

23 November 2021

Ms Laura Gomme
Adviser, Listings Compliance (Perth)
ASX Compliance Pty Ltd
Level 40, Central Park
152 – 158 St Georges Terrace
Perth WA 6000

Dear Ms Gomme,

AssetOwl Limited ('AO1'): Appendix 4C - Query

AssetOwl Limited ("AO1" or the "Company") refers to your query letter dated 19 November 2021 which included queries pertaining to the Company's Appendix 4C's for the quarters ended 30 September and 30 June 2021 lodged with ASX Market Announcements Platform on 29 October and 30 July 2021, respectively.

The Company observes the 7 questions included within that query letter and responds to each individually below. The Company advises that:

- (1) The Company considers that it has sufficient cash reserves to continue operations.

Since the end of the quarter ended 30 September 2021, when the Company had cash on hand of \$376,188, the Company has received the R&D incentive of \$422,657 referred to at 8.6.2 of the quarterly report, giving effective cash at 30 September 2021 of \$798,845.

- (2) The response provided at 8.6.3 of the appendix 4C for the quarter ended 30 September 2021 erroneously referred to a capital raising at 8.6.2. There is no reference to a capital raising in 8.6.2. and the reference in 8.6.3 was an error.

This error was noted upon the receipt of the letter from ASX dated 19 November, to which the Company is now responding.

- (3) The Company expects to be able to continue its operations and meet its business objectives on the following basis:
 - The Company has completed development of its photo-centric inspection management platform, 'Pirsee', to a level where it has commenced generating revenue from Real Estate Agency customers. Whilst there will be ongoing development of the platform, this is not a prerequisite to the commercial roll out currently underway.
 - The commercial roll out of the Pirsee platform with Real Estate Agencies, predominantly in Western Australia at present, is gaining traction and building momentum. The Company

currently has 34 real estate agencies trialling the product or as paying customers, with a high take up response from trials which are accelerating and in line with our business plan.

- (4) The Company considers that its financial position is sufficient to warrant continued quotation of its securities and its continued listing on the Official List of ASX. This opinion has been formed on the basis of the following:
- Our listing as AssetOwl Limited, whose business is software development, commenced in January 2017, following approval at a shareholders meeting in December 2016 and the acquisition of AssetOwl Technologies Pty Ltd. The business has evolved over the interim period and continues to evolve. This year the Company made the important step to commercial roll out of its lead product offering, Pirsee.
 - At the date of this letter the Company has sufficient cash on hand, which at the current level of operations would result in the Company continuing to have cash on hand at the end of the current quarter, ending 31 December 2021. Further, the Company confirms that at the date of this letter, it has net current assets, and expects to continue to be in this position as at 31 December 2021.
 - As stated in the Company's Audited Annual Financial Statements which were provided to ASX on 27 October 2021, the Company has received a letter of support from its 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 in March 2021. 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.

- (5) Not applicable
- (6) The Company confirms that it is complying with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition under that rule that has not already been released to the market.
- (7) The above responses to the questions contained in the letter referred to above, have been approved by an Officer of the entity with delegated authority from the board to respond to the ASX on disclosure matters.

Yours sincerely



Sean Meakin
Company Secretary



19 November 2021

Mr Sean Meakin
Level 14, 225 St Georges Terrace
Perth
WA 6000

By email: smeaking@transrg.com.au

Dear Mr Meakin

AssetOwl Limited ('AO1'): Appendix 4C - Query

ASX refers to the following:

- A. AO1's Appendix 4C quarterly report for the period ended 30 September 2021 lodged with the ASX Market Announcements Platform on 29 October 2021 (the 'September 2021 Appendix 4C'), in which AO1 has disclosed:
- Receipts from customers of \$19,000
 - Negative net operating cash flows for the quarter of \$634,000;
 - Cash at the end of the quarter of \$376,000
 - Less than 2 estimated quarters of funding available, and;
 - The following responses to the questions in section 8.6 of the September 2021 Appendix 4C as set out below
 - Q1 – Does the entity expect that it will continue to have the current level of new operating cash flows for the time being and, if not, why not?
 - A1 – *'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:*
 - 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 inspector 360); and*
 - *Paid for services such as the annual audit of the Group's consolidated financial statement.'*
 - Q2 - 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?
 - A2 – *'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.'

- Q3 - Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
- A3 – *'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.'*

(together, the 'Responses')

B. AO1's Appendix 4C quarterly report for the period ended 30 September 2021 lodged with the ASX Market Announcements Platform on 30 July 2021 (the 'June 2021 Appendix 4C'), in which AO1 has disclosed:

- Receipts from customers for the quarter of \$12,000 (and \$56,000 for the year to date);
- Negative net operating cash flows for the quarter of \$615,000; and
- Less than 2 estimated quarters funding available.

Request for information

ASX does not consider the Responses have adequately addressed the questions posed in section 8.6 of the Appendix 4C form. In view of that, ASX asks AO1 to respond separately to each of the following questions and provide the following confirmations in a format suitable for release to the market under Listing Rule 18.7:

1. In response to Q1 of the September Appendix 4C, AO1 states *'on a net basis the Company expects that net operating cash flows will remain comparable with those of the current quarter.'* AO1 has reported negative operating cash flows of \$634,000 for the September 2021 Quarter. AO1 has reported in its June 2021 Appendix 4C total receipts from customers of \$56,000 for the 2021 financial year. Given that AO1 has reported:
 - Cash of \$376,000 and negative cash flows of \$634,000 for the September 2021 Quarter; and
 - A total of \$56,000 of receipts from customers for the 2021 financial year in its June 2021 Appendix 4C,
 does AO1 consider it has sufficient cash reserves to continue operations?
2. The Responses disclose at Q3 that *'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'*. The Responses make no further reference to AO1 having undertaken a capital raise. Please provide further details regarding this.
3. Does AO1 expect to be able to continue its operations and to meet its business objectives, and if so, on what basis?
4. Does AO1 consider that its financial condition is sufficient to warrant continued quotation of its securities and its continued listing on the Official List of ASX. Please explain the basis for your conclusion.
5. If the answer to question 4 is 'No' please explain what steps AO1 has taken, or proposes to take, to warrant continued listing on ASX under the requirements of Listing Rule 12.2.
6. Please confirm that AO1 is complying with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition under that rule that has not already been released to the market.

7. Please confirm that AO1's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of AO1 with delegated authority from the board to respond to ASX on disclosure matters.

Please also provide any other information that AO1 considers may be relevant to ASX forming an opinion on whether AO1 is complying with Listing Rule 12.2 that a listed entity's financial condition must, in ASX's opinion, be adequate to warrant the continued quotation of its securities and its continued listing.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **12.00 PM AWST Tuesday, 23 November 2021**. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, AO1's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require AO1 to request a trading halt immediately.

Your response should be sent to me by e-mail at ListingsCompliancePerth@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in AO1's securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in AO1's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to AO1's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. It should be noted that AO1's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

We reserve the right to release a copy of this letter, your reply and any other related correspondence between us to the market under Listing Rule 18.7A.

Questions

If you have any questions in relation to the above, please do not hesitate to contact me.

Yours sincerely

Laura Gomme

Adviser, Listings Compliance (Perth)