

ASX Announcement**30 August 2019****Appendix 4E Preliminary Final Report for Financial Year ended 30 June 2019**

AssetOwl Limited (ASX: AO1) is pleased to release its Appendix 4E for the financial year ended 30 June 2019.

During the period, the Company has focused on the development of Inspector360, the next generation of the Company's photo-centric property management platform which aims to positively disrupt the way residential property management operates, helping property managers by boosting the efficiency and accuracy of their inspection workflow.

AssetOwl is working with a strong group of partners and customers - including The Agency Group Australia Ltd (ASX: AU1), PCR & Inspection Services, Attree Real Estate and RE/MAX WA's Property Management division - to be the first users of Inspector360, subject to successful trials. The Company expects to release the product to the wider market before the end of this quarter.

The past year has seen the Company focus on minimising cash burn and improving efficiency while it undertook the development of Inspector360, which is now in the commercial trials phase.

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

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*****ENDS*****

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About the AssetOwl business:

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.

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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 2019
Previous Corresponding Reporting Period	12 months ended 30 June 2018

Part 2 – Results for Announcement to the Market

	\$	Percentage increase/ (decrease) over previous corresponding period
Revenue from ordinary activities	13,696	3.68%
Loss from ordinary activities after tax attributable to members	(2,010,860)	(41.13%)
Net loss attributable to members	(2,010,860)	(41.13%)

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 2019 financial year relative to the 2018 financial year, in the order of \$1.4million Australian Dollars as the Company's subsidiary AssetOwl Technologies Pty Ltd prioritised the development of its new visual inspection tool, Inspector360, and significantly reduced its cost base.

The Group's revenue from customers was consistent across the 2019 and 2018 financial years, the 2019 result reflects a significant decrease in both 'Other Income' and 'Other Gains', and a reduction in Group expenditure, relative to the 2018 financial year.

Part 3 – Contents of ASX Appendix 4E

Part 1	Details of entity, reporting period
Part 2	Results for announcement to the market
Part 3	Contents of ASX Appendix 4E
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Part 4 – Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Parts	2019 (\$)	2018 (\$)
INCOME			
Revenue		13,696	13,210
Other Income		402,745	1,009,859
Other Gains		-	2,981,037
EXPENSES			
Accounting and audit expenses		(45,687)	(59,874)
Legal expenses		(20,494)	(144,738)
Corporate and administrative expenses		(137,361)	(121,097)
Professional consultant and contractor fees		(71,329)	(106,536)
Employee benefit expenses		(279,861)	(541,958)
Research and development expenses		(854,030)	(2,260,732)
Depreciation and amortisation		(42,717)	(43,830)
Tenements administration expenses		(101,052)	(48,108)
Other expenses from ordinary activities		(101,456)	(147,325)
Impairment expense	9, 12	(773,314)	(3,945,869)
PROFIT / (LOSS) BEFORE INCOME TAX		(2,010,860)	(3,415,961)
Income tax benefit		-	-
PROFIT / (LOSS) FOR THE YEAR		(2,010,860)	(3,415,961)
Loss is attributable to:			
Owners of AssetOwl Limited		(2,010,860)	(3,415,961)
NET PROFIT / (LOSS) FOR THE YEAR		(2,010,860)	(3,415,961)
Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE PROFIT / (LOSS) FOR THE YEAR		(2,010,860)	(3,415,961)
Total comprehensive profit / (loss) for the year is attributable to			
Owners of AssetOwl Limited		(2,010,860)	(3,415,961)
Basic loss (cents per share)	16	(1.82)	(5.22)

Part 5 – Consolidated Statement of Financial Position

	Parts	2019 (\$)	2018 (\$)
CURRENT ASSETS			
Cash and cash equivalents		717,948	310,651
Trade and other receivables	11	480,526	1,040,476
TOTAL CURRENT ASSETS		1,198,474	1,351,127
NON-CURRENT ASSETS			
Property, plant and equipment		15,586	38,381
Intangible assets (including goodwill)	12	1,053,740	1,852,186
TOTAL NON-CURRENT ASSETS		1,069,326	1,890,567
TOTAL ASSETS		2,267,800	3,241,694
CURRENT LIABILITIES			
Trade and other payables		96,615	113,668
Employee benefits payable	13	62,639	296,148
TOTAL CURRENT LIABILITIES		159,254	409,816
TOTAL LIABILITIES		159,254	409,816
NET ASSETS		2,108,546	2,831,878
EQUITY			
Contributed equity	15	18,156,122	16,828,594
Reserves		-	1,558,435
Accumulated losses	6	(16,047,576)	(15,555,151)
TOTAL EQUITY		2,108,546	2,831,878

Part 6 – Consolidated Accumulated Loss

	2019 (\$)	2018 (\$)
Accumulated (loss) at the beginning of the year	(15,555,151)	(12,139,190)
Net (loss) attributable to Shareholders	(2,010,860)	(3,415,961)
Transfer of Option reserve ¹	1,518,435	-
Accumulated (loss) at end of the year	(16,047,576)	(15,555,151)

¹All of the Company's Options on issue at 30 June 2018 expired during the financial year, accordingly, the balance of the Options reserve has been reduced to nil.

Part 7 – Consolidated Statement of Cash Flows

	Parts	2019 (\$)	2018 (\$)
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		13,696	12,110
Receipt of R&D Tax Incentive		983,418	861,221
Payments to suppliers and employees		(1,742,937)	(3,190,932)
Payments for exploration and evaluation expenditure		(81,593)	(46,608)
Interest received		4,477	9,423
NET CASH FLOWS (USED IN) OPERATING ACTIVITIES	10	(822,939)	(2,354,786)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment to acquire Property, Plant & Equipment		-	(12,278)
Repayment of loan by related party		-	15,000
Proceeds from disposal of Property, Plant & Equipment		1,060	-
NET CASH FLOWS PROVIDED BY INVESTING ACTIVITIES		1,060	2,722
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		1,317,739	692,933
Receipt of loan from related party		150,000	330,000
Repayment of borrowings		(150,000)	-
Payment of Share Issue Costs		(88,563)	(51,028)
NET CASH PROVIDED BY FINANCING ACTIVITIES		1,229,176	971,905
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS HELD		407,297	(1,380,159)
Cash and cash equivalents at beginning of year		310,651	1,690,810
CASH AND CASH EQUIVALENTS AT END OF YEAR		717,948	310,651

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 2019 financial year relative to the 2018 financial year, in the order of \$1.4million Australian Dollars as the Company's subsidiary AssetOwl Technologies Pty Ltd prioritised the development of its new visual inspection tool, Inspector360, and significantly reduced its cost base.

The Group's revenue from customers was consistent across the 2019 and 2018 financial years. The 2019 result reflects significant reductions in both 'Other Income' and 'Other Gains', and Group expenditure, relative to the 2018 financial year.

In the 2018 financial year, the Group's parent company, AssetOwl Limited recognised a gain on the disposal of its exploration assets, which were disposed of to Podium Minerals Limited (ASX: POD) for Shares and Options valued at \$1,528,702, at the time of disposal.

Further inputs which contributed to the Group's 2019 financial year result are set out within the below commentary.

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 \$1,387,783.

In the 2018 financial year, the Group's segment result for the software development segment was a loss of \$4,230,951. The significant reduction in the quantum of this loss is attributable multiple factors:

- Impairment expense in the 2019 financial year was \$773,313, this is substantially less than the impairment expense recognised in the 2018 financial year, \$3,945,869. Impairment expense is reflected in the statement of financial position as a reduction to the value of the Group's Goodwill asset and is calculated by reference to the parent Company's market capitalisation at the end of the year, which for 30 June 2019 was \$2,108,546.
- A re-organisation of the business, and re-set of focus, resulted in the Group spending approximately \$1million less on employment costs in the current financial year compared to the 2018 financial year, this is reflected in the Consolidated Statement of Profit or Loss and Other Comprehensive Income within the reduction in employee benefits expenses and research and development expenses.

These expenditure reduction items have been partly offset by:

- In the 2018 financial year, there was a reduction in the value of the contingent consideration liability which arose upon the acquisition of AssetOwl Technologies Pty Ltd in December 2016. The contingent consideration liability was reduced to nil at 30 June 2018, resulting in a gain of \$1,452,335 being recognised in the Group's net loss result for the year.
- A consequence of the reduction in business expenditure is a reduction in the AssetOwl Technologies anticipated Research & Development incentive receipt for the 2019 financial year, which has reduced by \$585,151, this is reflected as a reduction in the 'Other Income' recognised during the year

The Company's basic earnings/(loss) per ordinary share was a loss of 1.82 cents per share (2018: loss of 5.22

cents per share), all of the Options on issue by AssetOwl Limited are “out of the money” and as such the Group’s dilutive earnings/(loss) per share is consistent with the Company’s basic (loss) 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 period and a material increase in the number of shares on issue.

Part 10 – Notes to the Consolidated Statement of Cash Flows

	2019 (\$)	2018 (\$)
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	(2,010,860)	(3,415,961)
Conversion of accrued Director fees to equity	33,351	10,000
Repayment of loan by employee	-	(15,000)
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	773,314	3,945,869
Gain on disposal of Exploration Assets (part 9)	-	(1,528,702)
Change in fair value (part 9)	-	(1,452,335)
Depreciation and amortisation	42,717	43,830
CHANGES IN ASSETS & LIABILITIES FROM OPERATING ACTIVITIES		
(Increase)/Decrease in trade and other receivables	559,951	(123,635)
Increase/(Decrease) in creditor & accruals	(17,053)	25,330
Increase/(Decrease) in employee benefits payable	(233,509)	155,817
Cash flow (used in) Operating Activities	(822,939)	(2,354,787)

Non-cash investing and financing activities.

During the year, the Company completed 2:1 renounceable Rights Issue (‘Rights Issue’) which involved multiple non-cash transactions, detail on these non-cash transactions is provided in parts 15 and 17 below.

Part 11 – Trade and Other Receivables

	2019 (\$)	2018 (\$)
Accounts Receivable	1,100	1,100
GST Receivable	38,898	18,497
R&D offset receivable	398,267	983,418
Related Party Loan	37,461	37,461
Office bond	4,800	-
	480,526	1,040,476

The R&D Incentive offset receivable relates to the Group's research and development activities in the year to 30 June 2019.

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

	2019 (\$)	2018 (\$)
Formation expenses	-	132
Intellectual property	25,000	50,000
Goodwill	1,028,740	1,802,054
	1,053,740	1,852,186

Reconciliation of Intellectual property

At 1 July	50,000	74,867
Amortisation Charge	(25,000)	(24,867)
At 30 June	25,000	50,000

Reconciliation of Goodwill**Gross**

Beginning of reporting period	1,802,054	5,747,923
Impairment recognised	(773,314)	(3,945,869)
End of reporting period	1,028,740	1,802,054

Accumulated impairment losses

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Beginning of reporting period	(3,945,869)	0
Impairment recognised	(773,314)	(3,945,869)
End of reporting period	(4,719,183)	(3,945,869)

The Company has recognised impairment expense of \$773,314 which was necessary to due to the reduction in the Company's market capitalisation over the financial year from 1 July 2018 to 30 June 2019. The impairment expense recognised is the amount which results in the Company's net assets at 30 June 2019 becoming consistent with the Company's market capitalisation at that date.

Part 13 – Employee Benefits Payable

	2019 (\$)	2018 (\$)
Employee Contractual Obligations	35,642	100,760
Statutory Obligations	26,997	75,388
Other Employment Related Provisions	-	120,000
	62,639	296,148

Part 14 – Net Tangible Assets per Security

	2019	2018
NET TANGIBLE ASSET		
Net tangible asset backing per ordinary security (cents per share)	0.35	1.11

Part 15 – Issued Securities

	2019 (\$)	2018 (\$)
Opening balance at the beginning of the year	16,828,594	17,045,391
Settlement of Class A Performance Rights	-	370,000
Corporate Advisory Services	40,000	-
Shares issued for capital raising ¹	1,251,391	1,032,933
Rights issue (Shortfall fee shares) ²	65,002	-
Rights issue (Placement) ¹	124,700	-
Rights issue (Corporate Advisory Fee and Selling Fee) ³	49,882	-
Capital Return	-	(1,528,702)
Share Issue costs ⁴	(203,447)	(91,028)
Total Share Capital	18,156,122	16,828,594

Movements of share capital during the year

Date	Details	No of shares	Issue price(\$)	\$
01.07.2018	Balance at 30 June 2018	88,496,178		16,828,594
04.07.2018	Corporate Advisory Services	888,889	-	40,000
24.05.2019	Rights issue ¹	178,770,134	0.007	1,251,391
24.05.2019	Rights issue (Shortfall fee shares) ²	8,125,325	0.008	65,002
06.06.2019	Rights issue (Placement) ¹	17,814,286	0.007	124,700
10.06.2019	Rights issue (Corporate Advisory Fee and Selling Fee) ³	7,126,000	0.007	49,882
	Share Issue cost ⁴	-	-	(203,447)
Closing Balance as at 30 June 2019		301,220,812		18,156,122

¹ On the 26th of April 2019, AssetOwl Limited issued a prospectus to issue up to 178,770,134 ordinary shares via a fully underwritten renounceable 2:1 pro-rata rights issue, at \$0.007 per share.

On the 10th of June 2019, AssetOwl Limited placed a further 17,814,286 shares to sophisticated and professional investors to meet excess demand arising from the Rights Issue.

² AssetOwl Limited was required to issue shares to the underwriters as a fee, being "shortfall fee shares", with the number of shares calculated on a basis of 1 share for every 8 shares to be placed to the underwriter. The Shortfall was 65,002,607 shares, and accordingly AssetOwl was required to issue 8,125,325 shares. These shares were valued by the Company at \$0.008 per share, a total value of \$65,002.

³ The Company issued 5,714,286 shares to Patersons Securities Limited for their role as lead manager and underwriter for the Rights Issue to settle the Corporate Advisory fee of \$40,000. The number of shares issued was based on the capital raising price of \$0.007 per share.

The Company issued 1,411,714 shares to Patersons Securities Limited to settle a selling fee, pursuant to the underwriting agreement, the selling was calculated as 6% of the amount of funds raised in excess of the rights offer amount of \$1,251,391. The selling fee was settled through the issue of 1,411,714 shares, for a total value of \$9,882.

⁴ Share Issue costs includes the underwriting fee payable to the Underwriter, the value of the shortfall fee shares, the Corporate Advisory Fee and the Selling Fee.

Part 16 – Loss per share

The calculation of basic loss per share at 30 June 2019 was based on the loss attributable to ordinary Shareholders of \$2,010,860 (2018: loss of \$3,415,961) and a weighted average number of ordinary shares outstanding during the year of 110,270,291 (2018: 65,436,815).

	2019 (\$)	2018 (\$)
Basic loss per share (cents per share)	(1.82)	(5.22)
(a) RECONCILIATION OF EARNINGS TO OPERATING LOSS		
Loss attributable to ordinary Shareholders		
Loss after tax	(2,010,860)	(3,415,961)
Loss used in the calculation of EPS	(2,010,860)	(3,415,961)
(b) WEIGHTED AVERAGE NUMBER OF SHARES USED AS THE DENOMINATOR		
Weighted average number of ordinary shares (WANOS)		
Weighted average number of ordinary shares	110,270,291	65,436,815

Part 17 – Related party disclosures

Directors and Executives compensation comprises:

	2019 (\$)	2018 (\$)
Directors		
Short-term benefits	231,000	240,000
Post-employment benefits	6,270	11,970
Other Key Management Personnel		
Short-term benefits	192,789	172,794
Post-employment benefits	16,988	15,817
TOTAL	447,047	440,581

Other related party transactions

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 Mrs. Fleur Hudson 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 is currently \$5,000 plus GST per month.

Tribis agreed with AssetOwl to accrue this fee from 1 December 2017 to 31 March 2019, before the Company announced a 2:1 renounceable Rights issue on 26 April 2019. Tribis participated in the rights issue, acquiring

31,421,490 Shares.

AssetOwl then settled the loan previously extended to the Company, \$150,000 and the administration services fees which had been accrued for the period to 31 March 2019.

The loan provided to AssetOwl by Tribis had been provided on an interest free basis.

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

Settlement of accrued director fees without the use of cash

At 30 June 2018, non-executive director Mr. Andrew Lane and now former non-executive director Mr Ian Murchison were owed a combined debt of \$25,000 for Director fees accrued for the period from 1 December 2017 to 30 June 2018

The Company continued to accrue director fees until 31 March 2019, before the Company announced a 2:1 renounceable Rights issue on 26 April 2019, the fees accrued for the 16-month period were settled through Tribis' participation in the Rights Issue.

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 2019.

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: receipt of the Company's 2019 financial year Research and Development Incentive from the Australian Taxation office; the commercialisation of the Company's Inspector360 product, significant increase in sales revenue, and the completion of a potential capital raising.