

## ASX Announcement

29 April 2022

### **ASSETOWL QUARTERLY UPDATE AND APPENDIX 4C For the period ended 31 MARCH 2022**

#### Highlights

- **Successful completion of Share Placement, and non-renounceable Entitlement offer to raise \$2.26m to support East Coast expansion, marketing initiatives and provide on-going working capital**
- **Remainder of shortfall to the Entitlement offer placed in April**
- **WA agencies signed onto Pirsee collectively manage ~ 10% of WA professionally managed rental properties <sup>(1)</sup>**
- **Appointment of Mr Adrian Siah as a Non-Executive Director**

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 31 March 2022, and an update on quarterly business progress.

During the quarter, AssetOwl continued to roll out its Pirsee platform, which included the conversion of a further four real estate agencies to fee paying status, bringing the total as at the end of the quarter to 11 agencies.

At quarter's end there were 34 WA agencies signed onto the platform, collectively representing 15,400 properties under management. Target customers in the Company's pipeline include agencies in both regional and metropolitan areas of WA, including Port Hedland and Esperance.

The Company estimates that 150,000 rental properties are professionally managed in WA.<sup>1</sup> On this basis AssetOwl has achieved an estimated 10% penetration of the WA professionally managed rental market through its Pirsee platform.

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<sup>1</sup> 220,000 private rental households in WA - ABS 41300, Table 17, 'Housing Occupancy and Costs, Australia', 2017-18. 33% of private rental households self-managed by owners: (1) "Self-Managing vs. Professional Property Management" [Real Property Manager](#), (2) "REA launches new landlord toolkit", [Smart Property Investment](#) (REA)

## **MARKETING ACTIVITIES**

In March and April 2022 there has been an increase in the number of inbound enquiries, which have led to a number of demonstrations and trials. This growth in pipeline is a necessary condition for future revenue growth, demonstrates Pirsee's growing brand awareness and reflects the Company's efforts to build a positive image through proactive social media marketing.

AssetOwl was an exhibitor in the 2022 REIWA Connect Real Estate Conference held 29 April 2022 in Crown Perth. The REIWA conference is the premier real estate conference for WA, and due to COVID, this was the first time the conference has been held for three years. The company showcased Pirsee at an exhibition booth, providing exposure to in excess of 500 industry delegates, representing ~ 300 real estate agencies/offices.

## **PRODUCT DEVELOPMENT**

Product development activity highlights in the quarter included:

- Ongoing improvements to the Property Tree integration in response to customer feedback. AssetOwl believes that Property Tree has the greatest trust accounting platform share in WA, and as such, Pirsee's Property Tree integration remains an ongoing focus for the Company.
- Commencement of a major upgrade of our PropertyMe integration. Alongside Property Tree, PropertyMe is one of the largest providers of property management software to the Australian real estate industry.
- Release of the new routine inspection functionality into production.
- Completion of an upgrade to Pirsee's platform infrastructure, delivering a significant improvement in platform speed and user experience.
- Finalisation of a new 'mobile sync' protocol. Testing of the new sync has commenced, with release envisaged in May.

## **JUNE QUARTER OUTLOOK**

AssetOwl's marketing efforts for the quarter will focus upon the follow-up of leads from the REIWA Connect Real Estate conference, and continuing to build Pirsee's social media presence with a view to attracting more WA-based customers.

AssetOwl's product team will be working upon a number of initiatives:

- Release of the new mobile sync protocol
- Routine inspection upgrades, in response to customer feedback
- Smart Condition Report (digital sharing of Property Condition Reports) improvements
- Commencement on development of NSW/Qld compliant versions of Pirsee

## **CORPORATE**

### **Non-renounceable Rights Issue and Share Placement Completed**

In late January, the Company announced an equity capital raising of \$2.26 million (before costs) through a placement of 108,577,196 ordinary shares (Placement Shares) to new and existing sophisticated and professional investors to raise \$325,731 (Placement) and a seven (7) for ten (10) Non-renounceable Rights Issue on the expanded capital base to raise up to \$1,942,043 (before costs).

The Entitlement Offer closed on 29 March 2022. The Company placed the shortfall in March and April, and on 20 April 2022, it was pleased to announce that it had secured binding commitments from qualified professional and sophisticated investors to place the then remaining shortfall to the Entitlement Offer (\$370,698), with a substantial portion of the shares then issued on 22 April 2022.

Total shortfall proceeds amounting to \$382,548 (before costs) were received in April 2022.

The funding the Company has raised will be applied to key activities including continued development and product enhancement for Pirsee; marketing activities; East Coast expansion; on-going research and development into new revenue opportunities for the Pirsee platform; and working capital.

### **Appointment of Non-Executive Director**

During the quarter the Company was pleased to announce its appointment of Mr Adrian Siah as a Non-Executive Director of the Company, effective 7 March 2022.

Adrian is currently the Managing Director of the privately-owned Gem Group, a consolidated group of companies specialising in investments and real estate. Adrian is based in Melbourne where AssetOwl's operational team is based, and will be actively involved in supporting the Company's East Coast roll out.

Adrian's location in Victoria and his knowledge and experience of the real estate industry and other high growth companies make him a valuable addition to the AssetOwl board.

### **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:

- Provision of inspection software to real estate agents and support to AssetOwl's customer base
- Marketing activities
- Continued growth of the Company's real estate agency pipeline
- Upgrades to the Pirsee inspection platform

Total expenditure in relation to this activity amounted to approximately \$339,912, which included salaries and wages, fees paid to contractors and consultants, and subscriptions.

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 \$26,367 to its 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 \$4,500 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:**

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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 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")**

31 March 2022

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	22	67
1.2 Payments for		
(a) research and development	(162)	(497)
(b) product manufacturing and operating costs	(43)	(66)
(c) advertising and marketing	(17)	(95)
(d) leased assets	-	-
(e) staff costs	(226)	(679)
(f) administration and corporate costs	(138)	(420)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	2
1.5 Interest and other costs of finance paid	-	(1)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	422
1.8 Other (provide details if material) <i>Purchases of Inventory for re-sale</i>	-	(37)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(562)</b>	<b>(1,304)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(g) entities	-	-
(h) businesses	-	-
(i) property, plant and equipment	-	(7)

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
	(j) investments	-	-
	(k) intellectual property	-	-
	(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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	-	<b>(7)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,827	1,827
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	(86)	(88)
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)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>1,741</b>	<b>1,739</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	267	1,018
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(562)	(1,304)

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(7)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,741	1,739
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>1,446</b>	<b>1,446</b>

5.	Reconciliation of cash and cash equivalents	Current quarter \$A'000	Previous quarter \$A'000
	at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		
5.1	Bank balances	28	16
5.2	Call deposits	1,418	251
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,446</b>	<b>267</b>

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	61
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 directors fees totalling \$26,367 to its 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 \$4,500 in favour of AssetOwl Director Mr Geoff Baldwin for consultancy services in connection with growing AssetOwl's Real Estate Agency pipeline.



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

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<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>		
7.1 Loan facilities		
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 <b>Total financing facilities</b>		
7.5 <b>Unused financing facilities available at quarter end</b>		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.		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	562
8.2 Cash and cash equivalents at quarter end (item 4.6)	1,446
8.3 Unused finance facilities available at quarter end (item 7.5)	0
8.4 Total available funding (item 8.2 + item 8.3)	1,446
8.5 <b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	2.57
<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: N/A	
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: N/A	

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:

N/A

*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 April 2022.....

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.