

ASX Announcement

31 October 2022

ASSETOWL QUARTERLY UPDATE AND APPENDIX 4C For the period ended 30 SEPTEMBER 2022

Highlights:

- **Queensland version of Pirsee built (released 27 October), opening Australia's third-largest rental market to the Company with ~562,000 addressable private rental households**
- **~ 35% increase in paying customers to 23 agencies**
- **Engagement of Head of Engineering, Mr Diego Tognola.**
- **Continued focus on pursuing opportunities to accelerate growth, including through potentially complementary acquisitions.**

Enterprise property management platform provider AssetOwl Limited (ASX: AO1, AssetOwl or the Company) is pleased to present its Appendix 4C — Quarterly Cash Flow Report for the period ended 30 September 2022 and an update on quarterly business progress.

During the quarter, AssetOwl continued to roll out its Pirsee platform, which included the conversion of a further 6 real estate agencies to fee paying status, bringing the total as at the end of the quarter to 23 agencies.

At quarter's end there were 39 WA agencies signed onto the platform, collectively representing ~ 15,600 properties under management. Target customers in the Company's pipeline include agencies in both regional and metropolitan areas of WA, including Port Hedland, Broome, Albany and Bunbury.

The Company estimates that 150,000 rental properties are professionally managed in WA.¹ On this basis AssetOwl has an estimated 10% penetration of the WA professionally managed rental market through its Pirsee platform.

HUMAN RESOURCES

The Company has employed a highly experienced Head of Engineering, Diego Tognola, to lead the AssetOwl development team. This is a key hire for the organisation as the need to service AssetOwl's growing customer base becomes greater, and we look to leverage the technology in to new markets. Diego brings with him over twenty years engineering experience in a variety of organisations, both within Australia and overseas.

As the Head of Engineering, Diego will be responsible for ensuring that the Company's products and solutions are fit for the market. The role assumes responsibility for all technical aspects of Pirsee, from product development through to the technologies used to build and deploy the platform.

PRODUCT DEVELOPMENT

Product development activity highlights for the quarter include:

- The build of the Queensland version of Pirsee. Testing for Queensland was conducted in October, with final market release occurring 27 October.
- Finalisation of designs for NSW. The build for Pirsee's NSW version has commenced, with a release targeted in December 2022.
- Release of Pirsee's new 'Property' and 'Admin' Consoles. These features provide heads of department with full control of the administrative rights of their team, whilst also improving the ease with which property managers can manage their allocated properties.

¹ 220,000 private rental households in WA - ABS 41300, Table 17, 'Housing Occupancy and Costs, Australia', 2017-18. 33% of private rental households self-managed by owners: (1) "Self-Managing vs. Professional Property Management" [Real Property Manager](#), (2) "REA launches new landlord toolkit", [Smart Property Investment](#) (REA)

DECEMBER QUARTER OUTLOOK

AssetOwl's main sales and marketing priority will be winning new product trials in Victoria, and commencing its Queensland roll-out.

AssetOwl's product team will be targeting the release of a NSW compliant version of Pirsee in the second half of the quarter, and will also commence work on a new version of exit inspections.

As AssetOwl organically develops a national footprint, the Company will also explore opportunities to accelerate its scale gains through potentially complementary acquisitions in the property industry. To that end, the Company has retained Sequoia Corporate Finance to assist in the identification of potential synergistic acquisitions.

CORPORATE

Statements pursuant to ASX Listing Rule 4.7C

For the purposes of ASX Listing Rule 4.7C.1, the Company advises that business activities of the quarter included:

- Services to the real estate investment sector
- Upgrades to its Pirsee inspection platform
- Conversion of trial customers to paying
- Provision of inspection software to real estate agents and support to AssetOwl's customer base
- Provision of inspection software to legacy customer 7-Eleven
- Marketing activities
- Continued growth of the Company's real estate agency pipeline

Total expenditure in relation to this activity amounted to approximately \$453,340, which included salaries and wages, fees paid to contractors and consultants, and subscriptions.

For the 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 \$36,000 to its 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 \$3,000 in favour of AssetOwl Director Mr Geoff Baldwin for consultancy services in connection with growing AssetOwl's real estate agency pipeline.

For the purpose of ASX Listing Rule 15.5, this announcement has been authorised for release by Simon Trevisan, Chairman of AssetOwl Limited.

*****ENDS*****

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About AssetOwl Limited (ASX: AO1):

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

'Pirsee' (formerly 'inspector360') is the revolutionary next generation of AssetOwl'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 Pirsee 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 September 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities	33	33
1.1 Receipts from customers		
1.2 Payments for		
(a) research and development	(51)	(51)
(b) product manufacturing and operating costs	(112)	(112)
(c) advertising and marketing	(35)	(35)
(d) leased assets	-	-
(e) staff costs	(424)	(424)
(f) administration and corporate costs	(187)	(187)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	3
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	190	190
1.8 Other (provide details if material) <i>Purchases of Inventory for re-sale</i>	(11)	(11)
1.9 Net cash from / (used in) operating activities	(594)	(594)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(g) entities	-	-
(h) businesses	-	-
(i) property, plant and equipment	(58)	(58)
(j) investments	-	-
(k) intellectual property	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
	(l) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(m) entities	-	-
	(n) businesses	-	-
	(o) property, plant and equipment	-	-
	(p) investments	-	-
	(q) intellectual property	-	-
	(r) 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	(58)	(58)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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	-	-
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	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,220	1,220
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(594)	(594)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(58)	(58)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	568	568

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	67	34
5.2	Call deposits	501	1,186
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)	568	1,220

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	69
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<p><i>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.</i></p> <ul style="list-style-type: none"> - The Company paid directors fees totalling \$36,000 to its 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 \$3,000 in favour of AssetOwl Director Mr Geoff Baldwin for consultancy services in connection with growing AssetOwl's Real Estate Agency pipeline. 		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
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		0
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)	594
8.2	Cash and cash equivalents at quarter end (item 4.6)	568
8.3	Unused finance facilities available at quarter end (item 7.5)	0
8.4	Total available funding (item 8.2 + item 8.3)	568
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	0.96
<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?	
Answer: Yes		
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: As stated in the Company's Audited Annual Financial Statements which were provided to ASX on 30 September 2022, the Company has received a letter of support from a substantial shareholder, Tribis Pty Ltd, guaranteeing the debts of the Group for a 12-month period from the date of the annual report. In respect of a capital raising. The Company has retained Sequoia Corporate Finance as its financial advisor. Services included in the mandate are advising and assisting the Company on its capital requirements, as well as opportunities for strategic growth and M&A. The Company will make announcements to ASX pertaining to capital raising activities when the Company is required to do so, pursuant to Listing Rule 3.1.		

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, as stated at 8.6.2 the Company is supported by Tribis Pty Ltd, this support will enable to Company to continue its operations for the foreseeable future.

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:31 Oct 2022.....

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.