



ASX Announcement

29 October 2021

ASSETOWL QUARTERLY UPDATE AND APPENDIX 4C For the period ended 30 September 2021

Highlights

- **Platform uptake accelerating, with 25 real estate agencies licensed onto the Pirsee Inspection Platform at the quarter's end, complemented by agreements with 3 of the big 4 Perth-based outsourced real estate inspection providers**
- **AssetOwl's WA-based customers collectively have ~ 9,000 properties under management, representing an estimated 6% of professionally managed properties in WA, in addition to the Company's initial foothold in the Victorian market**
- **The transition of customers from trial to paid licenses continues to accelerate, with building upon this momentum a key focus for management over the next quarter**
- **Entry into Victoria, with two agencies signed onto the Platform**
- **R&D Incentive Activities registered with AusIndustry. Receipt of \$422,657 R&D Tax Incentive anticipated November 2021**

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 2021 with an update on quarterly business progress.

During the quarter, AssetOwl achieved significant growth milestones amid a continued acceleration of activity. The Company's new-generation photo-centric property inspection platform, Pirsee, is designed for residential real estate and provides a complete photographic record of the state of a property at the commencement of a property lease period and throughout a tenancy.

The Company is pleased to provide the following update from CEO Geoff Goldsmith.

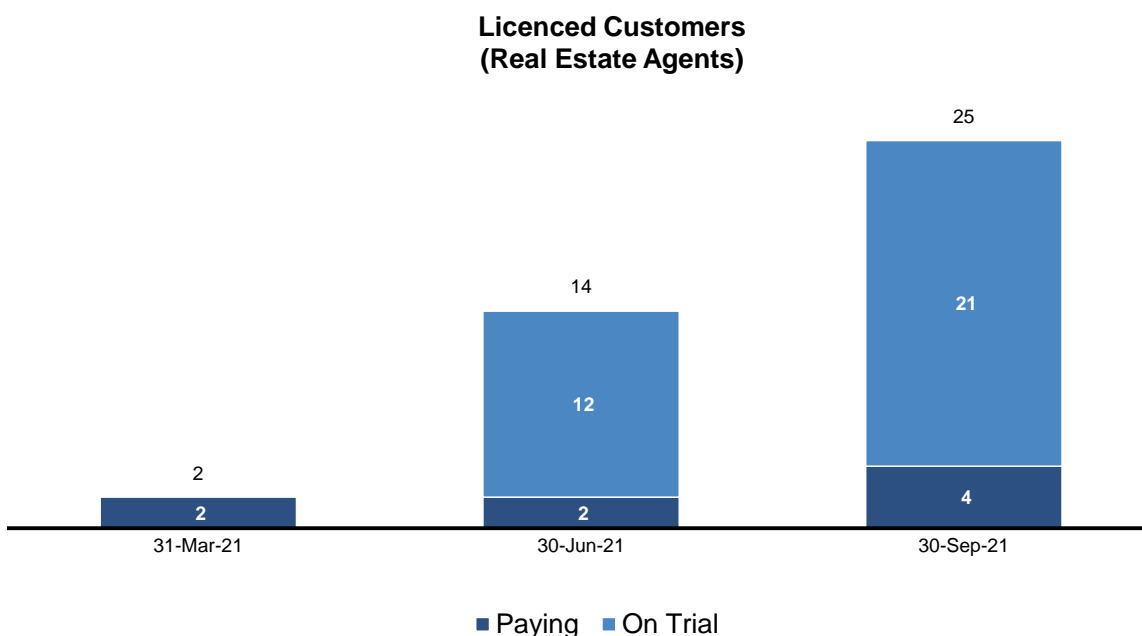
CEO'S UPDATE

Dear Fellow Shareholders,

With a backdrop of an increasing number of agencies being licenced onto our Pirsee property inspection platform, I am delighted to deliver the first of my periodic updates to shareholders, which I aim to provide every three to four months. The purpose of these updates is to elaborate upon the Company's progress and share our plans and priorities for the upcoming quarter.

SALES PIPELINE

The chart below illustrates the rapid recent growth in customers licensed to our Pirsee platform. At the end of the quarter, AssetOwl had licensed 25 agencies to use the Company's inspection management software, including two Victorian customers. Four of these agencies have become paying customers. The pipeline of potential customers remains strong, and we are confident that the recent healthy take-up will continue through the December quarter and on into CY22.



With 23 West Australian agencies on our platform, the Company's WA roll-out is making steady progress. The Company estimates that 150,000 properties are professionally managed in WA, and with Pirsee contracted customers collectively having ~ 9,000 properties under management, Pirsee is quickly gaining traction in its home market.

The Company's licensed agencies represent a diverse mix of customers. With an average ~360 properties under management, our customers include both boutique agencies and franchisees of leading real estate agent brands. Our WA customers also cover a healthy geographic spread, with a combination of Perth and regional based agents.

As announced via ASX release on 1 October 2021, to complement these real estate signings AssetOwl has also signed 3 of Perth's major outsourced inspection agencies onto its Pirsee platform. Outsourced inspection agencies play an important role in WA's real estate market. These agencies range from individuals operating as sole traders, to larger businesses with a dozen or so employees on the road performing inspections. We understand there are 4 'major' inspection agencies in Perth: the three agencies which are on our platform use a number of inspection platforms, whilst the fourth typically uses their own in-house platform.

Inspection agencies are specialists in their field, and typically have a different workflow to property managers employed by real estate agents. Our product team has worked closely with these agencies to ensure that our platform meets their exacting standards. This time investment is standing our platform in good stead for two reasons: firstly, it has driven substantial technical improvements in our product, and secondly, these agencies serve as an important channel to market. AssetOwl has received a number of referrals through these agencies and looks forward to deepening these newly-forged relationships.

MARKETING ACTIVITIES

The major marketing event for the quarter was the August rebranding of our property inspection platform, inspector360, to 'Pirsee'. The Company selected 'Pirsee' as it reflects the essence of what we do – namely, to provide the best way for owners, tenants and property managers to 'see' their property inspection reports.

We have deliberately landed a brand which is distinctive from our competitors, and specifically targets property managers. Our rebranding has also been the catalyst for marketing investment: we now have a new platform website (www.pirsee.com), and are starting to build a social media presence. In addition, we will look to raise our brand profile via industry events and marketing opportunities – a recent example being our sponsorship of West Coast Property Training's flagship off-site training day.

PRODUCT DEVELOPMENT

We released a number of Pirsee platform upgrades and new features to the market during the quarter:

- **New exit workflow.** Our new exit workflow addresses one of the main industry shortcomings – a lack of support for exit inspections. Our new workflow enables property managers to rapidly compare the condition of rooms and items against the condition reported by property managers and tenants during entry inspections. This new functionality is expected to drive significant time savings for agencies, and will serve as an additional point of difference for AssetOwl.
- **Victorian version.** The Victorian version of our platform was finalised during the quarter, with our first Victorian trial commencing on 8 September 2021.
- **Inspection copy function.** Prior to this quarter, the copying of inspections performed by outsourced inspections agencies onto their client real estate agent accounts was a time consuming and manual process. This process has been largely automated, enabling AssetOwl to seamlessly transfer inspections between inspection agency and real estate agents' accounts. This is an important security feature, as it means that the integrity of a real estate agent's rent roll/records is preserved, even if they outsource a portion of their inspections to external parties.

OTHER ISSUES

Covid-19

Covid-19 continues to have a profound impact on business sentiment and livelihoods across Australia, particularly Victoria and NSW. Whilst AssetOwl is fortunate from an operational perspective in that its Victorian product development team typically works from home, there is no doubt that ongoing lockdowns have added a significant amount of stress for our team and their families. Thankfully, it appears that Victoria has eased many of its restrictions.

With Pirsee's unique remote inspection and virtual tour features, our platform is well placed to support the Victorian real estate industry during these challenging times. Whilst lockdowns have slowed our Victorian roll-out, we are looking to build our Victorian presence as soon as the opportunity emerges.

Whilst Western Australia has been largely unaffected by lockdowns, we remain cognisant of the potential for WA to lock down should the Delta variant breach WA's borders. To that end, we are actively seeking to grow our presence in regional WA, in order to diversify our geographic footprint.

Data Migration

Data migration is a service we are focused on building, as to our knowledge, no current provider is able to offer a comprehensive data migration service. Over the course of the September quarter, our team has developed an interim capability whereby we upload previous Word inspections onto our Pirsee platform, utilising a semi-automated process. The speed of this will improve over time as automation levels increase. Given the amount of rent-roll consolidation present in the industry, we believe this service will become an important part of our commercial offering.

THE FUTURE

The Company has a growing sales pipeline which bodes well for the final quarter of the calendar year. As discussed previously, we will look to expand our geographic coverage in WA, whilst also seeking to grow the number of Victorian agencies on our platform.

On the product development side, the team has an ambitious agenda for the quarter. Major projects include building the next version of our market leading exit function, releasing a major upgrade to our 'Smart Condition Reports', building upon our new data migration capability and upgrading platform infrastructure. We are also working closely with Queensland agencies to build a Queensland version of the product, with an expected release late 2021/early 2022.

Thank you for your continued support through this exciting period.

Geoff Goldsmith

Chief Executive Officer
29 October 2021

Corporate

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:

- Completion of upgrades to the exit inspection workflow functionality
- Continued product development towards the Company's expansion on the East Coast
- Launch of the 'Pirsee' brand (replacing 'inspector360')
- Conduct of a number of promotional activities, including event sponsorship and expansion of Pirsee's social media presence
- Continued growth of the Company's real estate agency pipeline

AssetOwl Ltd ACN: 122 727 342
Level 14, 225 St George's Terrace, Perth, Western Australia 6000
Telephone: (61) (8) 9424 9320 Facsimile: (61) (8) 9321 5932
www.assetowl.com.au

Total expenditure in relation to this activity amounted to approximately \$400,000, 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 \$16,500 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:

Sean Meakin
Company Secretary
+61 8 9424 9320

Tim Dohrmann
Investor and Media Enquiries
tim@nwrcommunications.com.au
+61 468 420 846

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")

30 September 2021

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	19	19
1.2 Payments for		
(a) research and development	(267)	(267)
(b) product manufacturing and operating costs	(16)	(16)
(c) advertising and marketing	(55)	(55)
(d) leased assets	-	-
(e) staff costs	(141)	(141)
(f) administration and corporate costs	(136)	(136)
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	-	-
1.8 Other (provide details if material) <i>Purchases of Inventory for re-sale</i>	(37)	(37)
1.9 Net cash from / (used in) operating activities	(634)	(634)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(g) entities	-	-
(h) businesses	-	-
(i) property, plant and equipment	(7)	(7)
(j) investments	-	-
(k) intellectual property	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 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)	(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)	(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)	(2)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,019	1,019
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(634)	(634)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(7)	(7)

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)	(2)	(2)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	376	376

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	13	9
5.2	Call deposits	363	1,010
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)	376	1,019

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	80
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> <ul style="list-style-type: none"> - 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 \$16,500 in favour of AssetOwl Director Mr Geoff Baldwin for consultancy services in connection with growing AssetOwl's Real Estate Agency pipeline. 		

7.	Financing facilities <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>	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.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	634
8.2	Cash and cash equivalents at quarter end (item 4.6)	376
8.3	Unused finance facilities available at quarter end (item 7.5)	0
8.4	Total available funding (item 8.2 + item 8.3)	376
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	0.59
<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, while on a net basis the Company expects that net operating cash flows will remain comparable with those of the current quarter, in the current quarter the Group:</p> <ul style="list-style-type: none"> invested funds to acquire inventory (cameras) which are used to support the growing number of trial customers, and which will be available to sell to Real Estate Agency customers. paid for services in connection with the re-brand of Pirsee (formerly inspector360); and paid for services such as the annual audit of the Group's consolidated financial statements 		

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:

Following the end of the quarter, AusIndustry (a department of the Department of Industry, Innovation, Science, Research and Tertiary Education) registered the R&D incentive activities of the Company's subsidiary 'AssetOwl Technologies Pty Ltd'.

Accordingly, the Company anticipates that it will receive an R&D Tax Incentive, of \$422,657 from the Australian Taxation Office in November 2021, calculated on eligible expenditure incurred in the 2021 financial year.

Further, the Group expects receipts from customers, arising from the roll out of Pirsee, will continue to increase and accordingly, further offset cash outflows.

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, the Company has commenced rolling out its Pirsee photo-centric property inspection management platform. Funds raised from the capital raising at 8.6(2) will be used to scale the deployment capability of Pirsee, fund marketing campaigns as the Company enters new states, and provide working capital as AssetOwl increases its customer base.

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:29 Oct 2021.....

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.