



ASX Announcement

28 April 2023

ASSETOWL QUARTERLY UPDATE AND APPENDIX 4C For the period ended 31 March 2023

Highlights

- **Successfully raised \$240,000 via a share placement to a professional investor, and \$380,000 raised via unsecured loans**
- **First NSW trial customer converted to paying**
- **Commenced engineering upgrades in preparation for scale, including the introduction of an elasticity mechanism to address temporary peaks in load**
- **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 31 March 2023, and an update on quarterly business progress.

During the quarter AssetOwl concentrated on platform improvements and corporate development. At quarter's end there were 39 agencies signed onto the platform, collectively representing ~ 16,500 properties under management. Of these agencies, 25 were paying and 14 on trial.

PRODUCT DEVELOPMENT

Product development activity highlights for the quarter included:

- Release of the Exit Inspection upgrade in March. The improved functionality of this feature has already generated positive customer feedback.
- Improvements to support and administration 'consoles', providing customers with greater administrative flexibility, and improving the ability of our support team to service our customers.

- Upgrade of Pirsee's background synchronisation functionality, increasing efficiency in the background uploading of images.

In addition to the release of the above features, a number of improvements were made to the development environment:

- Preparation for scale through the introduction of an elasticity mechanism to address temporary peaks in load
- Introduction of enhanced platform monitoring processes

JUNE QUARTER OUTLOOK

After a quarter of consolidation, AssetOwl has the following priorities for the June Quarter:

Engineering. The engineering team will seek to build on the momentum created in the March quarter:

- Further preparation for scale via capacity and performance testing, and the reduction of engineering support time via the use of additional diagnostic information
- Ongoing removal of technical debt
- Introduction of automated regression testing for core scenarios, and a move towards weekly product releases

Product. The main product focus for the June quarter will be the development of a SA compliant version of Pirsee, which remains on track for a H1 2023 release. In addition, the development team will target the release of additional white labelling, and ongoing improvements in digital sharing of entry inspection reports with tenants.

Assetowl has continued developing complementary product offerings to supplement pirsee and to pursue opportunities to accelerate its scale gains through potentially complementary acquisitions in the residential real estate sector.

CORPORATE

Share Placement and Funding

During the quarter, the company raised a total of \$240,000 through a placement of shares to a professional investor. The placement was completed without shareholder approval using the Company's available placement capacity under ASX Listing Rules 7.1 and 7.1A.

In February, the Company entered into unsecured loans with three parties on commercial terms, including \$150,000 which had been provided in the quarter to 31 December 2022, in the March quarter the funds provided under these loans amounted to \$380,000.

The loans are repayable either by conversion to equity on the terms of the placement, subject to necessary shareholder approvals, or the proceeds of future capital raises. Two of the lenders are entities related to Company directors Simon Trevisan and Adrian Siah. The terms of the loans are disclosed in the Company's announcement "Share Placement and Funding" which was provided to ASX on 9 February 2023.

Appointment of Non-Executive Director

After the end of the quarter, on 6 April 2023, the Company was pleased to announce the appointment of Ms Marene Ter as a Non-Executive Director of the Company.

Marene is the Founder and Managing Director of Trinitas Investments, and a Partner of Trinitas Private Pty Ltd, a private investment firm advising family offices and high net worth investors. Marene brings with her a passion for the property industry, and important investor relationships.

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:

- Upgrades to its Pirsee inspection platform
- Conversion of trial customers to paying
- Provision of inspection software and support to AssetOwl's customer base
- Marketing activities
- Continued growth of the Company's licensee customer pipeline
- investigating opportunities in the IT and real estate management sectors

Total expenditure in relation to this activity amounted to approximately \$337,741, which included salaries and wages, subscriptions and fees paid to contractors and consultants.

For the purposes of ASX Listing Rule 4.7C.3 the Company advises that:

- During the quarter, no director fees were paid to its directors for their service during the quarter as from 1 December 2022 the directors agreed to accrue their director fees.

- No fees were paid to Tribis Pty Ltd for the provision of administration and management support services provided to the Company during the quarter, the fee payable to Tribis (\$10,000 per month) has been accrued from 1 December 2022. The Company's Chairman, Mr Simon Trevisan, is the Managing Director of Tribis Pty Ltd.

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

*****ENDS*****

For further information, shareholders and media please contact:

Sean Meakin
Company Secretary
+61 8 9424 9320

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")

31 March 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities	23	98
1.1 Receipts from customers		
1.2 Payments for		
(a) research and development	(50)	(152)
(b) product manufacturing and operating costs	(83)	(290)
(c) advertising and marketing	(1)	(41)
(d) leased assets	-	-
(e) staff costs	(295)	(1,132)
(f) administration and corporate costs	(71)	(397)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	4
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	190
1.8 Other (provide details if material) <i>Purchases of Inventory for re-sale</i>	-	(11)
1.9 Net cash from / (used in) operating activities	(478)	(1,731)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	(58)
(d) investments	-	-
(e) intellectual property	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(g) entities	-	-
	(h) businesses	-	-
	(i) property, plant and equipment	-	27
	(j) investments	-	-
	(k) intellectual property	-	-
	(l) 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	-	(31)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	240	240
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	(4)	(4)
3.5	Proceeds from borrowings	230	380
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	466	616

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	86	1,220
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(478)	(1,731)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(31)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	466	616
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	74	74

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	5	26
5.2	Call deposits	69	60
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)	74	86

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	-
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> <p>- From 1 December 2022 the Company's directors have agreed to accrue their director fees, accordingly no director fees were paid during the quarter.</p> <p>- Tribis Pty Ltd, an entity related to the Company's Chairman, Mr Simon Trevisan, with whom the Company has an agreement for the provision of administration and management support services, agreed to accrue its monthly fee (\$10,000 per month) from 1 December. Accordingly, no fees were paid during the quarter.</p>		

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)	(478)
8.2	Cash and cash equivalents at quarter end (item 4.6)	74
8.3	Unused finance facilities available at quarter end (item 7.5)	0
8.4	Total available funding (item 8.2 + item 8.3)	74
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	0.15
<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:28 April 2023.....

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.