

ASX ANNOUNCEMENT

12 September 2025

ASSETOWL CONVERTIBLE NOTE AND FINANCING UPDATE

On 15 October 2024 AssetOwl Limited (ASX:AO1, **AssetOwl** or the **Company**) provided an announcement titled, “*AssetOwl Financing and Director Appointments*”, which related to an issue of convertible notes (**Convertible Notes**). The Company provides this announcement to outline the revised terms of those Convertible Notes, following amendments which include the extension of the maturity date - which was originally 30 September 2025.

The 15 October 2024 announcement also advised of a loan facility of \$300,000 with Pacific Equity Investors Inc, a company associated with then new director, Mr Bevan Dooley. This announcement also provides further disclosure in respect to the loan facility with Pacific Equity Investors Inc.

Convertible Notes

As described in its prior announcement, the Company raised \$100,000 through the issue of Convertible Notes to sophisticated investors. These investors are related to Mr Alastair Gillespie and Mr Bevan Dooley - who subsequently became directors of the Company.

Conversion of the Convertible Notes was, and remains, subject to shareholder approval. Therefore, the convertible notes were not issued under the Company’s capacity under ASX Listing Rule 7.1 or 7.1A.

A summary of the revised term is set out below:

- Conversion base value (i.e. face value of the note) \$200,000 (\$100,000 in respect to each investor, this base value is two times the amount invested by each investor)
- Maturity date The earlier of 31 March 2026 or re-instatement of trading of the Company on ASX.
- Conversion event Refer below.
- Conversion price Refer below.
- Events of default An insolvency event or breach of the terms of the Convertible Note. On default the Convertible Notes are repayable in cash.

Conversion Event and Price

Conversion terms of the Convertible Notes are summarised below:

1. Conversion, at the election of the noteholder, on reinstatement to trading on ASX at an issue price per share which is a 25% discount to the price at which the necessary reinstatement capital raising is conducted with a floor price/cap such that the shares issued to the note investors on conversion of the Convertible Notes must not (in aggregate) exceed 10% of the issued capital of the Company.
2. Conversion at maturity of the note (which is mandatory) at a 25% discount to the 20-day VWAP (where the Company has been reinstated to trading on ASX) or at a fair market value determined by an independent valuer (where the Company has not been reinstated to trading on ASX). In each case with a floor price/cap such that the shares issued to the note investors on conversion of the Convertible Notes must not (in aggregate) exceed 10% of the issued capital of the Company.
3. Conversion, at the election of the noteholder after reinstatement, at a 25% discount to the 20-day VWAP with a floor price/cap such that the shares issued to the note investors on conversion of the Convertible Notes must not (in aggregate) exceed 10% of the issued capital of the Company.

Worked indicative examples of the effect of conversion terms are set out below:

Example 1

The Company achieves reinstatement to trading on ASX. The company conducts a capital raising in connection with that capital raising of \$1 million at a price per share of \$0.002. The noteholders each elect to convert their Convertible Notes under item 1 above (i.e. a 25% discount to the reinstatement offer price, being \$0.0015 per share).

Existing Shares	2,396,976,501	79%
Shares Issued on Reinstatement	500,000,000	16%
Shares Issued on Conversion of Convertible Notes (\$200,000)	133,333,333	5%
Total Shares	3,030,309,834	100%

The holders of the notes would receive in aggregate 3.4% of the Company (133,333,333 shares).

Example 2

The Company achieves reinstatement to trading on ASX. The company conducts a capital raising in connection with that reinstatement of \$1 million at a price per share of \$0.002. The noteholders do not elect to convert their Convertible Notes under item 1 above. Subsequently to the reinstatement the noteholders elect to convert the Convertible Notes under item 3 above (i.e. a 25% discount to the 20-day VWAP). The relevant VWAP is \$0.001 per share, therefore the conversion price is \$0.00075 per share.

Existing Shares	2,396,976,501	75%
Shares Issued on Reinstatement	500,000,000	17%
Shares Issued on Conversion of Convertible Notes (\$200,000)	266,666,666	8%
Total Shares	4,030,309,834	100%

Example 3

The Company does not achieve reinstatement prior to the maturity date. The Convertible Notes must be converted at a fair market value determined by an independent valuer, which must not result in the note holders holding more than 10% of the Company (in aggregate).

The Company is of the view that the terms of the convertible notes are standard market terms having regard for the effective floor price established by the requirement that the Convertible Notes must not convert (in aggregate) into more than 10% of the issued capital of the Company, and noting that the other conversion terms are reference to objective market prices and or an independent valuation.

Loan Facility with Pacific Equity Investors Inc.

In respect to the loan with Pacific Equity Investors Inc, which is a related party of the Company, by virtue of Mr Bevan Dooley being a director of the Company, the following detail is provided:

Interest Rate	16% / annum calculated and compounded monthly. Calculated and settled on the day of repayment.
Term	The loan has no predetermined term, but is only repayable when the Company is in a financial position to do so.
Fees	No fees have been paid or are payable in respect to the loan
Repayment terms	Repayable at the end of the term which is conditional on the Company's financial capacity.
Security	Unsecured.
Material events of default / covenants	None.

At the initial draw down of the loan, the facility limit was \$300,000. In the intervening period the facility limit has been increased to \$700,000 with no changes to those terms described above. At the date of this announcement \$498,000 has been drawn down under the facility.

For the purpose of ASX Listing Rule 15.5 this announcement has been authorised for release by the Board.

*****ENDS*****

For further information, shareholders and media please contact:

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