

## ASX Announcement

31 October 2018

### ASSETOWL QUARTERLY UPDATE AND APPENDIX 4C For the Period ended 30 September 2018

#### Key Points:

- **Company focus on version 2 of property inspection tool**
- **Implementation of Customer contracts – Colliers (WA) and AC3 (NSW)**

Enterprise property management platform provider AssetOwl Limited (ASX: **AO1, AssetOwl** or the **Company**) provides its Appendix 4C – Quarterly Cash Flow Report for the period ended 30 September 2018 together with an update on business progress.

#### 1. REAL ESTATE INSPECTION TOOL – DEVELOPMENT UPDATE

During the quarter, AssetOwl continued to develop its virtual tour inspection technology to solve the problems of the residential rental inspection market.

The current property inspection process typically involves the preparation of written reports to the landlord during the term of tenancy, including reports prepared at the commencement and completion of the lease term. Conducting inspections and manually documenting 'items for attention' is a labour intensive, time-consuming and expensive process, a cost borne by landlords, property managers and tenants.

At the end of a tenancy period, the nature of the current inspection process, and the resulting deliverables, often results in dispute between landlords, property managers and tenants concerning the condition of the property at the start and end of the lease.

According to the Australian Bureau of Statistics, there are approximately 2.6 million privately owned, rented properties in Australia. This market sees about 750,000 ingoing/outgoing inspections and 5 to 6 million routine inspections each year. AssetOwl has brought its visual inspection technology to the residential market with the successful implementation for Colliers International (WA).

AssetOwl focussed on the quarter developing version two of its residential virtual inspection software which will bring radical change to how inspections are undertaken – being far more efficient and greatly improving the qualitative outcomes with a virtual-tour centric inspection tool. InspectorAsset provides all participants in residential rental transactions with a much clearer understanding of the property condition at time of entry and exit reducing the risk of dispute.

## **2. EXISTING CUSTOMER CONTRACTS – UPDATE**

During the quarter, the Company progressed its partnership with leading global real estate company, Colliers International (WA). Following signing of a software service agreement in June 2018, AssetOwl has trained Colliers’ personnel to use the residential property inspection tool which is now active within their organisation. AssetOwl is receiving valuable feedback on the inspection tool through Colliers’ testing, which will aid development of the next generation of the inspection tool, InspectorAsset.

The initial use case chosen by Colliers is to assist with residential entry and exit inspections. The parties have identified scope to expand the use to several new touch points in the residential rental process.

During the quarter, AssetOwl trained field and office end-users at NSW Housing in the use of the Management Platform on behalf of its key client, the Australian Centre for Advanced Computing and Communication Pty Ltd (AC3). NSW Housing is using the Platform to audit the scope of project works within its \$35 billion property portfolio before and after contractors complete these works. This represents an expansion from the initial use case the parties identified, which was to identify the scope only of finished works. NSW Housing went live on the AssetOwl Management Platform in early October 2018.

## **3. FINANCIAL CONTROLS**

The Company has continued to exercise tight financial controls across the business while it focuses on the development of the new real estate inspection tool. All costs have been reviewed and the operating structure has been rationalised to reflect the current development focus in the business. This has seen a significant reduction in fixed operating costs with the business.

In September 2018 the Company received an R&D Rebate in the amount of \$983,418. Tribis Pty Ltd, AO1’s largest shareholder, continued to provide financial support ahead of the receipt of the R&D rebate, with the provision of \$150k in shareholder loans (at no interest).

#### **4. CORPORATE**

##### **a. Expiry of Options**

During the quarter, 10,140,793 options exercisable at 17.5 cents by 30 September 2018 expired.

##### **b. Change of Address**

In October, AssetOwl changed its registered office and principal administration office to: Level 14, 225 St Georges Terrace, Perth, Western Australia 6000.

Its telephone and facsimile numbers and email contact remain unchanged.

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

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

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## **About AssetOwl Limited (ASX: AO1):**

AssetOwl is an innovative technology company with an enterprise software application providing real estate owners with one trusted platform for managing their properties remotely (**Management Platform**), and a game-changing rental inspection tool with a 'visual' centric focus (**InspectorAsset**).

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 property owners to visualise, question, analyse and interpret data within the four walls of each location and collectively across all locations within their network.

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

AssetOwl empowers 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 property 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 September 2018**

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	3	3
1.2 Payments for		
(a) research and development	(249)	(249)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	-	-
(d) leased assets (exploration & evaluation)	(15)	(15)
(e) staff costs	(90)	(90)
(f) administration and corporate costs	(126)	(126)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(1)	(1)
1.6 Income taxes	-	-
1.7 Government grants and tax incentives (R & D)	983	983
1.8 Other	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>505</b>	<b>505</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
(d) intellectual property	-	-
(e) other non-current assets	-	-
<b>2.2</b> Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
<b>2.3</b> Cash flows from loans to other entities	-	-
<b>2.4</b> Dividends received (see note 3)	-	-
<b>2.5</b> Other (provide details if material)	-	-
<b>2.6</b> <b>Net cash from / (used in) investing activities</b>	<b>-</b>	<b>-</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	-	-
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	150	150
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)	-	-
<b>3.10</b> <b>Net cash from / (used in) financing activities</b>	<b>150</b>	<b>150</b>

<b>4. 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	311	311
4.2 Net cash from / (used in) operating activities (item 1.9 above)	505	505
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4 Net cash from / (used in) financing activities (item 3.10 above)	150	150

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>966</b>	<b>966</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	41	35
5.2	Call deposits	925	276
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>966</b>	<b>311</b>

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

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 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

<b>Current quarter \$A'000</b>
9
-

Directors fees payable to Non-Executive Director Mr Geoff Baldwin

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

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 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

<b>Current quarter \$A'000</b>
-
-

<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 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 details of those facilities as well.		

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<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Research and development	100
9.2 Product manufacturing and operating costs	-
9.3 Advertising and marketing	-
9.4 Leased assets	-
9.5 Staff costs	100
9.6 Administration and corporate costs	50
<b>9.8 Total estimated cash outflows</b>	<b>250</b>

<b>10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b>	<b>Acquisitions</b>	<b>Disposals</b>
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 October 2018....

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.