

ASX Announcement

31 January 2022

ASSETOWL QUARTERLY UPDATE AND APPENDIX 4C For the period ended 31 December 2021

Highlights

- **AssetOwl achieves 40 real estate agencies licenced to use its inspection platform Pirsee**
- **WA agencies signed onto Pirsee collectively manage ~ 11% of WA professionally managed rental properties ⁽¹⁾**
- **AssetOwl progresses Pirsee's data migration capability**
- **AssetOwl completes a Share Placement, and launches a Non-Renounceable Rights Issue to raise up to \$2.26m to support East Coast expansion, marketing initiatives and provide on-going working capital**

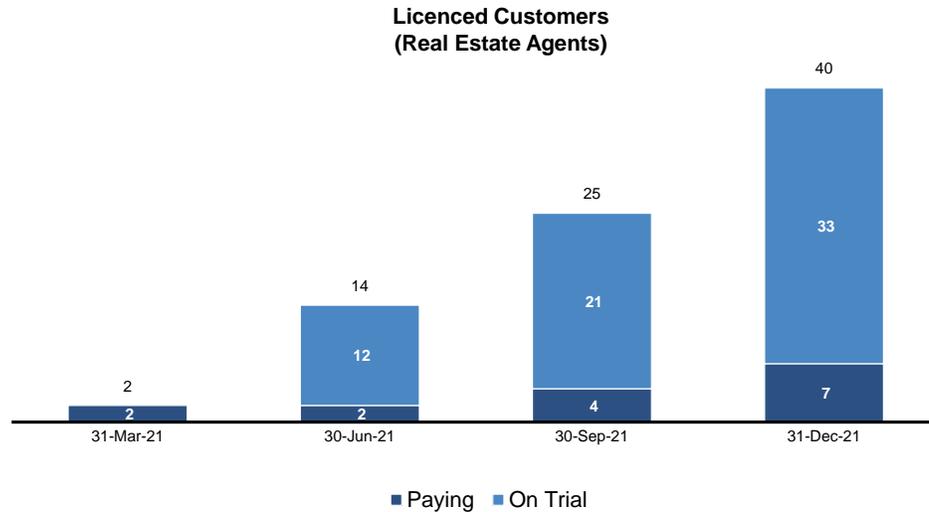
Enterprise property management platform provider AssetOwl Limited (ASX: AO1, AssetOwl or the Company) is pleased to present its Appendix 4C — Quarterly Cash Flow Report for the period ended 31 December 2021, and an update on quarterly business progress.

During the quarter, AssetOwl continued to roll out its Pirsee platform, with strong sales progress in WA, and a growing number of agencies becoming fee paying. It also progressed its data migration capability, and continued to develop new platform features and upgrades.

SALES

With 38 WA agencies signed onto the platform, collectively representing ~17,440 properties under management, it is clear that the Company is starting to gain traction in the WA market. The Company estimates that 150,000 rental properties are professionally managed in WA.¹ This translates into an estimated 11% penetration of the WA professionally managed rental market for Pirsee.

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)



In January 2022, AssetOwl announced it had signed leading South Australian agency Harris Real Estate to trial its Pirsee platform.

Harris Real Estate is the largest independent real estate agency in South Australia, winning Real Estate Institute of Australia Large Residential Agency of the Year in 2020. In 2019, it was awarded Residential Agency of the Year, Property Management Agency of the Year (Large) and Gold Winner in Innovation by the Real Estate Institute of South Australia.

The agreement will see Harris Real Estate initially utilise Pirsee’s unique COVID-related features – creation of virtual tours with the Insta360 panoramic camera, and Pirsee’s market leading remote routine inspection function.

Harris Real Estate and AssetOwl will also work collaboratively to expedite the development of a fully compliant South Australian version of Pirsee, in parallel with the development of Queensland and NSW versions. AssetOwl aims to release its South Australian version as soon as practicable after the Company’s entry into the Queensland and NSW markets, anticipated to be the first half of calendar year 2022.

Harris Real Estate has a network of five boutique local offices across South Australia which collectively have ~3,000 properties under management. Based on ABS data, this represents over 2% of professionally managed properties in SA. ²

² 155,000 private rental households in SA - ABS 41300, Table 16, 'Housing Occupancy and Costs, Australia', 2017-18. Assumes 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)

DATA MIGRATION

AssetOwl continued to build its data migration capability. In November, the Company successfully uploaded Word and PDF inspection data of a trial customer onto its Pirsee platform. After the migration of ~ 400 inspection records, the agency converted from its trial, becoming AssetOwl's fifth paying customer. Subsequently to this achievement, two further agencies became paying customers.

MARKETING ACTIVITIES

AssetOwl delivered a presentation to the annual Ray White property managers' offsite conference at Joondalup in Western Australia. Ray White is one of the largest real estate franchises in Australia, with more than 40 offices in WA alone. Ray White hosts an annual property management offsite showcase event, drawing upon Perth-based and regional Ray White agencies. The offsite provided AssetOwl's team with the opportunity to gain exposure to this influential group of agencies, subsequently leading to a number of new license signings.

PRODUCT DEVELOPMENT

Recent platform features and upgrades include:

- **New routine inspection functionality.** The existing routine feature has had a major upgrade, which is currently undergoing testing. Western Australian landlords typically perform four routine inspections per annum, with the majority of agencies conducting these inspections in-house. Our new workflow provides property managers with the flexibility to choose to streamline their routine inspection reports.
- **Property Tree integration.** Property Tree is a leading trust accounting platform, with more than 3,500 real estate/property manager customers. AssetOwl's product team completed a major review and upgrade of Pirsee's integration with this trust tool, which will further improve the interoperability of our two platforms.
- **Infrastructure upgrade.** AssetOwl is working on a major upgrade to Pirsee platform infrastructure. The upgrade will improve the efficiency of its data migration capability, as well as the overall speed of the platform.

MARCH QUARTER OUTLOOK

The Company's marketing focus will be the continued roll-out of Pirsee in WA. Once the current Omicron situation stabilises, the business will look to continue with its Victorian roll out, and progress planning for its Queensland/NSW entry.

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AssetOwl's product team is drawing close to achieving several product milestones, including:

- Final release into production of the new routine inspection functionality
- Infrastructure upgrade
- Development of the next exit inspection version
- Commencement of a major upgrade to our Smart Condition Reports.

CORPORATE

Non-renounceable Rights Issue Launched and Share Placement Completed

In late January, the Company announced an equity capital raising of \$2.26 million (before costs) through a placement of 108,577,196 ordinary shares (Placement Shares) to new and existing sophisticated and professional investors to raise \$325,731 (Placement) and a seven (7) for ten (10) Non-renounceable Rights Issue on the expanded capital base. This rights issue offers eligible shareholders the opportunity to acquire New Shares at \$0.003 (0.3 cents) per share to raise up to \$1,938,629 (before costs and expenses) (Rights Issue). The Company has received firm commitments for the Placement Shares.

The proceeds from the Placement and Rights Issue will support AssetOwl's east coast expansion, support marketing initiatives, and provide the business with ongoing working capital.

The Rights Issue will be offered to those AssetOwl shareholders who have a registered address in Australia or New Zealand and who are on the Company's register on the record date, anticipated to be on or about Thursday, 10 February 2022. It is anticipated that the Rights Issue will be open for acceptance from Tuesday, 15 February 2022 when eligible shareholders will be posted the Offer Document and a personalised entitlement and acceptance form. Shareholders will be invited to apply for shares above their allocation entitlement.

Full details of the Rights Issue Entitlement Offer will be set out in the Offer Document and Appendix 3B, anticipated to be lodged with ASX on Monday, 7 February 2022.

Substantial shareholder Tribis Pty Ltd, a company related to AssetOwl's Chairman Mr Simon Trevisan, and entities related to the Company's Executive Director and AssetOwl Technologies Pty Ltd co-founder Mr Giuseppe Di Franco have committed to take up their entitlements under the Entitlement Offer.

Upon closure of the Rights Issue (anticipated to be Thursday 24 March 2022) the Company will have three months to place any Shortfall to eligible investors without requiring shareholder approval.

Receipt of Research and Development Tax Incentive

In November, AssetOwl received an amount of \$422,657 from the Australian Taxation Office. The amount is the Research and Development Tax Incentive which the Company was entitled to receive based on eligible expenditure incurred by the Company for the development of Pirsee in the financial year ended 30 June 2021.

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
- Provision of inspection software to real estate agents and support to AssetOwl's customer base
- Marketing activities
- Continued growth of the Company's real estate agency pipeline

Total expenditure in relation to this activity amounted to approximately \$333,795, which included salaries and wages and fees paid to contractors and consultants.

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 \$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 \$7,500 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*****

For further information, shareholders and media please contact:

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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")

31 December 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	26	45
1.2 Payments for		
(a) research and development	(156)	(335)
(b) product manufacturing and operating costs	(7)	(23)
(c) advertising and marketing	(22)	(78)
(d) leased assets	-	-
(e) staff costs	(219)	(453)
(f) administration and corporate costs	(153)	(282)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	(1)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	422	422
1.8 Other (provide details if material) <i>Purchases of Inventory for re-sale</i>	-	(37)
1.9 Net cash from / (used in) operating activities	(109)	(743)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(g) entities	-	-
(h) businesses	-	-
(i) property, plant and equipment	-	(7)
(j) investments	-	-
(k) intellectual property	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 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	-	(7)

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	-	(2)
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	-	(2)

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	376	1,019
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(109)	(743)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	(7)

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	(2)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	267	267

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	16	13
5.2	Call deposits	251	363
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)	267	376

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	70
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 \$7,500 in favour of AssetOwl Director Mr Geoff Baldwin for consultancy services in connection with growing AssetOwl's Real Estate Agency pipeline.

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		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) *excluding government grants and tax incentives	531*
8.2 Cash and cash equivalents at quarter end (item 4.6)	267
8.3 Unused finance facilities available at quarter end (item 7.5)	0
8.4 Total available funding (item 8.2 + item 8.3)	267
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	0.50
<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, whilst the Company's pipeline of real estate agency customers continues to grow, in the short to medium term receipts generated from these customers will not be expected to substantially offset cash outflows</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:

On Friday 28th January 2022 the Company announced that it completed a share placement of \$325,731, and launched a Non-Renounceable Rights Issue to raise up to \$1,938,629 (before costs and expenses).

Pursuant to the Rights Issue terms, shares are being offered at a price of \$0.003 per share (a 25% discount to the closing price of the Company's shares on 27 January 2022), and the Company has engaged Sequoia Corporate Finance Pty Ltd to place any shortfall to the Rights Issue. Accordingly, the Company is reasonably confident that the Rights-Issue will be successful.

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:

As noted at 8.6.2, the Company has completed a placement and has launched a non-renounceable rights issue, further, the Company has commenced rolling out its Pirsee photo-centric property inspection management platform with 40 real estate agencies licenced to use its inspection platform Pirsee, including 7 who are paying customers

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 January 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.