

ASX Announcement

31 July 2020

ASSETOWL QUARTERLY UPDATE AND APPENDIX 4C **For the Period ended 30 June 2020**

Highlights:

- **Completion and start of roll out of remote routine inspection app, first of its kind that permits property manager to direct and control inspection remotely.**
- **Completion of PropertyMe technical development allows WA-based real estate agencies which are users of PropertyMe to seamlessly incorporate inspector360 into their workflow.**
- **Agreements secured with four residential property management groups to undertake trials of inspector360 prior to entering into initial licence agreements.**
- **AssetOwl showcases inspector360 to more than 650 property industry professionals at the MRI Ascend virtual conference.**
- **AssetOwl completes \$1.5 million capital raising, comprising \$600,000 Placement and approximately \$900,000 Entitlement Offer, to scale deployment of inspector360.**

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 30 June 2020 with an update on business progress.

The Company's new-generation photo-centric property management platform, inspector360, designed for residential real estate, provides a complete photographic record of the state of a property at the commencement of property lease period, 'entry inspection', and throughout a tenancy.

Business activities of the Company during and subsequent to the end of the quarter included development of inspector360's Virtual Tours for Sales functionality, completion of the development of the inspector360 remote inspections add-on, completion of the full technical development of PropertyMe specific functionality for WA-based real estate agencies, and business development.

Expenditure on these activities substantially comprised of wages and salaries paid to employees, amounts paid to contractors and consultancy fees paid.

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Technical development

Virtual Tours for sales

On 20 April 2020, AssetOwl announced that it had achieved the first commercial use of its then newly-launched virtual tour module for the [inspector360](#) platform.

The Western Australia branch of international real estate agency group, RE/MAX Holdings Inc (NYSE: RMAX), was the first to use [inspector360](#) to show potential buyers through properties with a virtual tour.

Remote inspections

During the quarter, the Company achieved the first use of its remote inspection add-on to [inspector360](#), with the functionality being delivered to cornerstone customer RE/MAX Exchange. The remote inspection add-on provides for video conferencing within the [inspector360](#) app, allowing a property manager to talk the tenant or occupier through the conduct of a property inspection without the need for face-to-face interaction.

[inspector360](#) is believed to be the only inspection product available that permits a routine inspection to be conducted remotely in accordance with industry and regulatory requirements in Australia, as it enables the property manager to retain control of the inspection process through the application.

Whilst the performance of property inspections in this way is expected to become standard practice, the present restrictions imposed in the state of Victoria have brought forward the importance of property inspections being able to be completed in a manner which does not require property manager / tenant interaction.

PropertyMe

Subsequent to the end of the quarter, AssetOwl completed the full technical development of PropertyMe specific functionality for WA-based real estate agencies.

This achievement builds upon the integration of [inspector360](#) with the PropertyMe property management platform which was completed in March 2020. WA-based real estate agencies which are users of PropertyMe can now seamlessly incorporate [inspector360](#) into their workflow. A nationwide PropertyMe roll-out will be implemented over the coming months on a stepped basis following the completion of further state specific development.

PropertyMe is one of Australia's largest and most complete cloud property management software providers. More than 3,000 real estate agencies and property management customers across Australia entrust their business process management to this provider.

Insta360 cameras

AssetOwl substantially progressed integration of the Insta360 camera (a third-party product not connected to the Company) for taking high resolution panoramas in variable light conditions for the entry inspection report.

While the use of the inspector360 app does not require the user to have any specific camera and operates through mobile devices, integrating the insta360 camera will allow users of the inspector360 app to utilise this superior camera for property inspections and virtual tours.

The Company considers these cameras to be able to produce higher quality panoramic images and are easier to operate compared to previous higher or similarly priced devices used by the Company.

Commercialisation

Partnership with PPM Group

The Company commenced, during the quarter, a 12-month exclusive partnership with a leading provider of property management solutions, PPM Group. PPM is a national coaching, training and product development company, which has been servicing and supporting the property management industry for more than 20 years.

PPM maintains one of Australia's largest property management databases, which has regular contact with clients, members and subscribers. The database includes more than 9,000 individual real estate agencies, more than 25,000 individual team members, and a rapidly growing social media network with reach to more than 23,000 property managers and business owners.

AssetOwl continues to engage closely with PPM founder, Ms Debbie Palmer in the lead up to the anticipated rollout of inspector360.

PCR and Routine Inspection Services

AssetOwl entered into a commercial licence agreement with leading property inspection service provider, PCR and Routine Inspection Services ('PCRS').

That agreement provided a licence for PCRS to utilise inspector360 and also made PCRS a reseller to its 170 real estate agency clients, which have an estimated 10,000 properties under management.

PCRS commenced promoting inspector360 to its agency clients and roll out is anticipated to the first of those agencies this quarter.

A product tour video - which demonstrates the transformational impact inspector360 has on saving property managers' time while achieving superior outcomes - is available on AssetOwl's inspector360 website at <https://www.inspector360.com.au/>

Agreements entered into with residential property management groups

In June 2020, the Company entered into new customer agreements with four independent real estate agencies, collectively managing portfolios of approximately 1,500 properties in the Perth metropolitan area, including one agency servicing Perth's northern suburbs with a portfolio of 700 properties under management.

The agencies have each agreed license terms for inspector360 subject to successful completion of a four-week trial of AssetOwl's photo-centric property management platform. These trials will begin on completion of the PropertyTree integration in the second half of August.

MRI Ascend APAC user conference

Subsequent to the end of the quarter, AssetOwl was a sponsor of the MRI Ascend APAC user conference where inspector360 was showcased to more than 650 property industry professionals from across the globe.

MRI Software is the parent company of Rockend Technology Pty Ltd ('Rockend'). Rockend is a leading provider of real estate management software and a strategic partner of the Company. Rockend's product suite includes 'PropertyTree', a cloud-based property management platform with more than 3,500 real estate agency customers across Australia and New Zealand. The integration of inspector360 with the PropertyTree platform is expected to be achieved in this quarter.

During the course of the conference the Company received numerous registrations of interest from attendees and the Company has also begun following up all attendees whose profiles suit the product.

Materials provided to conference attendees have been made available through the inspector360 website.

Corporate

Completion of Capital Raising

The Company completed an equity capital raising during the period, raising \$1,503,662 (before costs). The capital raising comprised a Placement to new and existing professional and sophisticated investors to raise \$600,000, and a non-renounceable pro-rata entitlement offer ('Entitlement Offer'), on a 3-for-8 basis, raising a further \$903,662.

The Placement utilised the Temporary Extra Placement Capacity Waiver dated 22 April 2020 granted by ASX. No Placement shares were issued to any director or other related party of the Company or person referred to in ASX Listing Rule 10.11.

Company Directors Mr Simon Trevisan, Mr Andrew Lane, Mr Geoffrey Baldwin, and Chief Technology Offer, Mr Giuseppe Di Franco, and their associated entities, acquired approximately \$168,000 of new shares by way of accepting their entitlements under the Entitlement Offer. In addition, significant shareholder Ogee Australia Pty Ltd acquired \$55,000 of its entitlements under the Entitlement Offer.

The proceeds from the Placement and Entitlement Offer will be used predominantly to scale the deployment capability of inspector360, and provide working capital as the Company rolls out inspector360. The capital raising was managed by Sequoia Corporate Finance Pty Ltd.

Transactions with related parties

The Company settled a loan extended to it by related party Tribis Pty Ltd during the period. The value of the debt at the time of settlement was \$162,000, which included funding provided by Tribis during the quarter of \$63,000. These funds had been provided by Tribis on an interest free basis to support the Company while it completed its capital raising.

AssetOwl paid Tribis \$20,000 pursuant to the administration services agreement with the Company; this included \$5,000 which was accrued to 31 March 2020.

AssetOwl paid fees to its Non-Executive Directors totalling \$44,000; this included \$11,000 which was accrued to 31 March 2020.

In addition to these transactions, the Company engaged Company Director Mr Geoff Baldwin as a consultant during the period. The Company paid \$30,000 in fees to Mr Baldwin for services provided during the quarter in leading the Company's efforts to roll out inspector360.

Authority

This announcement has been authorised for release by Simon Trevisan, Chairman of AssetOwl Limited.

*****ENDS*****

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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 properties remotely.

inspector360 is the revolutionary next generation of AssetOwl's photo-centric property management platform, designed to benefit property owners, tenants, agents and managers. It builds on AssetOwl's existing residential inspection software, InspectorAsset, which uses virtual reality technology to create an internal view of a property to assist all stakeholders before, during and at the conclusion of a tenancy.

inspector360 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. The inspector360 app provides tenants, property managers and landlords with an exact record of the condition of residential properties during a tenancy and when tenants move in and out, using AssetOwl's proprietary virtual tour technology to create an internal view of a property.

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 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	4	16
1.2 Payments for		
(a) research and development	(206)	(992)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(3)	(4)
(d) leased assets	4	(17)
(e) staff costs	(117)	(325)
(f) administration and corporate costs	(90)	(275)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	2
1.5 Interest and other costs of finance paid	(1)	(3)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	74	472
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(333)	(1,126)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	(5)
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) 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	-	(5)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,504	1,504
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	(125)	(125)
3.5	Proceeds from borrowings	63	162
3.6	Repayment of borrowings	(162)	(162)
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	1,280	1,379

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	19	718
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(333)	(1,126)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(5)

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

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)	1,280	1,379
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	966	966

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	966	19
5.2	Call deposits	-	-
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)	966	19

6. Payments to related parties of the entity and their associates

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

**Current quarter
\$A'000**

94

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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 Director fees of \$44,000, including \$11,000 accrued at the commencement of the quarter for the month of March 2020.

The Company paid \$20,000 to Tribis Pty Ltd for administration and management support services, a related party to one of the Company's directors, Mr Simon Trevisan. Mr Trevisan is the Managing Director of Tribis Pty Ltd.

The Company paid \$30,000 fees to Geoff Baldwin.Com Realty Group Pty Ltd, for consultancy services provided personally by its Managing Director, Mr Geoff Baldwin, who is also a director AssetOwl Limited. The Company has engaged Mr Baldwin under a personal services agreement for to assist with the commercialisation of AssetOwl's inspector360 platform.

7. Financing facilities

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.

7.1 Loan facilities

7.2 Credit standby arrangements

7.3 Other (please specify)

7.4 **Total financing facilities**

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

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.

N/A

8. Estimated cash available for future operating activities

\$A'000

8.1	Net cash from / (used in) operating activities (Item 1.9)	(333)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	966
8.3	Unused finance facilities available at quarter end (Item 7.5)	-
8.4	Total available funding (Item 8.2 + Item 8.3)	966
8.5	Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	2.9

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

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:

N/A

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:

N/A

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:

N/A

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 2020.....

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.