



**31 July 2017**

## **QUARTERLY UPDATE**

**For the Period ended 30 June 2017**

- **AssetOwl Limited (AssetOwl or the Company) (ASX:AO1) continued to make pleasing progress on a number of fronts, particularly commercialisation of the core business platform, since the business listed on the ASX in early January 2017**
- **7-Eleven Australia signed a software services agreement to use AssetOwl's management platform, initially for managing merchandise standards across its stores nationally**
- **Further strengthening of the core management team with the appointment of Brian Simons as Head of Sales**
- **Continued enhancement of the Company's core business platform, and largely completed the development of the Android application**
- **Progressing diversification opportunities for the core business platform beyond the retail sector - construction, asset management and certain government agencies with diverse asset portfolios**
- **Continued to evaluate the potential spin-out of its existing minerals exploration assets with a distribution in specie to eligible shareholders**

During the quarter AssetOwl Limited (**AssetOwl** or the **Company**) (**ASX:AO1**) continued to make pleasing progress on a number of fronts, in particular the commercialisation of the core business platform with 7- Eleven Australia signing a software services agreement. This marked the second quarter since the business listed on the ASX and necessary capital raised for investment in additional infrastructure and resources to support the commercialisation of the core business platform.

### **1 Customer Contract with 7-Eleven Australia**

In July 2017 7-Eleven Australia (**7-Eleven**) signed a software service agreement to use the management platform for confirming merchandise execution standards across its stores nationally.

7-Eleven is a private company that has a licence to operate and franchise 7-Eleven Stores in Australia from the US based 7-Eleven Inc. 7-Eleven operates more than 630 stores in Queensland, New South Wales, Victoria, the Australian Capital Territory and Western Australia. Through its store network, 7-Eleven conducts more than 190 million transactions a year, serving an average of six customers a second, generating sales of approximately \$3.6 billion. As a software-as-a-service platform, AssetOwl will provide 7-Eleven access to its Audits and Properties modules along with a pay per action fee for use of these modules.

This contract milestone marks AssetOwls first stage of its commercialisation strategy with tier 1

retailers in Australia. The management platform will be implemented across 7-Eleven's entire store network (651 stores nationally) for use within their merchandise department allowing the business to efficiently monitor and manage merchandise standards.

## **2 Key Management appointments and strengthening of core team**

The Company appointed Brian Simons as its Head of Sales commencing from mid-July. Brian is an experienced sales executive and has the responsibility for leading the development and execution of the Company's sales strategy.

Brian brings a wealth of experience to the role, having worked in Software sales for 10 years, most recently as a Sales Manager at Aconex Limited where he consistently met and exceeded sales targets.

Consistent with its business plan, AssetOwl has now completed the build out of the core team required for the ongoing development and commercialisation of the business platform. The management team comprises of James Pott as Head of Engineering, Brian Simons as Head of Sales and Giuseppe Di Franco as CEO, along with a technology team encompassing all areas of engineering and operations to serve our enterprise software as a service platforms to clients.

## **3 Expansion of Sales Pipeline**

The Company has continued to grow the pipeline of opportunities with a number of high quality blue chip retailers moving through the user acceptance testing and the business case development process.

A number of clients have also moved through the development and user acceptance testing phases and are in the final stages of contract and implementation negotiations.

## **4 Diversification opportunities**

Whilst the Company's core focus is commercialising the business platform within the retail sector, AssetOwl has is also progressing targeted opportunities in the construction and asset management industry. The Platform is readily adaptable to different industries and the team is equipped to direct its efforts at capitalising on opportunities as they present. AssetOwl is also presently working with a state based government agency.

## **5 Platform enhancement and mobile application**

AssetOwl has continued to enhance its core business platform and in some cases add additional features to meet the specific client requirements. These enhancements typically have application and benefit to all types of clients that may use the system regardless of their business case.

The development of the Android application which is a key requirement for some potential clients is also on schedule for delivery early in the coming quarter.

AssetOwl is now positioned with the necessary infrastructure and resources to support the growth phase of the business through commercialisation.

For further information on the AssetOwl business, please contact the CEO, Guiseppe Di Franco on +61 3 8658 1370.

## **6 Spin-out of existing Minerals Exploration Assets**

The Company continued to evaluate the potential spin-out of the existing minerals exploration assets with a distribution in-specie to eligible shareholders – refer ASX announcement on 8 March 2017. This is the preferred approach for dealing with the assets and the Company expects to confirm its position shortly.

**\*\*\*ENDS\*\*\***

**For further information, shareholders and media please contact:**

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## **About the AssetOwl business:**

AssetOwl is an innovative technology company formed through the combination of the co-founders experience in the retail and technology industries.

AssetOwl has developed an enterprise software application, providing retailers one trusted platform for all their store network information.

Combining Geospatial Information Systems (GIS) and Virtual Reality (VR) technologies, AssetOwl has developed an Internal Visualisation System (IVS) as a powerful tool designed specifically for retailers to visualise, question, analyse and interpret data within the four walls of each store and collectively across all stores in a retailer's store network.

AssetOwl's Internal Visualisation System (IVS) software helps retailers answer questions and solve problems by looking at your data in a way that is quickly understood and easily shared - on a store floor-plan and 'experienced' through a virtual tour.

AssetOwl enables clients to improve project efficiency, productivity and accountability, while lowering the cost and risks in delivering projects and change initiatives of all sizes by providing one platform and one source of the truth for all store network information.

## Appendix 4C

### Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

**Name of entity**

**ASSETOWL LIMITED**

**ABN**

**12 122 727 342**

**Quarter ended ("current quarter")**

**30 June 2017**

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>	-	-
1.1 Receipts from customers		
1.2 Payments for		
(a) research and development	(395)	(699)
(b) product manufacturing and operating costs	(50)	(87)
(c) advertising and marketing	-	(2)
(d) leased assets (exploration & evaluation)	(9)	(42)
(e) staff costs	(118)	(315)
(f) administration and corporate costs	(169)	(893)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	6	15
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (R&D Loan repayment)	(404)	(404)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,139)</b>	<b>(2,427)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	(29)
(b) businesses (see item 10)	-	
(c) investments	-	

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) 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	<b>Net cash from / (used in) investing activities</b>	-	(29)

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	3,033
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
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	<b>Net cash from / (used in) financing activities</b>	-	<b>3,033</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of quarter/year to date	2,830	1,114
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,139)	(2,427)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(29)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	3,033

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	<b>Cash and cash equivalents at end of quarter</b>	<b>1,691</b>	<b>1,691</b>

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	17
5.2	Call deposits	1,686	2,813
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,691</b>	<b>2,830</b>

**6. Payments to directors of the entity and their associates**

	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	68
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Includes \$52,710 directors fee for the period to June 2017 and \$15,000 paid to associates entity for management services provided to 30 June 2017.

**7. Payments to related entities of the entity and their associates**

	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	15
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Management Fees of \$15,000 paid to associates entity for services provided to 30 June 2017.

**a. Financing facilities available**

*Add notes as necessary for an understanding of the position*

- i. Loan facilities
- ii. Credit standby arrangements
- iii. Other (please specify)

- iv. Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
-	-
-	-
-	-

details of those facilities as well.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	350
9.2 Product manufacturing and operating costs	50
9.3 Advertising and marketing	50
9.4 Leased assets	-
9.5 Staff costs	200
9.6 Administration and corporate costs	50
9.7 R&D Loan repayment	-
<b>9.8 Total estimated cash outflows</b>	<b>700</b>

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity		
10.2 Place of incorporation or registration		
10.3 Consideration for acquisition or disposal		
10.4 Total net assets		
10.5 Nature of business		



### 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.



Sign here: .....  
(Director/Company secretary)

Date: 31/07/2017

Print name: Fleur Hudson

### Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.