.5 million, attracting new and existing sophisticated and professional investors.

The Capital raising was supported by AssetOwl directors and management who collectively acquired \$108,500 of shares, on the same terms as other shares issued, with proceeds applied to covering costs of the capital raising.

The equity raise will support several exciting near-term initiatives, including an anticipated entry into Victoria; subsequent expansion to Queensland and New South Wales; and the development of an inspection tool to support the self-managed segment.

AssetOwl will also invest in a number of marketing initiatives to support the Company's East Coast strategy, and in the longer term, AssetOwl will look to develop a tool to support entry into the New Zealand market.

Appointment of CEO and Changes to the Company Board

On 8 April 2021, the Company was pleased to announce the appointment of Mr Geoff Goldsmith as its Chief Executive Officer.

A results-orientated senior strategy and commercial executive with proven ability to lead a diverse range of organisation, Mr Goldsmith brings extensive leadership experience. After serving 15 years as an Army Officer, he worked as a management consultant with leading strategy firm Booz Allen, and subsequently spent five years as a Manager of Business Development and Planning at Boral Ltd's (ASX: BLD) Building Products Division.

Mr Giuseppe Di Franco was also appointed as an Executive Director of the Company. Giuseppe Di Franco is a founding shareholder and director of AssetOwl Technologies Pty Ltd and the Company's Chief Technology Officer. He is responsible for the development of AssetOwl's property inspection management platform.

Mr Andrew Lane announced his retirement from the board during the period. Mr Lane served as a non-executive director of the Company since the acquisition of AssetOwl Technologies Pty Ltd in December 2016.

Priorities for Next Quarter

The September Quarter will be an important one for the business, with the Company targeting a number of key initiatives:

- Acceleration of the WA rollout, facilitated by a number of promotional activities
- Rebranding of inspector360, and associated launch activities
- Entry into Victoria
- Streamlining of on-boarding processes for new customers

Authority

This announcement has been authorised for release by Simon Trevisan, Chairman of AssetOwl Limited.

*****ENDS*****

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About AssetOwl Limited (ASX: AO1):

Asset Owl is an innovative technology company which has developed an enterprise software application, providing real estate owners with one trusted platform for property inspections.

inspector360 is the revolutionary next generation of Asset Owl's photo-centric inspection management platform, designed to benefit property owners, tenants, agents and managers. It incorporates 360-degree imagery, video, voice-to-text and hot-spot mapping of floor plans to accurately document property condition reports, significantly boosting the efficiency of the inspection process. In short, the inspector360 app provides tenants, property managers and landlords with an exact record of the condition of residential properties.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

ASSETOWL LIMITED

ABN

12 122 727 342

Quarter ended ("current quarter")

30 June 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	12	56
1.2 Payments for		
(a) research and development	(335)	(1,028)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(28)	(47)
(d) leased assets	-	-
(e) staff costs	(70)	(276)
(f) administration and corporate costs	(179)	(683)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	(2)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	526
1.8 Other (provide details if material) <i>Acquisition of Inventory for re-sale</i>	(15)	13
1.9 Net cash from / (used in) operating activities	(615)	(1,441)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(2)	(2)
(d) investments	-	-
(e) intellectual property	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
(f) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	(2)	(2)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	1,608	1,618
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	(120)	(122)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	1,488	1,496

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	148	966
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(615)	(1,441)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(2)	(2)

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,488	1,496
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,019	1,019

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	9	33
5.2	Call deposits	1,010	115
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,019	148

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	125
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

- The Company paid directors fees totalling \$33,000 to its three directors for their service during the quarter.
- The Company paid \$30,000 to Tribis Pty Ltd under an agreement for the provision of administration and management support services. The Company's Chairman, Mr Simon Trevisan is the Managing Director of Tribis Pty Ltd, AssetOwl's largest shareholder.
- The Company paid \$49,731 to its CEO Mr Geoff Goldsmith during the quarter. Mr Goldsmith was appointed as the Company's CEO on 8 April 2021. This includes \$13,500 paid for service provided in the quarter ended 31 March 2021.
- The Company paid \$12,000 in favour of AssetOwl Director Mr Geoff Baldwin for consultancy services in connection with growing AssetOwl's Real Estate Agency pipeline.

Quarterly cash flow report for entities subject to Listing Rule 4.7B

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities		
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 Total financing facilities		
7.5 Unused financing facilities available at quarter end		
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	615
8.2 Cash and cash equivalents at quarter end (item 4.6)	1,019
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	1,019
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	1.66
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
<p>Answer:</p> <p>Yes, the Company expects additional revenue will be generated as the inspector360 roll out continues. As the Company expands there will be an increase in operating expenses, which in the short term may offset cash receipts generated from customers.</p>	

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

The Company anticipates that it will receive an R&D Tax Incentive from the Australian Taxation Office in the second half of the 2021 calendar year, calculated on eligible expenditure incurred in the 2021 financial year.

Receipt of this R&D Tax Incentive in the 2021 calendar year will increase the Groups' available funding (funding available at 30 June 2021 + R&D Tax Incentive) to in excess of two quarters' of net cash outflows from operating activities.

The Group has a demonstrated history of receiving an R&D Tax Incentive in relation to its R&D activities and has no reason to suggest that it will not receive the incentive in relation to its 2021 financial year activities.

Further, the Group expects receipts from customers, arising from the roll out of inspector360, will continue to increase and accordingly, further offset cash outflows.

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Yes, the Company has commenced rolling out its inspector360 photo-centric property inspection management platform. Funds raised from the capital raising at 8.6(2) will be used to scale the deployment capability of inspector360, fund marketing campaigns as the Company enters new states, and provide working capital as AssetOwl increases its customer base.

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date:30 July 2021.....

Authorised by:Simon Trevisan - Chairman.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.