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Asset Owl

ASX Announcement

30 October 2020

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

Highlights:

- **Reached agreement with a number of real estate agencies for use of the inspector360 platform across more than 1,000 properties**
- **inspector360 now facilitating fully remote routine property inspections**
- **Added enhanced features to inspector360 to further improve efficiencies and reduce friction between property managers and tenants**
- **Rolled out in Victoria as part of a partnership with the Real Estate Institute of Victoria (REIV), the peak membership body comprising more than 80% of real estate agencies in Victoria**

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 September 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 reaching agreement with a number of real estate agencies for the use of the inspector360 platform across a combined property management portfolio of more than 1,000 properties; partnering with the Real Estate Institute of Victoria (REIV) to provide Victorian real estate agents with remote routine inspection and virtual tour for sale capabilities; completing the development of the inspector360 remote inspections add-on and full technical development of PropertyMe specific functionality for WA-based real estate agencies; and business development activities.

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

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Technical development

Tenant Collaboration

During the quarter, AssetOwl developed enhanced features for inspector360 to further improve efficiencies and reduce friction between property managers and tenants.

The Tenant Collaboration feature allows property managers to share entry inspection reports immediately when they move into a property through a paperless, legally compliant digital process. Multiple joint tenants are able to easily submit feedback, attach supporting photos and sign off on reports.

Remote Routine Inspections

The Remote Routine Inspection feature was completed during the quarter. This is the only tool available that enables property managers to control and guide a live video call and gather high quality images through the tenant's cameraphone without visiting the property. These remote inspections are of the highest quality, detailed and backed by time-stamped images. Feedback from clients is that they will continue to use the inspector360 Remote Routine Inspection tool after COVID-19 restrictions ease, as it allows time savings and preserves tenant privacy.

PropertyMe and Property Tree

On July 24, AssetOwl announced it had completed the full technical development of PropertyMe specific functionality for WA-based real estate agencies, allowing WA-based real estate agencies that are users of PropertyMe to seamlessly incorporate inspector360 into their workflow.

After the end of the quarter, full technical access was provided to the Property Tree API's and the full technical development of Property Tree specific functionality is expected to be operational in November 2020.

PropertyMe and Property Tree are two of Australia's largest and most complete cloud property management software providers. More than 6,000 real estate agencies and property management customers across Australia entrust their business process management to these providers.

Licensing

During the quarter, the Company announced it had reached agreement with two real estate agencies for the use of the inspector360 platform.

The Company is in the process of contracting with further agencies accounting for more than 8,500 properties under management.

During the quarter, the Company built up its capability to bring new clients' managed properties on to the system. Since the end of the quarter, more than 1,100 residential properties have been loaded into the inspector360 system.

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REIV Partnership

After the end of the quarter, AssetOwl rolled out inspector360 to Victorian property managers, providing the capability for remote routine real estate inspections and virtual tours for sales, allowing these essential functions to resume safely and efficiently. The functionality was designed to enable agents and managers to conduct professional and efficient remote inspections and virtual tours during and after the state's COVID-19 restrictions.

Rollout in Victoria is part of a partnership between AssetOwl and the REIV, the peak membership body comprising more than 80% of real estate agencies in Victoria. AssetOwl's initial nine-month partnership with the REIV will see the Company and its real estate inspection products promoted directly to the REIV's membership. As an initial marketing activity, a REIV webinar on 7 October featuring inspector360 attracted more than 100 real estate professionals.

AssetOwl will offer all REIV members access to the use of its remote routine functionality from its inspector360 platform. Through this offer, REIV members will be offered free access to inspector360's remote routine inspections and property marketing virtual tour modules. AssetOwl is the first software company which is an official REIV partner and is acknowledged as such by the REIV.

Corporate

Change of Share Registry Address Notification

AssetOwl changed its share register to Advanced Share Registry Limited from Automic Registry Services, effective from 31 August 2020.

The contact details for AssetOwl Limited shareholder enquiries are now:

Postal Address:	PO BOX 1156 Nedlands WA 6909
Phone:	1300 113 258 (within Australia) +61 8 9389 8033 (outside Australia)
Email:	admin@advancedshare.com.au
Web:	https://www.advancedshare.com.au

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Transactions with related parties of the entity and their associates

The amount included in section 6.1 of the Appendix 4C includes cash payments of $30,000 in directors' fees and $30,000 to Tribis Pty Ltd, a related party to the Company's Chairman, Mr Simon Trevisan, for administrative and related services to the Company.

In addition to these transactions, the Company engaged Company Director Mr Geoff Baldwin as a consultant during the period. The Company paid $24,000 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*****

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 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

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Name of entity	
ASSETOWL LIMITED	
ABN	**Quarter ended ("current quarter")**
12 122 727 342	30 Sep 2020

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	12	12
1.2	Payments for		
	(a) research and development	(213)	(213)
	(b) product manufacturing and operating costs	-	-
	(c) advertising and marketing	(3)	(3)
	(d) leased assets	-	-
	(e) staff costs	(84)	(84)
	(f) administration and corporate costs	(122)	(122)
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 paid	-	-
1.7	Government grants and tax incentives	79	79
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(332)**	**(332)**

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	-	-

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(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**	**-**	**-**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	10	10
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)	(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**	**8**	**8**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	966	966
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(332)	(332)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	8	8
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**642**	**642**

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	41	966
5.2	Call deposits	601	-
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)**	**642**	**966**

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	84
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 Director fees of $30,000.

The Company paid $30,000 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 $24,000 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.

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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.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
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.

N/A

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (Item 1.9)	(332)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	642
8.3	Unused finance facilities available at quarter end (Item 7.5)	-
8.4	Total available funding (Item 8.2 + Item 8.3)	642
8.5	**Estimated quarters of funding available (Item 8.4 divided by Item 8.1)**	1.9

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:

No. It is expected revenue will increase over the quarter reducing net operating cash deficiency

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:

We do not expect to need to take fundraising steps during the current quarter

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. Revenue increase is expected to decrease operating cash deficiencies.

During the quarter to 31 December 2020, the Group is anticipating the receipt of $422,252 from the Australian Taxation Office. This is the calculated R&D rebate relating to eligible expenditure incurred in the financial year to 30 June 2020.

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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: .....30 October 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.

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