



ASX Announcement

31 July 2023

ASSETOWL QUARTERLY UPDATE AND APPENDIX 4C For the period ended 30 June 2023

AssetOwl Limited (ASX: AO1, AssetOwl or the Company) is pleased to present its Quarterly Report and Appendix 4C — Quarterly Cash Flow Report for the period ended 30 June 2023.

During the quarter the Company focussed on completing the Pirsee product. The Company was able to complete and release the product for South Australia, Tasmania, Northern Territory and the ACT, with Pirsee therefore now completed for all states and territories in Australia.

Following completion of Pirsee, in the face of continuing challenging market conditions and slow customer uptake, the Company decided that the continued cost of supporting the product in the market could not be justified at this time. This will be reflected in a substantial reduction in operating cash flows commencing in this quarter.

The AssetOwl inspection platform holds substantial value, and the Company is pursuing alternative options to re-enter the market.

The directors continue to progress potential corporate opportunities which have been identified, which may provide a basis for generating value for the Company's shareholders.

The Company's CEO, Mr Geoff Goldsmith will be leaving the Company on the 25th of August 2023, and the Board wishes to express its gratitude to Mr Goldsmith for his efforts in building a strong operational team and the pirsee product.

Share Placement and Funding

During the quarter, the Company raised a total of \$135,000 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 Rule 7.1A.

The loan agreement with Tribis Pty Ltd - of which AssetOwl's Chairman, Mr Simon Trevisan is Managing Director - is fully drawn, during the quarter, and subsequent to the end of the quarter Tribis has continued to provide further financial support to the Company and is committed to continuing to do so to ensure the ongoing solvency of the Company.

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 \$336,529, 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:

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Company Secretary

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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 June 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities	14	112
1.1 Receipts from customers		
1.2 Payments for		
(a) research and development	(50)	(202)
(b) product manufacturing and operating costs	(59)	(349)
(c) advertising and marketing	-	(41)
(d) leased assets	-	-
(e) staff costs	(202)	(1,334)
(f) administration and corporate costs	(43)	(440)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	4
1.5 Interest and other costs of finance paid	(1)	(1)
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	(341)	(2,072)
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 (12 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)	135	375
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	(1)	(5)
3.5	Proceeds from borrowings	211	591
3.6	Repayment of borrowings	(30)	(30)
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	315	931

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	74	1,220
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(341)	(2,072)
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 (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	315	931
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	48	48

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	48	5
5.2	Call deposits	-	69
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)	48	74

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 2022. 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	561	561
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	561	561
7.5	Unused financing facilities available at quarter end		0
7.6	<p>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.</p> <p>The Company has financing facilities with four lenders including: Tribis Pty Ltd, an associate of the Company's Chairman, Mr Simon Trevisan; two entities related to a Non-Executive director of the Company, Mr Adrian Siah; and a third party entity, Confiat Pty Ltd.</p> <p>The terms of each loan are identical. Interest is payable on the loans at 18% p.a. The loans are unsecured. The loans expire on 30 September 2023, or a later date agreed by the lender in its absolute discretion.</p> <p>Subsequent to the end of the quarter, Tribis Pty Ltd has provided further funds of \$142,000 to support the Company, and is committed to continuing to do so to ensure the ongoing solvency of the Company.</p>		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(341)
8.2	Cash and cash equivalents at quarter end (item 4.6)	48
8.3	Unused finance facilities available at quarter end (item 7.5)	0
8.4	Total available funding (item 8.2 + item 8.3)	48
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	0.14
	<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:

No, consistent with disclosure in the Company's quarterly report, the Company has taken steps to reduce its net operating cash flows, whilst lower than the current quarter net outflows, the quarter to 30 September 2023 will include settlement of employment related contractual obligations, before a substantial reduction net operating cash flows will be reflected in subsequent quarters.

The company is pursuing opportunities to recapitalise the business and success of such activities will likely see an increase in cash flows from operating activities.

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 July 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.