



ASX Announcement

31 August 2020

Appendix 4E Preliminary Final Report for Financial Year ended 30 June 2020

Enterprise property management platform provider AssetOwl Limited (ASX: **AO1, AssetOwl or the Company**) presents its Appendix 4E for the financial year ended 30 June 2020.

The past 12 months saw AssetOwl achieve several significant milestones, including the launch of our inspector360 platform, and complete important partnerships that will help us grow now and into the future.

Australians, like everyone, have been severely affected by the COVID-19 pandemic. We have had to learn to work from home and conduct our daily lives without reliance on direct contact. How we live has changed suddenly and dramatically and so too has how our homes are managed. Some of the changes, though forced on our industry, have a silver lining. AssetOwl is well placed to help our industry by providing tools for creating and maintaining photo-centric records of properties that can be created remotely with a smart phone. We can work more flexibly and manage real estate investments more efficiently and less intrusively for the tenants.

Inspector360 is a next-generation photo-centric property 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 and improve inspection process efficiency.

AssetOwl launched inspector360 in September 2019, building on our existing residential inspection software, InspectorAsset, which uses virtual reality technology for property inspections. The app allows property managers to “virtually” inspect a property managing the camera and app from their remote location. The inspector360 platform was trialled with several cornerstone customers including RE/MAX WA and leading property inspection service PCR & Inspection Services (PCRS) and feedback was to further enhance our offering. In recent months we’ve added further functions, with a virtual tour mode and video conferencing capabilities the latest add-ons which we expect to grow in popularity and acceptance due to social changes accelerated by COVID-19 restrictions.

With this optimised offering, we have executed commercial licence agreements with PCRS and RE/MAX WA, which is recommending inspector360 to other RE/MAX franchisees in Australia. We also partnered with MRI Software via its Australia subsidiary Rockend Technology, which developed the Property Tree software used by more than 3,500 real estate agency customers across Australia and NZ. MRI showcased inspector360 to more than 650 property industry professionals during a virtual conference in July 2020.

inspector360 also integrated into PropertyMe, one of Australia's largest and most complete cloud property management software providers, used by 2,500 agencies and customers in Australia.

We have initially provided full inspector360 functionality for WA-based real estate agents, and this will be rolled out nationwide later in 2020.

We commenced trials with several other existing partners including Colliers International WA, The Agency Group Australia and Attree Real Estate, as well as four independent agencies.

In May 2020, we completed a \$1.5 million capital raising, comprising a \$600,000 Placement and ~\$900,000 Entitlement Offer, to scale deployment of inspector360 over the coming year. We thank shareholders for their support in these activities and their continued belief that AssetOwl is on track to become a disruptor in real estate property management. We are encouraged by the improvement we've seen in AssetOwl's share price in recent months, and hope this momentum will continue into FY21 as brand awareness and adoption of our technology continue to grow.

I would also like to thank our staff and management for their efforts over the past year that has helped us achieve such important milestones in AssetOwl's history. We are a small team that understands the importance of working together to achieve a common goal and I believe we are beginning to see rewards for hard work over the past few years.

AssetOwl has an exciting future ahead as we aim to grow the customer base of inspector360 in Australia and other parts of the world. I look forward to keeping you updated on our progress.

The Appendix 4E should be read in conjunction with all other information concerning AssetOwl Limited filed with ASX.

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.

Appendix 4E

Preliminary final report

Part 1 – Details of Entity, Reporting Period

Name of Entity	AssetOwl Limited
ABN	12 122 727 342
Financial Year Ended	12 months ended 30 June 2020
Previous Corresponding Reporting Period	12 months ended 30 June 2019

Part 2 – Results for Announcement to the Market

	\$	Percentage increase/ (decrease) over previous corresponding period
Revenue from ordinary activities	16,437	20.01%
Loss from ordinary activities after tax attributable to members	(1,127,409)	(43.93%)
Net loss attributable to members	(1,127,409)	(43.93%)

Dividends (distributions)	Amount per security	Franked amount per security
Final Dividend	Nil	Nil
Interim Dividend	Nil	Nil
Record date for determining entitlements to the dividends (if any)	Not Applicable	

Brief explanation of any of the figures reported above necessary to enable the figures to be understood:

The net loss result of the Group improved in the 2020 financial year relative to the 2019 financial year, in the order of \$883,450 Australian Dollars.

In the 2019 financial year it was necessary for the Company to recognise impairment expense resulting in a reduction in the value of the Group's Goodwill asset, with impairment of \$735,853 recognised in that year. Assessing Goodwill for impairment on the same basis at 30 June 2020, it was not necessary for impairment to be recognised in the 2020 financial year, and accordingly, the Group's loss result improved.

The Group's revenue from customers was consistent across the 2020 and 2019 financial years.

Part 3 – Contents of ASX Appendix 4E

Part 1	Details of entity, reporting period
Part 2	Results for announcement to the market
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Part 4 – Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Parts	2020 (\$)	2019 (\$)
INCOME			
Revenue		16,437	13,696
Other Income		522,775	402,745
EXPENSES			
Accounting and audit expenses		(50,358)	(45,687)
Legal expenses		(13,492)	(20,494)
Corporate and administrative expenses		(90,466)	(137,361)
Professional consultant and contractor fees		(206,133)	(71,329)
Employee benefit expenses		(187,766)	(317,322)
Research and development expenses		(955,838)	(854,030)
Depreciation and amortisation		(40,385)	(42,717)
Tenements administration expenses		4,293	(101,052)
Other expenses from ordinary activities		(126,476)	(101,456)
Impairment expense	9, 12	-	(735,853)
PROFIT / (LOSS) BEFORE INCOME TAX		(1,127,409)	(2,010,860)
Income tax benefit		-	-
PROFIT / (LOSS) FOR THE YEAR		(1,127,409)	(2,010,860)
Loss is attributable to:			
Owners of AssetOwl Limited		(1,127,409)	(2,010,860)
NET PROFIT / (LOSS) FOR THE YEAR		(1,127,409)	(2,010,860)
Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE PROFIT / (LOSS) FOR THE YEAR		(1,127,409)	(2,010,860)
Total comprehensive profit / (loss) for the year is attributable to			
Owners of AssetOwl Limited		(1,127,409)	(2,010,860)
Basic loss (cents per share)	16	(0.35)	(1.82)

Part 5 – Consolidated Statement of Financial Position

	Parts	2020 (\$)	2019 (\$)
CURRENT ASSETS			
Cash and cash equivalents		966,272	717,948
Trade and other receivables	11	480,707	443,065
TOTAL CURRENT ASSETS		1,446,979	1,161,013
NON-CURRENT ASSETS			
Property, plant and equipment		5,370	15,586
Intangible assets (including goodwill)	12	1,066,201	1,091,201
TOTAL NON-CURRENT ASSETS		1,071,571	1,106,787
TOTAL ASSETS		2,518,550	2,267,800
CURRENT LIABILITIES			
Trade and other payables		69,221	96,615
Employee benefits payable	13	88,924	62,639
TOTAL CURRENT LIABILITIES		158,145	159,254
TOTAL LIABILITIES		158,145	159,254
NET ASSETS		2,360,405	2,108,546
EQUITY			
Contributed equity	15	19,496,256	18,156,122
Reserves		39,134	-
Accumulated losses	6	(17,174,985)	(16,047,576)
TOTAL EQUITY		2,360,405	2,108,546

Part 6 – Consolidated Accumulated Loss

	2020 (\$)	2019 (\$)
Accumulated (loss) at the beginning of the year	(16,047,576)	(15,555,151)
Net (loss) attributable to Shareholders	(1,127,409)	(2,010,860)
Transfer of Reserve to Accumulated Losses	-	1,518,435
Accumulated (loss) at end of the year	(17,174,985)	(16,047,576)

Part 7 – Consolidated Statement of Cash Flows

	Parts	2020 (\$)	2019 (\$)
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		15,682	13,696
Receipt of R&D Tax Incentive		398,269	983,418
Government Grants received	9	74,000	-
Payments to suppliers and employees		(1,598,641)	(1,742,937)
Payments for exploration and evaluation expenditure		(16,707)	(81,593)
Interest received		1,621	4,477
NET CASH FLOWS (USED IN) OPERATING ACTIVITIES	10	(1,125,776)	(822,939)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment to acquire Property, Plant & Equipment		(5,168)	-
Proceeds from disposal of Property, Plant & Equipment		-	1,060
NET CASH FLOWS (USED IN) / PROVIDED BY INVESTING ACTIVITIES		(5,168)	1,060
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		1,503,663	1,317,739
Receipt of loan from related party		162,000	150,000
Repayment of loan from related party		(162,000)	(150,000)
Payment of Share Issue Costs		(124,395)	(88,563)
NET CASH PROVIDED BY FINANCING ACTIVITIES		1,379,268	1,229,176
NET INCREASE IN CASH AND CASH EQUIVALENTS HELD		248,324	407,297
Cash and cash equivalents at beginning of year		717,948	310,651
CASH AND CASH EQUIVALENTS AT END OF YEAR		966,272	717,948

Part 8 – Basis of Preparation

This Preliminary Final Report has been prepared in accordance with ASX Listing Rule 4.3A and the disclosure requirement of ASX Appendix 4E.

Part 9 – Commentary on Results

The Group's net loss result improved in the 2020 financial year relative to the 2019 financial year, in the order of \$883,450 Australian Dollars.

In the year the Company continued the development of its next generation photo-centric property management platform, inspector360, achieved by the continued service of its core employees, and through the use of contractors.

The increase in other income is substantially related to the recognition of government grants, in the form of Job Keeper and Cash flow boost, for which \$98,500 is recognised.

The reduction in employee benefits expense is attributable to a reduction in the size of the Company's Board, which was reduced from five to three members in April 2019.

The Group's revenue from customers was consistent across the 2020 and 2019 as the Company continued to generate revenue through the use of its management platform.

The Group's improved loss result relative to the 2019 year is substantially attributable to two items

- In this financial year, it was not necessary to recognise impairment of the Group's Goodwill asset, which arose when AssetOwl Limited acquired its subsidiary AssetOwl Technologies Pty Ltd in December 2016. In the 2019 financial year, an impairment expense was recognised of \$735,853.
- Arising from the COVID-19 Pandemic, AssetOwl's subsidiary AssetOwl Technologies Pty Ltd was entitled to receive federal government support, in the form of Job Keeper and Cash flow boost, in total, the Group recognised an amount of \$98,500 as government grants, with \$74,000 received to 30 June 2020.

The Group's chief operating decision maker, identified as the Board of Directors, considers that the Group has one operating segment, being software development. The segment result of this operating segment for the financial year is a loss of \$690,503. In the 2019 financial year, the operating segment loss was \$1,387,783, consistent with the above analysis, this improvement is substantially attributable to impairment expense which was only necessary in the 2019 financial year, and the receipt of government grants in the 2020 financial year.

The Company's basic earnings/(loss) per ordinary share was a loss of 0.35 cents per share (2019: loss of 1.82 cents per share). This reduction in loss per share arose through a combination of the reduction in the value of the Group's loss for the year and a material increase in the number of shares on issue.

Part 10 – Notes to the Consolidated Statement of Cash Flows

	2020 (\$)	2019 (\$)
Reconciliation of cash flow from operating activities with the loss from continuing operations after income tax:		
Non-cash flows in profit from operating activities		
Net (Loss) after Income Tax	(1,127,409)	(2,010,860)
Conversion of accrued Director fees to equity	-	33,351
Write off of Property, Plant and Equipment	-	4,150
Settlement of related party debts at 30 June 2018 through participation in 2:1 renounceable rights issue	-	25,000
Impairment expense	-	735,853
Depreciation and amortisation	40,385	42,717
CHANGES IN ASSETS & LIABILITIES FROM OPERATING ACTIVITIES		
(Increase)/Decrease in trade and other receivables	(37,643)	597,412
(Decrease) in trade and other payables	(27,394)	(17,053)
Increase/(Decrease) in employee benefits payable	26,285	(233,509)
Cash flow (used in) Operating Activities	(1,125,776)	(822,939)

Part 11 – Trade and Other Receivables

	2020 (\$)	2019 (\$)
Accounts Receivable	1,931	1,100
GST Receivable	32,024	38,898
R&D offset receivable	422,252	398,267
Government Grants receivable	24,500	-
Office bond	-	4,800
	480,707	443,065

The R&D Incentive offset receivable relates to the Group's research and development activities in the year to 30 June 2020.

As the turnover of AssetOwl Technologies Pty Ltd is less than \$20 million, a receivable is recognised in the Group's Consolidated Statement of Financial Position for the amount of the R&D Incentive benefit to be received.

Part 12 – Intangible Assets

	2020 (\$)	2019 (\$)
Intellectual property	-	25,000
Goodwill	1,066,201	1,066,201
	1,066,201	1,091,201
Reconciliation of Intellectual property		
At 1 July	25,000	50,000
Amortisation Charge	(25,000)	(25,000)
At 30 June	-	25,000
Reconciliation of Goodwill		
Gross		
Beginning of reporting period	1,066,201	1,802,054
Impairment recognised	-	(735,853)
End of reporting period	1,066,201	1,066,201
Accumulated impairment losses		
Beginning of reporting period	(4,681,722)	(3,945,869)
Impairment recognised	-	(735,853)
End of reporting period	(4,681,722)	(4,681,722)

Part 13 – Employee Benefits Payable

	2020 (\$)	2019 (\$)
Employee Contractual Obligations	48,480	35,642
Statutory Obligations	40,444	26,997
	88,924	62,639

Part 14 – Net Tangible Assets per Security

	2020	2019
NET TANGIBLE ASSET		
Net tangible asset backing per ordinary security (cents per share)	0.26	0.35

Part 15 – Issued Securities

	2020 (\$)	2019 (\$)
Opening balance at the beginning of the year	18,156,122	16,828,594
Share Placement ¹	600,000	-
Entitlement Offer ²	631,606	-
Entitlement Offer (placement of shortfall) ³	272,057	-
Corporate Advisory Services	-	40,000
Shares issued for capital raising	-	1,251,391
Rights issue (Shortfall fee shares)	-	65,002
Rights issue (Placement)	-	124,700
Rights issue (Corporate Advisory Fee and Selling Fee)	-	49,882
Share Issue costs ⁴	(163,529)	(203,447)
Total Share Capital	19,496,256	18,156,122

Movements of share capital during the year

Date	Details	No of shares	Issue price(\$)	\$
01.07.2019	Balance at 30 June 2019	301,220,812		18,156,122
07.05.2020	Share Placement	75,000,000	0.008	600,000
25.05.2020	Entitlement Offer	78,950,708	0.008	631,606
02.06.2020	Entitlement Offer (placement of shortfall)	34,007,097	0.008	272,057
	Share Issue cost	-	-	(163,529)
	Closing Balance as at 30 June 2020	489,178,617		19,496,256

¹ On the 7th of May 2020, the Company issued 75,000,000 ordinary shares to professional and sophisticated investors at \$0.008 per share.

² On the 25th of May 2020, the Company issued 78,950,708 ordinary shares via a non-renounceable 3:8 pro-rata Entitlement Offer, at \$0.008 per share. The shares were issued pursuant the Offer document issued on 1 May 2020.

³ On the 2nd of June 2020, the Company issued 34,007,097 ordinary shares, the shortfall to the Entitlement Offer, to investors who participated in the Company's Placement which was completed on 7th May 2020.

⁴ Share Issue costs is fees including management fees paid in cash to the Lead Manager of the Capital raising, Sequoia Corporate Finance Pty Ltd ('Sequoia'), and the value of shares to be issued to Sequoia as the fee payable in the form of shares in the Company, calculated in accordance with terms of engagement.

Referred to as 'Alignment fees' in the terms of engagement with Sequoia, the number of shares to be issued to Sequoia, subject to shareholder approval, is calculated as 4,076,488 shares, with each share valued at \$0.0096, being the price at which the Group raised capital during the year plus a 20% premium.

These shares will be issued to Sequoia subject to shareholder approval, and accordingly, at 30 June 2020, the value of these shares is recognised in the Company's Shares Reserve within Equity.

Part 16 – Loss per share

The calculation of basic loss per share at 30 June 2020 was based on the loss attributable to ordinary shareholders of \$1,127,409 (2019: loss of \$2,010,860) and a weighted average number of ordinary shares outstanding during the year of 323,167,211 (2019: 110,270,291).

	2020 (\$)	2019 (\$)
Basic loss per share (cents per share)	(0.35)	(1.82)
(a) RECONCILIATION OF EARNINGS TO OPERATING LOSS		
Loss attributable to ordinary Shareholders		
Loss after tax	(1,127,409)	(2,010,860)
Loss used in the calculation of EPS	(1,127,409)	(2,010,860)
(b) WEIGHTED AVERAGE NUMBER OF SHARES USED AS THE DENOMINATOR		
Weighted average number of ordinary shares (WANOS)		
Weighted average number of ordinary shares	323,167,211	110,270,291

Part 17 – Related party disclosures

Directors and Executives compensation comprises:

Directors	2020 (\$)	2018 (\$)
Short-term benefits	132,000	231,000
Post-employment benefits	-	6,270
Other Key Management Personnel		
Short-term benefits	195,558	192,789
Post-employment benefits	17,251	16,988
TOTAL	344,809	447,047

Other related party transactions

Tribis Pty Ltd

Simon Trevisan (Non-Executive Chairman of the Group) is the Managing Director and a substantial shareholder of Tribis Pty Ltd.

Administration Services Agreement

The Group is party to an Administration Services Agreement with Tribis Pty Ltd and provides administration services to the Group on the terms and conditions set out in the agreement. These services include the engagement of Mr. Sean Meakin as Company Secretary.

The Group must pay a monthly fee to Tribis plus reimbursement for each month of the certain costs, expenses and liabilities incurred and/or paid by Tribis on behalf of the Group during the month. The fee for the entire financial year was \$5,000 plus GST per month.

Provision of Loan

During the year, Tribis provided a loan to the company of total value \$162,000, the loan was provided on an interest free basis.

The loan was settled on 25 May 2020 when the Company completed its Non-Renounceable Entitlement Offer to raise \$903,663, including placement of the shortfall on 2nd June 2020.

The loan was settled through Tribis' participation in the Rights Issue, being \$120,000, with the balance, \$42,000 settled in cash.

Geoff Baldwin.Com Realty Group Pty Ltd

The Company paid \$54,000 in fees to Geoff Baldwin.Com Realty Group Pty Ltd for services provided in leading the Company's efforts to roll out inspector360. These fees are recognized in Professional consultant and contractor fees on the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Geoff Baldwin (Non-Executive Director) is a director and shareholder of Geoff Baldwin.Com Realty Group Pty Ltd.

Part 18 – Subsequent Events

As at the date of this Appendix 4E there are no subsequent events which require disclosure and/or an adjustment to the financial statements of the Group as at 30 June 2020.

Part 19 – Audit/Review Status

This report is based on accounts to which one of the following applies:

(tick one)

The accounts have been audited	<input type="checkbox"/>	The Accounts have been subject to review	<input type="checkbox"/>
The accounts are in the process of being audited or subject to review	<input checked="" type="checkbox"/>	The accounts have not yet been audited or reviewed	<input type="checkbox"/>

Independent Audit Report likely to include a paragraph referring to material uncertainty related to Going Concern.

The above accounts are in the process of being audited, the independent audit report is likely to contain a paragraph referring to material uncertainty related to Going Concern and refer to disclosure in the Company’s Annual Report that the Company’s ability to continue as a going concern is subject to events including: the commercialisation of the Company’s Inspector360 product, significant increase in sales revenue, and the completion of a potential capital raising.