



ACN 122 727 342

**CONSOLIDATED ANNUAL FINANCIAL
REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

CONTENTS

	PAGE
CORPORATE DIRECTORY	3
CHAIRMAN'S LETTER	4
CEO's OPERATIONAL REPORT	6
DIRECTORS' REPORT	9
CORPORATE GOVERNANCE STATEMENT	33
AUDITOR'S INDEPENDENCE DECLARATION	34
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	35
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	36
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	37
CONSOLIDATED STATEMENT OF CASH FLOWS	38
NOTES TO THE FINANCIAL STATEMENTS	39
DIRECTORS' DECLARATION	75
INDEPENDENT AUDIT REPORT	76
ASX ADDITIONAL INFORMATION	80

CORPORATE DIRECTORY

DIRECTORS

Simon Trevisan (Non-Executive Chairman)
Giuseppe Di Franco (Executive Director and Chief Technology Officer)
Geoff Baldwin (Non-Executive Director)

COMPANY SECRETARY

Sean Meakin

CHIEF EXECUTIVE OFFICER

Geoff Goldsmith

REGISTERED AND PRINCIPAL OFFICE

Level 14
225 St Georges Terrace
PERTH WA 6000
Telephone: (08) 9424 9320
Facsimile: (08) 9321 5932
Website: www.assetowl.com
Email: sales@assetowl.com

AUDITORS

BDO Audit (WA) Pty Ltd
38 Station Street
SUBIACO WA 6008

SHARE REGISTRY

Advanced Share Registry
110 Stirling Highway,
Nedlands, WA 6009
Telephone: 1300 113 258 (within Australia)
+61 (0) 8 9389 8033 (international)

HOME EXCHANGE

Australian Securities Exchange Ltd
Central Park
152-158 St Georges Terrace
PERTH WA 6000
ASX Code: AO1

SOLICITORS

Blackwall Legal LLP
Level 26,
140 St Georges Terrace
PERTH WA 6000

BANKERS

St George Bank
Level 3, Brookfield Place Tower 2
123 St Georges Terrace
PERTH WA 6000

CHAIRMAN'S LETTER

Dear Fellow Shareholders,

For all in our community, the past year has been extraordinary, volatile and unpredictable in so many ways that we would never have contemplated before. You will be as familiar as I am with what has happened nationally, but it is worth highlighting how some of the changes to our lives have impacted our Company and our industry.

We have witnessed our nation splinter in response to the pandemic, with each state finding its own path and erecting hard borders to other Australians. AssetOwl is based in Perth and Melbourne, is active in the Western Australian market and recently entered the Victorian market.

COVID-19 related lockdowns and travel restrictions have severely impacted our business. Our Melbourne-based staff, in common with many other Victorians, have struggled through the prolonged isolation. We are anything but orphans in this regard and the challenges will be familiar to many of our stakeholders. It is nonetheless important to highlight what our people have been through, during a year in which they still achieved remarkable progress in our business.

In Western Australia the challenge has been different. In Perth we have been largely free as a community, but never in our lifetimes has this very geographically isolated city felt so cut off from the world. Our dependence on interstate migration has also never been more apparent, with acute labour shortages combined with reduced productivity (a worldwide phenomenon due to the changing work and living conditions from the pandemic) putting everyone under significant strain.

These pressures apply equally to our customers in both markets. In Western Australia there is a rental housing crisis flowing from a shortage of housing. This factor, combined with an unprecedented phenomenon of investment properties being withdrawn from the market and sold to owner occupiers, has meant vacancy has dropped below 1%. When pandemic-related restrictions were imposed in March 2021 on landlords seeking to change tenants or rent rates, the outcome was a flood of tenants looking for new properties, as their previous accommodation had either been withdrawn from the market for sale or had become unaffordable following large rent increases.

The pressure of managing this eruption in the local market fell on property managers. Making time to implement business process change understandably slid down the list of priorities for many property managers in the first half of 2021. As real estate agents and property managers are now coming to understand, Pirsee represents the best of breed in inspection management software for the Australian market. This is reconfirmed each time we walk a client through all that it can do.

Gaining market share is the ultimate commercial challenge and opportunity for Pirsee. This is well underway in Western Australia and the eastern states expansion has commenced. Inevitably, the exponential increase in use of the product that accompanies the commercial rollout has thrown up some challenges and some surprises.

These have all been handed to the care of our CEO, Geoff Goldsmith. Geoff joined us a year ago, initially as a contractor and then as an employee, and has led the Company's development and progress whilst looking after our staff under the trying conditions I described earlier.

I am very proud of how our team has addressed these challenges, and particularly of the way in which they increasingly help our industry and community to respond to the unique and everchanging

CHAIRMAN'S LETTER

challenges of these extraordinary times. Once again, I wish to thank our team, our customers and all of you who have joined with us over the last year. We look forward to having you share this journey with us as our footprint expands and our platform develops further in 2022.



Simon Trevisan

Non-Executive Chairman

CEO's OPERATIONAL REPORT

Highlights

- WA rollout is underway and gaining traction
- Property Tree integration completed, which, together with Property Me, provides AssetOwl with access to the large majority of Australia's real estate agencies
- Rebranding of 'inspector360' to 'Pirsee' received positively by customers
- Release of a range of market leading product features
- Completion of an oversubscribed \$1.5 million Placement
- East coast expansion commenced, securing new customers in VIC in early FY22

Overview

The 2021 financial year (FY21) was an incredibly busy and productive year for AssetOwl. Our company reached a number of key milestones along its pathway to commercialisation.

Key highlights for the year include the Company completing its integration with Property Tree (one of the industry's largest providers of trust accounting software), developing and releasing a range of innovative market leading features, successfully raising \$1.5 million in new capital, and licensing the 10th customer onto its platform. Post year end, the Company commenced its East Coast expansion with the signing of its first Victorian agency onto its platform, newly rebranded as 'Pirsee'.

COVID-19

COVID-19 has continued to significantly impact lives, livelihoods, economies and businesses throughout Australia and overseas. Whilst our West Australian operations have been relatively unaffected by the pandemic, both our Melbourne and Sri Lankan teams and their families have been heavily impacted. Whilst lockdown has delayed our Victorian expansion plans, the Company is quite fortunate in that the bulk of its workforce can be fully productive working from home. With respect to our commercial operations, the platform has a number of COVID-friendly features, detailed below, which have been positively received by the market.

Business Performance

At this point of our Company's lifecycle, the key indicator of business performance is customer uptake. Our focus on this metric saw AssetOwl achieve an important milestone in Q1 FY21, with the signing of our first commercial customers. This event represented a key validation of the industry's need for a new, improved platform for property inspections.

Since our first signing, the company progressed to having 3 agencies on its platform in April 2021, and ten agencies signed by the end of the financial year. The tenth customer is also highly significant, as it illustrates that our inspection platform is starting to gain market traction.

Under AssetOwl's business model, agencies sign a license which incorporates a free trial period. During that period, existing inspection records are migrated onto our inspection platform and property managers are trained on the use of the inspection tool. This period is typically one to two months in duration, but can be extended for a number of reasons, including the size of the agency and the state of its property data.

CEO's OPERATIONAL REPORT

Post balance date, the company's customer pipeline has continued to grow, reflecting the cumulative impact of rebranding the inspector360 platform to 'Pirsee', commencing investment in advertising, and growth in the market's appreciation of the platform's benefits.

Property Tree Integration

Technical integration of Pirsee (formerly inspector360) with Property Tree, a leading trust accounting and communication platform, was completed during the December quarter. More than 3,500 real estate agencies and property management customers utilise the Property Tree platform across Australia and New Zealand. The integration of Pirsee with the Property Tree property management platform allows real estate agencies and property managers to seamlessly access information on their properties under management to complete property inspections.

Product Development

Product development underpins AssetOwl's efforts to disrupt the inspection industry, and acquire and maintain a sustainable competitive advantage. The Company continues to invest in research and development, and achieved the release of a number of significant features onto the platform over the course of FY21.

The first of these, the Tenant Collaboration feature or 'Smart Condition Reports', was released in the first half of the financial year. This feature allows property managers to share entry inspection reports with tenants immediately when they move into a property through a paperless, legally compliant, digital process, allowing multiple joint tenants to easily submit their feedback, include supporting photos and sign off on the reports.

The second key feature - Remote Routine Inspections – was developed in response to the challenges faced by the industry due to COVID lockdowns. This is the only tool available that enables property managers to control and guide a live video call and gather high quality images through the tenant's phone camera without visiting the property.

Remote Routine Inspections are of the highest quality and are detailed and backed by time stamped images. This feature continues to generate much interest, both in Western Australia and in Victoria. The lasting impact of COVID-19 continues to change the workplace landscape: it is our belief that agencies will seek to leverage this feature long after lockdowns become a thing of the past, due to the time saving through not having to travel, not having to physically intrude on tenant privacy and the high quality of the reports.

Over the course of the financial year, AssetOwl also completed integration of the insta360 X1 and X2 cameras with its inspection platform. Building on the Ricoh Theta camera, which was the previously preferred integration option for panorama base photos, the insta360 cameras provide an additional competitively priced option with the added advantage of delivering superior high-resolution panoramas for entry inspection reports. Our product development team will continue to integrate with new panoramic cameras wherever there is an opportunity to improve customer experience.

More recently, the Company's development and release of a new feature in Q4 FY21, the Owner's Portal, has created additional value for a key stakeholder, namely landlords. The portal allows real estate agents to provide property owners with an uploaded visual view of the inside of their property,

CEO's OPERATIONAL REPORT

through an up to date virtual tour created during a property inspection. This enables real estate agents to provide property owners with a visual view of the inside of their property, and facilitates meaningful dialogue between property managers and owners with respect to the on-going condition and maintenance needs of their property.

Capital Raising

The Company completed an equity capital raising in April 2021, raising \$1,500,000 (before costs). The capital raising comprised a heavily oversubscribed Placement to new and existing professional and sophisticated investors. In addition, the company issued \$98,500 of shares to related parties and executives under the same terms. The placement occurred in two tranches: Tranche 1, under Listing Rule 7.1 capacity, and Tranche 2, issued with shareholder approval at a General Meeting. The proceeds from the Placement have largely been applied towards scaling the deployment capability of Pirsee, funding marketing campaigns as the Company enters new states, and providing working capital as AssetOwl increases its customer base.

The Future

The Company has an expanding pipeline of customers, and is starting to see a pick-up in inbound enquiries, as we invest in building our social media presence and growing our brand awareness.

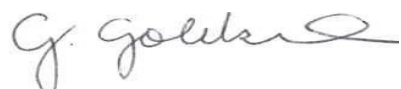
COVID remains a challenge, and current economic conditions remain uncertain. In WA, we continue to look to enter new geographic areas in order to diversify our current footprint. Once the COVID position on the East Coast becomes clearer, it is our intention to establish a Sales Manager role to lead our expansion firstly in Victoria, and subsequently across the eastern seaboard.

Our product team has a long list of ideas and innovations which will improve user experience and deliver further value to our customers. Our continuous product improvements will underpin our ability to maintain technical leadership.

I believe that we are well positioned for our East Coast expansion. We have a distinctive brand, capable team, industry-leading platform and growth strategies in place.

On a final note, as an emerging technology company, AssetOwl's capability and success rests entirely on the ability and efforts of its people. The business achieved a lot during the year with very frugal resourcing. The fact that the Company has managed to build the industry leading property inspection tool is testament to the tireless efforts of our Chief Technology Officer Giuseppe Di Franco, his small product team, our off-shore operations team and our Customer Success Manager Jeremy Laird.

My heartfelt thanks go to AssetOwl's entire team for their commitment and effort throughout what has been a challenging but rewarding year. I would also like to thank our customers, suppliers and shareholders for supporting AssetOwl through what has been a tumultuous and uncertain period in the community, particularly for smaller businesses. We take confidence and are grateful for their backing as we remain focused on executing our growth strategy in FY22.



Geoff Goldsmith

Chief Executive Officer

DIRECTORS' REPORT

The Directors present their report together with the financial report of AssetOwl Limited (**Company**) and consolidated subsidiaries (**'the Group'**) for the financial year ended 30 June 2021 and the Auditor's Report thereon.

DIRECTORS

The names and details of the Directors in office during the financial year and until the date of this report are set out below.

- Simon Trevisan (Non-Executive Chairman)
- Giuseppe Di Franco (Executive Director and Chief Technology Officer, appointed as Executive Director on 8 April 2021)
- Geoff Baldwin (Non-Executive Director)
- Andrew Lane (Non-Executive Director, retired 8 April 2021)

Directors have been in office the entire period unless otherwise stated.

PRINCIPAL ACTIVITIES

The Group's principal activity is technology and software development.

DIVIDENDS PAID OR RECOMMENDED

The Directors of the Group do not recommend the payment of a dividend in respect of the current financial year ended 30 June 2021.

OPERATING RESULTS

The Group's net loss after providing for income tax for the year ended 30 June 2021 amounted to \$1,570,247 (2020: loss of \$1,127,409). At 30 June 2021, the Group had \$1,018,688 of cash and cash equivalents (2020: \$966,272).

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

All significant changes in the state of affairs of the Group during the year are discussed in detail in the CEO's Operational Report set out from page 6.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Issue of Share Options

On 20 July 2021, the Company issued a total of 8,500,000 Options over Ordinary Shares to Mr Nathan Want, the licensee and director of Attree Real Estate, a highly respected agency in the Western Australian real estate market.

Further detail on these Options is provided in the Company's announcement titled "AssetOwl to form a Strategic Partnership with Nathan Want" which was provided to the ASX on 15 July 2021.

No other matters or circumstances have arisen since 30 June 2021 that have significantly affected the Group's operations, results, or state of affairs, or may do so in future years.

DIRECTORS' REPORT

BOARD OF DIRECTORS

Simon Trevisan B Econ, LLB (Hons), MBT – Non-Executive Chairman

Experience and Expertise

Simon Trevisan is the Managing Director of Tribis Pty Ltd, and its property arm, Iris Residential Pty Ltd. He has significant experience in public and private investments, corporate finance, and management of large public and private businesses.

Mr Trevisan has been responsible for the funding and management of a number of public companies, and substantial private and public real estate and infrastructure investments. His experience includes the establishment and listing of Mediterranean Oil & Gas plc, an AIM-listed oil and gas company with production and a substantial oil discovery in Italy, the successful listing of Ausgold Ltd and Regalpoint Resources Ltd, and the relisting of Brazilian Metals Group Ltd amongst other ASX-traded companies.

He holds a Bachelor of Economics and a Bachelor of Laws from the University of Western Australia, and a Masters Degree in Business and Technology from the University of New South Wales. Before becoming a full-time executive with Tribis, Mr Trevisan practiced as a solicitor with Allens Arthur Robinson Legal Group firm, Parker and Parker, in the corporate and natural resources divisions.

Until recently, he was a director of ASX-listed company BMG Resources Limited. He is also on the board of St George's College Foundation.

Mr Trevisan is the Chairman of the Board, Chairman of the Nomination and remuneration Committee and a member of the Audit and Risk Committee.

Other Current Directorships

Managing Director of Tribis Pty Ltd
Managing Director of Iris Residential Pty Ltd
Non-Executive Director of Zeta Petroleum Plc

Former Directorships in last 3 years

Non-Executive Director of BMG Resources Limited (retired 13 October 2020)
Non-Executive Director of Neurotech International Limited (retired 16 April 2019)

Special Responsibilities

Chairman of the Board of Directors
Chairman of the Nomination and Remuneration Committee
Chairman of the Audit and Risk Committee

Interests in AssetOwl Limited

63,259,020 Ordinary shares
6,000,000 Options over Ordinary Shares

DIRECTORS' REPORT

Giuseppe Di Franco - Executive Director and Chief Technology Officer

Experience and Expertise Giuseppe Di Franco was a founding shareholder and director of AssetOwl Technologies before its acquisition by the Company in December 2016.

Mr Di Franco is a passionate technologist with broad industry experience in software development and information technology. He previously worked with Google as part of its Business View program from inception in Australia before co-founding AssetOwl Technologies.

At AssetOwl Technologies, Mr Di Franco leads the teams developing the web and mobile applications, robotic hardware and vision systems which have successfully built an ISO 27001 certified enterprise solution and developed hardware for high speed data acquisition.

Other Current Directorships None

Former Directorships in last 3 years None

Special Responsibilities Chief Technology Officer

Interests in AssetOwl Limited 12,683,172 ordinary shares
6,000,000 Options over Ordinary Shares

Geoff Baldwin MAICD - Non-Executive Director

Experience and Expertise Mr Baldwin has over 30 years' experience in the real estate sector and is currently the Managing Director and Owner of RE/MAX Western Australia (since 2009), and Managing Director and Co-Owner of Phoenix CPD, a Real Estate training company, providing compulsory professional development and elective training and coaching for real estate industry professionals.

Mr Baldwin is a former director and owner of Greatnet, a real estate technologies company, Mr Baldwin's firm developed the first real estate property inspection software in Australia, introduced Virtual Tour technology to the real estate industry in WA and developed websites and client management software for the industry. Mr Baldwin's other property experience has included being CEO of the Roy Weston Group from 2001 to 2006, and subsequent to this; being the co-owner of Consolidated Property Management and the Geoff Baldwin Realty Group.

As well as having an extensive property background, Mr Baldwin's professional memberships include: WA Chamber of Commerce & Industry, the Real Estate Institute of WA and the Australian Institute of Company Directors. He has made multiple contributions to the Real Estate Industry, including being past Councillor and Treasurer of the Real Estate Institute of WA and Chairman of the Certified Practising Real Estate Agents from 2015 to 2017.

Mr Baldwin is a member of the Nomination and Remuneration Committee.

Other Current Directorships Geoff Baldwin.com Realty Group Pty Ltd (T/A RE/MAX Western Australia)

Former Directorships in last 3 years None

Special Responsibilities Member of the Nomination and Remuneration Committee

Interests in AssetOwl Limited 3,964,284 ordinary shares
4,250,000 Options over Ordinary Shares

DIRECTORS' REPORT

Andrew Lane B Bus, FCPA, CTA, MAICD – Non-Executive Director – retired 8 April 2021

Experience and Expertise Mr Lane is a Certified Practising Accountant and Chartered Tax Advisor. He is currently the managing director of Matrix Partners, Tax and Business Advisors, having been made a director in 1991.

Mr Lane specialises in the area of taxation and has professional expertise in strategic planning and business consultancy. Over the last 30 years, he has had considerable experience in public practice, including as a company secretary of an ASX-listed company. During this time he has offered consultancy advice to a wide range of corporate businesses including IT, mining services, property, building, wholesale, sporting, financial services, transport and high net worth individuals.

Mr Lane has held, and continues to hold, non-executive director and advisory board positions. Other than AssetOwl, he has been involved with Access Group Australia Pty Ltd since 2002 and was subsequently appointed chairman in March 2009.

Mr Lane holds a Bachelor of Business degree from Edith Cowan University. He has also completed the Certified Practising Accountants Programme at Deakin University and is a holder of a Public Practice Certificate. Mr Lane is a member of the Australian Institute of Company Directors, the Australian Society of Certified Practising Accountants and is a Fellow Member of the Taxation Institute of Australia.

Former Directorships in last 3 years	None
---	------

Special Responsibilities	Chairman of the Audit and Risk Committee (retired 8 April 2021)
---------------------------------	---

Interests in AssetOwl Limited	33,285,460 ordinary shares 3,750,000 Options over Ordinary Shares
--------------------------------------	--

CHIEF EXECUTIVE OFFICER

Geoff Goldsmith B Com (hons), MBA – Chief Executive Officer – appointed 8 April 2021

Experience and Expertise Mr Goldsmith is a results-oriented senior strategy and commercial executive with proven ability to lead a diverse range of organisations. He brings extensive leadership experience that spans over 25 years in large ASX-listed and private companies as well as the public sector (Australian Defence Force), in Australia and internationally.

After serving 15 years as an Army Officer, Geoff worked as a management consultant with leading strategy firm Booz Allen, and subsequently spent five years as a Manager of Business Development and Planning at Boral Ltd's (ASX: BLD) Building Products Division. Immediately prior to joining AssetOwl, Geoff worked with a range of organisations as an Independent Strategy Consultant, including engagements with Oyu Tolgoi (Mongolia), the Australian Glass Group, and the University of NSW.

Special Responsibilities	Chief Executive Officer (appointed 8 April 2021)
---------------------------------	--

Interests in AssetOwl Limited	3,000,000 ordinary shares 5,500,000 Options over Ordinary Shares
--------------------------------------	---

DIRECTORS' REPORT

COMPANY SECRETARY

Sean Meakin B. Bus (Acc), B. IT (Info Sys), CA, AGIA

Experience and Expertise

Mr Meakin has a Bachelor of Business degree majoring in Accounting, and a Bachelor of Information Technology degree majoring in Information Systems from Charles Darwin University. Mr Meakin is a Chartered Accountant and an associate of the Governance Institute of Australia.

Mr Meakin was appointed as Company Secretary of the Company in September 2019, he is also the Company Secretary of BMG Resources Limited (ASX: BMG), and joint Company Secretary of unlisted company, Zeta Petroleum PLC.

Mr Meakin works closely with the Company's finance team for the preparation of Company's annual report and half yearly financial report.

Mr Meakin is an employee of Tribis Pty Ltd and provides services to the Company pursuant to Administration Services Agreement in place with Tribis Pty Ltd.

DIRECTORS' REPORT

DIRECTORS' MEETINGS

During the financial year, there were 7 Board of Director's meetings and 2 Audit and Risk Committee meetings held. Attendances by each Director during the year were as follows:

	Directors' Meetings		Audit and Risk Committee Meetings	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Directors				
Simon Trevisan	7	7	2	2
Giuseppe Di Franco	1	1	-	-
Andrew Lane	6	6	2	2
Geoff Baldwin	7	5	-	-

The chairman of the Nomination and Remuneration Committee did not consider it necessary to call a committee meeting during the year.

DIRECTORS' REMUNERATION

Information about the remuneration of Directors is set out in the Remuneration Report below.

REMUNERATION REPORT (AUDITED)

This report details the nature and amount of remuneration for each Director of AssetOwl Limited and other Key Management Personnel. This Remuneration Report outlines the Director and Executive remuneration arrangements of the Group and has been audited in accordance with the requirements of section 308(3C) of the *Corporations Act 2001* and the Corporations Regulations 2001.

For the purposes of this report, Key Management Personnel of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any Director (whether Executive or otherwise) of the Group.

Key Management Personnel disclosed in the Report

Names and positions held of the Group's Directors and Key Management Personnel in office at any time during the financial year are:

Directors	
Mr Simon Trevisan	(Non-Executive Chairman)
Mr Giuseppe Di Franco	(Executive Director and Chief Technology Officer)
Mr Geoff Baldwin	(Non-Executive Director)
Mr Andrew Lane	(Non-Executive Director, retired 8 April 2021)
Other Key Management Personnel	
Mr Geoff Goldsmith	(Chief Executive Officer, appointed 8 April 2021)

DIRECTORS' REPORT

Remuneration Governance

The Nomination and Remuneration Committee provides assistance to the Board with respect to the following:

- (a) Remuneration policies and practices;
- (b) Remuneration of the Executive Director and Chief Executive Officer;
- (c) Composition of the Board; and
- (d) Performance Management of the Board and of the Chief Executive Officer.

Use of Remuneration Consultants

During the year, the Group has not required or used any remuneration consultants.

Membership and Composition

The minimum number of members required on the Committee is two Directors. At least one member of the Committee must be a Non-Executive Director of the Board.

The Chair of the Committee is to be a Non-Executive Director, nominated by the Board, who may be the Chairman of the Board.

The Secretary of the Committee shall be the Company Secretary, or such other person as nominated by the Board.

Executive Remuneration Policy and Framework

The Nomination and Remuneration Committee is to review and make recommendations regarding the following:

- (a) strategies in relation to executive remuneration policies;
- (b) compensation arrangements for the Executive Director, Non-Executive Directors and other senior executives as appropriate;
- (c) performance related incentive policies;
- (d) the Group's recruitment, retention and termination policies;
- (e) the composition of the Board having regard to the skills/experience desired and skills/experience represented;
- (f) the appointment of Board members;
- (g) the evaluation of the performance of the Executive Director and Chief Executive Officer;
- (h) consideration of potential candidates to act as Directors; and
- (i) succession planning for Board members.

DIRECTORS' REPORT

Processes

The Committee shall meet as frequently as required to undertake its role effectively and properly. A quorum for the Committee meeting is when at least two members are present. Any relevant employees may be invited to attend the Committee meetings.

The issues discussed at each Committee meeting as well as the Minutes of each meeting are reported at the next Board Meeting. The Committee Chair shall report the Committee's recommendations to the Board after each meeting.

The Committee reviews, and may recommend to the Board, any necessary actions and/or changes it considers appropriate. The Committee may undertake any other special duties as requested by the Board.

Key Management Personnel Remuneration Policy

The Board's policy for determining the nature and amount of remuneration of Key Management Personnel for the economic entity is as follows:

The remuneration structure for Key Management Personnel is based on a number of factors, including length of service, particular experience of the individual concerned, and overall performance of the Group. The contracts for service between the Group and Key Management Personnel are on a continuing basis, the terms of which are not expected to change in the immediate future. There is no scheme to provide retirement benefits, other than statutory superannuation.

The Nomination and Remuneration Committee determines the proportion of fixed and variable compensation for each Key Management Personnel.

Setting of remuneration is designed to increase goal congruence between Shareholders, Directors and Executives. The board may consider the issue of options as part of the Director's remuneration to encourage the alignment of personal interest and shareholder interests.

Director Remuneration

On appointment to the Board, all Non-Executive Directors enter into an agreement with the Group. The Letter of Appointment summarises the Board policies and terms, including remuneration, relevant to the Office of Director.

Directors do not receive additional fees for chairing or participating on Board committees. Directors do not receive retirement allowances.

Fees are reviewed annually by the Board taking into account comparable roles. The current base fees were reviewed with effect from 1 July 2016. Fees for the Directors of the Company are below:

	From 1 July 2021 (\$)	From 1 July 2020 to 30 June 2021 (\$)
Non-Executive Chairman (fee per month)	5,000	5,000
Non-Executive Director (fee per month)	3,000	3,000
Executive Director (fee per month)	3,000	3,000

On 29 January 2021, upon the receipt of shareholder approval, the Company's Directors at the time, being Chairman Mr Simon Trevisan and Non-Executive Directors Geoff Baldwin and Andrew Lane (ret. 8 April 2021) were awarded Options over ordinary shares in the Company. A total of 14,000,000 Options were issued.

DIRECTORS' REPORT

The Options were issued in three tranches, vesting over a period of up to 2 years from their grant date of 29 January 2021. Detail on the Options issued is provided in the table below:

Tranche	Number of Options	Exercise Price	Value	Vest date	Vested	Expiry Date
One	7,000,000	\$0.010	\$21,171	29 January 2021	Yes	31 December 2023
Two	3,500,000	\$0.016	\$10,653	29 January 2022	No	31 December 2024
Three	3,500,000	\$0.024	\$10,989	29 January 2023	No	31 December 2025

Detail on the number of Options issued in respect of each of the above Directors individually is disclosed on page 26 below.

Remuneration arrangement with Executive Director / Chief Technology Officer

Executive Director / Chief Technology Officer – Giuseppe Di Franco

Fixed Remuneration	\$181,590 per annum, plus applicable superannuation. In addition, Mr Di Franco is paid a fee of \$3,000 per month for his role as an Executive Director.
Contract Duration	The Executive Services Agreement has no pre-determined end date and will continue until it is terminated in accordance with this Agreement.
Notice period for Termination	3 months
Performance Based Remuneration (Long Term Incentive)	On 29 January 2021, Mr Di Franco was awarded 6,000,000 Share Options which vest over a period of up to 2 years from the date of their grant, from 29 January 2021. The terms of these Options are provided in the table below.

Tranche	Number of Options	Exercise Price	Value	Vest date	Vested	Expiry Date
One	3,000,000	\$0.010	\$9,073	29 January 2021	Yes	31 December 2023
Two	1,500,000	\$0.016	\$4,566	29 January 2022	No	31 December 2024
Three	1,500,000	\$0.024	\$4,710	29 January 2023	No	31 December 2025

DIRECTORS' REPORT

Remuneration of other Key Management Personnel

Remuneration arrangement with Chief Executive Officer

Chief Executive Officer – Geoff Goldsmith

Fixed Remuneration	<p>23 November 2020 to 17 May 2021: Engagement as a contractor at a rate of \$1,500 per day, total remuneration over this period amounted to \$87,000.</p> <p>On 8 April 2021 Mr Goldsmith was appointed as CEO of the Group, he continued to be remunerated at the rate of \$1,500 per day until he commenced being remunerated as an employee from 18 May 2021.</p> <p>18 May 2021 to 30 June 2021: \$150,000 per annum, plus applicable superannuation.</p>								
Contract Duration	The Executive Services Agreement has no pre-determined end date and will continue until it is terminated in accordance with this Agreement.								
Notice period for Termination	6 months								
Performance Based Remuneration (Short Term Incentive 'STI')	<p>Pursuant to the terms of the Executive Services Agreement, Mr Goldsmith is entitled to receive a short-term cash incentive "Revenue Bonus", if a Target Annualised Revenue amount is achieved.</p> <p>The Target Annualised Revenue amounts, the achievement of which is assessed based on revenue earned in June 2022, and the potential cash STI payable is set-out in the table below:</p> <table border="1"> <thead> <tr> <th>Target Annualised Revenue Amount</th><th>Revenue Bonus</th></tr> </thead> <tbody> <tr> <td>\$240,000</td><td>\$25,000</td></tr> <tr> <td>\$480,000</td><td>\$50,000</td></tr> <tr> <td>\$900,000</td><td>\$75,000</td></tr> </tbody> </table> <p>If positive Earnings are generated by the Group in the financial year to 30 June 2022 Mr Goldsmith will receive a bonus of \$100,000 (Earnings Bonus). In the event that the Earnings bonus becomes payable then a Revenue bonus will not be payable.</p> <p>Earnings means the net earnings from the continuing operations of AssetOwl for FY22 as stated in the Group's audited accounts for FY22, but excluding any amount of research and development tax rebate and any expense for interest, tax, depreciation, and contribution to any corporate overhead or Group charge.</p>	Target Annualised Revenue Amount	Revenue Bonus	\$240,000	\$25,000	\$480,000	\$50,000	\$900,000	\$75,000
Target Annualised Revenue Amount	Revenue Bonus								
\$240,000	\$25,000								
\$480,000	\$50,000								
\$900,000	\$75,000								

DIRECTORS' REPORT

Chief Executive Officer – Geoff Goldsmith (continued)				
Performance Based Remuneration (Long Term Incentive)	<p>On 20 May 2021, Mr Goldsmith was awarded 5,500,000 Share Options</p> <p>The terms of these Options are provided in the table below, with vesting conditions provided on page 24 below.</p>			
Tranche	Number of Options	Exercise Price	Value	Expiry Date
One	500,000	\$0.010	\$2,086	31 December 2024
Two	500,000	\$0.010	\$2,086	31 December 2024
Three	1,000,000	\$0.012	\$4,212	30 June 2025
Four	1,000,000	\$0.012	\$4,212	30 June 2025
Five	2,500,000	\$0.012	\$11,225	31 December 2025
	5,500,000		\$23,821	

Link between remuneration and performance

The Group's total remuneration of Key Management Personnel during the 2021 financial year is approximately 20% higher than that of the 2020 year. This increase is attributable to the appointment of a Chief Executive Officer, and the award of Performance based remuneration to incentivise the Directors and align their interests with the financial success of the Company, and provide an alternative to cash payments.

The table below shows key performance indicators of the Group for the previous five financial years.

	2021	2020	2019	2018	2017
Net (Loss) after tax	(\$1,570,247)	(\$1,127,409)	(\$2,010,860)	(\$3,415,961)	(\$1,405,763)
Basic earnings per share (cents per share)	(0.30)	(0.35)	(1.82)	(5.22)	(3.16)
30 June share price	\$0.006	\$0.007	\$0.007	\$0.032	\$0.16
(Decrease) in share price (%)	(14%)	-	(78%)	(80%)	-

DIRECTORS' REPORT

Key Management Personnel Remuneration

The tables below detail the nature and amount of each element of remuneration of the Key Management Personnel of the Group:

2021 Key Management Personnel		Short-term Benefits			Post-employment Benefits	Share-Based Payment		
Name	Role	Salary (\$)	Directors Fees (\$)	Annual and Long Service Leave (\$)	Superannuation (\$)	Share Options (\$)	Total (\$)	Performance Related (%)
DIRECTORS								
Simon Trevisan ¹	Non-Executive Chairman	-	60,000	-	-	11,955	71,955	16.61%
Giuseppe Di Franco ²	Executive Director / Chief Technology Officer	181,590	8,300	19,089	17,450	11,955	238,384	4.97%
Geoff Baldwin	Non-Executive Director	-	36,000	-	-	8,468	44,468	19.04%
Andrew Lane ³	Non-Executive Director	-	27,700	-	-	11,468	39,168	29.28%
OTHER KEY MANAGEMENT PERSONNEL								
Geoff Goldsmith ⁴	Chief Executive Officer	18,461	-	1,286	1,754	1,186	22,687	5.23%
TOTAL		200,051	132,000	20,375	19,204	45,032	416,662	10.81%

1. Mr Trevisan's fees are paid to Albuquerque Trevisan Pty Ltd, a company of which he is a director and shareholder.
2. Mr Di Franco was appointed as an Executive Director of the Company on 8 April 2021. For the period of the financial year from 1 July 2020 until his appointment as a non-executive director he was the Chief Technology Officer
3. Mr Lane retired from the Board on 8 April 2021.
4. Mr Goldsmith was appointed as Chief Executive Officer of the Company on 8 April 2021. The above table includes remuneration earned by during the period from 18 May 2021, when Mr Goldsmith became an employee of the Company, to 30 June 2021. Prior to becoming an employee of the Company, from 23 November 2020 until 17 May 2021, Mr Goldsmith provided his services to the Company as a contractor, during this period he charged the Company a total of \$87,000 for his services. Refer to page 18 above for further disclosure.

DIRECTORS' REPORT

2020 Key Management Personnel		Short-term Benefits			Post-employment Benefits		
Name	Role	Salary (\$)	Annual and Long Service Leave (\$)	Other Benefits (\$)	Superannuation (\$)	Total (\$)	Performance Related (%)
DIRECTORS							
Simon Trevisan ¹	Non-Executive Chairman	60,000	-	-	-	60,000	-
Andrew Lane	Non-Executive Director	36,000	-	-	-	36,000	-
Geoff Baldwin	Non-Executive Director	36,000	-	-	-	36,000	-
OTHER KEY MANAGEMENT PERSONNEL							
Giuseppe Di Franco	Chief Technology Officer	181,590	13,968	-	17,251	212,809	-
TOTAL		313,590	13,968	-	17,251	344,809	-

1. Mr Trevisan's fees are paid to Albuquerque Trevisan Pty Ltd, a company of which he is a director and shareholder.

DIRECTORS' REPORT

TERMS AND CONDITIONS OF SHARE BASED PAYMENTS AFFECTING REMUNERATION IN THE CURRENT FINANCIAL YEAR

Share Options

Value of Options issued

The table below shows the value of Options granted to Key Management Personnel during the year.

Recipient	Value of Options
S Trevisan	\$18,348
G Baldwin	\$12,997
G Di Franco	\$18,348
A Lane	\$11,468
G Goldsmith	\$23,823

Detail on the number of Options issued during the year, including the number of Options which are vested at the end of the reporting period is provided in the table on page 26 below.

DIRECTORS' REPORT

Terms and conditions of the share-based payment arrangements

The terms and conditions of each grant of options affecting remuneration in the current or a future reporting period are as follows:

Recipients	Grant Date	Tranche	Vesting and Exercise Date	Expiry date	Exercise Price	Value per Option at Grant Date	Performance Achieved	Vested %
Options issued to Directors	29 January 2021	One	immediate	31 December 2023	\$0.010	\$0.0030	*	100%
	29 January 2021	Two	12 months	31 December 2024	\$0.016	\$0.0030	To be determined	0%***
	29 January 2021	Three	24 months	31 December 2025	\$0.024	\$0.0031	To be determined	0%***
Options issued to CEO, Mr Geoff Goldsmith	20 May 2021	One	**	31 December 2024	\$0.010	\$0.0042	To be determined	0%
	20 May 2021	Two	**	31 December 2024	\$0.010	\$0.0042	To be determined	0%
	20 May 2021	Three	**	30 June 2025	\$0.012	\$0.0042	To be determined	0%
	20 May 2021	Four	**	30 June 2025	\$0.012	\$0.0042	To be determined	0%
	20 May 2021	Five	**	31 December 2025	\$0.012	\$0.0045	To be determined	0%

*these Options vested immediately upon grant date.

**Vesting conditions pertaining to these Options are disclosed on page 24 below.

***Includes 937,500 Tranche 2 and 937,500 Tranche 3 Options held by former Non-Executive Director Mr Andrew Lane who retired from the Board on 8th April 2021. On 7th April 2021, the Board (excluding Mr Andrew Lane) resolved that notwithstanding his forthcoming resignation from the Board, Mr Lane will remain entitled to maintain his holding of Options in the Company. Accordingly, Mr Lane will not be able to forfeit these Options and the full value of the Options has been recognised as an expense in the 2021 financial year.

DIRECTORS' REPORT

Vesting Conditions pertaining to Options awarded to Geoff Goldsmith

Tranche	Number of Options	Vesting Condition	Assessed likelihood of vesting at 30 June 2021
1	500,000	Trial commenced in Queensland by 31 December 2021.	More than likely
2	500,000	Trial commenced in New South Wales by 31 December 2021.	More than likely
3	1,000,000	First commercial sale of the Self-Managed Service Platform by 30 June 2022.	More than likely
4	1,000,000	300 Customers by 30 June 2022.	Less than likely
5	2,500,000	800 Customers by 31 December 2022.	Less than likely
	5,500,000		

Disclosure in relation to vesting conditions:

Agency Customer	Means a licensed real estate agency operating in any state or territory of Australia, or New Zealand who enters into a contract with the Company (or AssetOwl Technologies Pty Ltd) for use of the AssetOwl Pirsee platform.
Customer	Means one Agency Customer or 10 Self-Managed Customers.
Self-Managed Service Platform	Means the AssetOwl Pirsee platform for use by property owners who manage their investment property themselves.
Self-Managed' Customer	Means an owner of an investment property who manages the inspections for their property themselves.
Trial	Means the trial use of the Pirsee platform by a potential customer of the Company or AssetOwl Technologies Pty Ltd.

DIRECTORS' REPORT

Valuation of Options awarded to Geoff Goldsmith

Tranche	One	Two	Three	Four	Five
Underlying Share Price	\$0.007	\$0.007	\$0.007	\$0.007	\$0.007
Exercise Price	\$0.010	\$0.010	\$0.012	\$0.012	\$0.012
Expected volatility	100%	100%	100%	100%	100%
Expiry Date / Years	31 December 2024 / 3.5 years	31 December 2024 / 3.5 years	30 June 2025 / 4 years	30 June 2025 / 4 years	31 December 2025 / 4.5 years
Expected Dividends	Nil	Nil	Nil	Nil	Nil
Risk free rate	0.10%	0.10%	0.10%	0.10%	0.70%
Value per Option	\$0.0042	\$0.0042	\$0.0042	\$0.0042	\$0.0042
Total Value of Options in tranche	\$2,087	\$2,087	\$4,212	\$4,212	\$11,226

DIRECTORS' REPORT

Equity instruments disclosure held by Key Management Personnel Shareholdings

Share Holdings

Number of shares held by Parent Entity Directors and other Key Management Personnel of the Group, including their personally related parties, are set out below.

2021 Key Management Personnel	Balance at the start of the year	Acquisition of shares on market	Acquisition of shares via Placement	Other	Balance at the end of the year
Directors of AssetOwl Limited					
Simon Trevisan	63,259,020	-	-	-	63,259,020
Giuseppe Di Franco	5,973,172	2,010,000	4,700,000	-	12,683,172
Geoff Baldwin	1,964,284	-	2,000,000	-	3,964,284
Andrew Lane ¹	28,285,460	-	-	(28,285,460)	*
Other Key Management Personnel					
Geoff Goldsmith	-	-	3,000,000	-	3,000,000

1. Mr Andrew Lane retired from the Board on 8 April 2021 therefore his shareholding has been removed from the above table.

Option Holdings

Number of shares held by Parent Entity Directors and other Key Management Personnel of the Group, including their personally related parties, are set out below.

2021 Key Management Personnel	Balance at the start of the year	Issued as remuneration	Other	Balance at the end of the year	Vested
Directors of AssetOwl Limited					
Simon Trevisan	-	6,000,000	-	6,000,000	3,000,000
Giuseppe Di Franco	-	6,000,000	-	6,000,000	3,000,000
Geoff Baldwin	-	4,250,000	-	4,250,000	2,125,000
Andrew Lane ¹	-	3,750,000	(3,750,000)	*	*
Other Key Management Personnel					
Geoff Goldsmith	-	5,500,000	-	5,500,000	-

1. Mr Andrew Lane retired from the Board on 8 April 2021 therefore his Options holding has been removed from the above table. On 7th April 2021, the Board (excluding Mr Andrew Lane) resolved that notwithstanding his forthcoming resignation from the board, Mr Lane will remain entitled to maintain his holding of Options in the Company.

There were no options exercised by Directors or Key Management Personnel during the year ended 30 June 2021. Further disclosure in relation to these Options is provided at note 15 to the financial statements.

DIRECTORS' REPORT

OTHER TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

Administration services

Tribis Pty Ltd, a company associated with Mr Simon Trevisan provides office space, office equipment, supplies, corporate management and administration services in connection with the operations of the Company and amounts are payable on a monthly basis.

Corporate administration services include those services necessary for the proper administration of a small public Company, including:

- (a) administrative, management, corporate, advisory and other similar services;
- (b) management of third party professional and expert services including legal and audit and investment banking, independent technical expert and other services;
- (c) head office support services including provision of office space for the Company's managing director and one other Company appointee, shared access to Tribis' office IT and telecommunications equipment and access to third party-provided communications systems and support;
- (d) company secretarial, administrative support, accounting, payroll business analysis and recruitment and employee administration services; and
- (e) other administration services as may be requested from time to time by the Board and as agreed by Tribis.

The Group must pay a monthly fee to Tribis Pty Ltd 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.

From 1 July 2020, Tribis Pty Ltd, has charged a fee of \$10,000 plus GST per month, totaling \$120,000 plus GST for the 2021 financial year (from 1 March 2016 until 30 June 2020, Tribis charged a fee of \$5,000 plus GST per month, totaling \$60,000 plus GST for the 2020 financial year).

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

Acquisition of shares by Key Management Personnel via Placement.

During the year the Group completed a share placement to sophisticated and professional investors to raise \$1.5M, in addition the Company raised a further \$98,500 via share placements to individuals who were Key Management Personnel of the Group during the year, entities related to them related to them, or their nominees.

- An entity related to Executive Director and Chief Technology Officer Mr Giuseppe Di Franco acquired 4,700,000 Ordinary Shares in the Company, for consideration of \$23,500.
- An entity related to Non-Executive Director, Mr Geoffrey Baldwin acquired 2,000,000 Ordinary Shares in the Company, for consideration of \$10,000.
- The Group's Chief Executive Officer, Mr Geoffrey Goldsmith acquired 3,000,000 Ordinary Shares in the Company, for consideration of \$15,000.
- 10,000,000 Ordinary Shares were acquired by nominees of Tribis Pty Ltd, a related party of Non-Executive Chairman Mr Simon Trevisan for total consideration of \$50,000

The shares were placed subject to receipt of shareholder approval, where required. The shares were issued at a subscription price of \$0.05 per share, the same price at which the Company raised capital from un-related investors during the year.

DIRECTORS' REPORT

Provision of consultancy services by a non-executive director

The Company engages Mr Geoffrey Baldwin to provide services to the Company requiring a time commitment at a level over and above otherwise expected from a non-executive director.

The Company paid \$43,500 in fees to Geoff Baldwin.Com Realty Group Pty Ltd for services provided in leading the Company's efforts to roll out Pirsee (formerly inspector360) (2020: \$54,000). These fees are recognised in Professional consultant and contractor fees on the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Pirsee license agreement with a real estate agency related to a non-executive director

The Group has a license agreement for the use of Pirsee with Morecross Pty Ltd T/A RE/MAX Exchange, which commenced December 2020. The license agreement has a fixed term of 24 months. During the financial year, the Group recognised income arising from this agreement of \$337. The contract is based on normal commercial terms and conditions.

Non-executive director, Mr Geoff Baldwin is the Managing Director of Morecross Pty Ltd. The license agreement terms were established on arms-length basis.

RE/MAX Exchange acquired an insta360 camera from the Group, the camera was sold on terms comparable to those which the Group sells cameras to other Real Estate Agency customers.

Provision of services by CEO as a consultant – engagement as a contractor

On 23 November 2020, Mr Geoff Goldsmith (who was subsequently appointed as the Group's CEO on 8 April 2021) commenced as a consultant to the Company.

For his services provided between 23 November 2020 and 17 May 2021, Mr Goldsmith invoiced the Group at a rate of \$1,500 per day worked. Mr Goldsmith provided services for 58 days over this period and accordingly fees paid to Mr Goldsmith amounted to \$87,000.

Transactions between related parties are on normal commercial terms and conditions no more favorable than those available to other parties unless otherwise stated.

Aggregate amounts of each of the above types of other transactions with key management personnel of the Group:

	2021 (\$)	2020 (\$)
Amounts recognised as revenue		
Revenue from provision of Services (Pirsee license)	337	-
Revenue from sale of goods (insta360 camera)	631	-
Amounts recognised as expense		
Administration Fees paid to Tribis Pty Ltd	120,000	60,000
Consultancy fees paid to Geoff Goldsmith	87,000	-
Consultancy fees paid to Geoff Baldwin.com Realty Group Pty Ltd	43,500	54,000

DIRECTORS' REPORT

	2021 (\$)	2020 (\$)
Other transactions		
Loan to AssetOwl Limited by Tribis Pty Ltd	-	162,000
Settlement of Tribis Pty Ltd Loan via cash payment	-	(42,000)
Settlement of Tribis Pty Ltd Loan via entitlement offer participation	-	(120,000)
Amounts recognised as assets		
Current Assets	55	-

Voting and comments made at the Group's 2020 Annual General Meeting

The Group received 99.14% "yes" votes on its Remuneration Report for the 2020 financial year.

The Group did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

This is the end of the Audited Remuneration Report.

DIRECTORS' REPORT

SHARES UNDER OPTION

Unissued ordinary shares of AssetOwl Limited under option at the date of this report are as follows:

Grant Date	Tranche	Expiry Date	Issue price of Shares	Number under option
29 January 2021	One	31 December 2023	\$0.010	13,250,000
29 January 2021	Two	31 December 2024	\$0.016	5,562,500
29 January 2021	Three	31 December 2025	\$0.024	5,562,500
20 May 2021	One	31 December 2024	\$0.010	500,000
20 May 2021	Two	31 December 2024	\$0.010	500,000
20 May 2021	Three	30 June 2025	\$0.012	1,000,000
20 May 2021	Four	30 June 2025	\$0.012	1,000,000
20 May 2021	Five	31 December 2025	\$0.012	2,500,000
14 July 2021	One	31 December 2024	\$0.010	2,500,000
14 July 2021	Two	31 December 2024	\$0.016	1,500,000
14 July 2021	Three	31 December 2024	\$0.016	1,500,000
14 July 2021	Four	31 December 2025	\$0.024	1,500,000
14 July 2021	Five	31 December 2025	\$0.024	1,500,000
				38,375,000

No Option holder has any right under the options to participate in any other share issue of the Company or any other entity.

Details of Options granted to key management personnel are disclosed on pages 22-26 above. In addition, the following Options were granted to Mr Sean Meakin, who is an Officer of the Company but is not a member of the Key Management Personnel and accordingly, is not included in the disclosure tables on page 26 above.

Name of Officer	Grant Date	Issue price of Shares	Number under option
Sean Meakin (Company Secretary)	29 January 2021	\$0.010	1,125,000
Sean Meakin (Company Secretary)	29 January 2021	\$0.016	562,500
Sean Meakin (Company Secretary)	29 January 2021	\$0.024	562,500
			2,250,000

PROCEEDINGS ON BEHALF OF THE GROUP

No person has applied for leave of the Court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings.

The Group was not a party to any such proceedings during the year.

DIRECTORS' REPORT

INDEMNIFICATION OF DIRECTORS AND OFFICERS

(a) Indemnification

The Group has agreed to indemnify the current Directors and Company Secretary of the Group against all liabilities to another person (other than the Company or a related body corporate) that may arise from their position as Directors and Company Secretary of the Group, except where the liability arises out of conduct involving a lack of good faith.

The Agreement stipulates that the Group will meet to the maximum extent permitted by law, the full amount of any such liabilities, including costs and expenses.

(b) Insurance Premiums

During the year ended 30 June 2021, the Group paid insurance premiums in respect of Directors and Officers Liability Insurance for Directors and Officers of the Group. The liabilities insured are for damages and legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the Directors and Officers in their capacity as Directors and Officers of the Group to the extent permitted by the *Corporations Act 2001*. On 15 April 2021, the Group paid an insurance premium of \$29,260 covering the period from 30 March 2021 to 30 March 2022 (2020: \$24,751).

NON-AUDIT SERVICES

The Board of Directors, in accordance with advice from the Audit and Risk Committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for Auditors imposed by the *Corporations Act 2001*.

The Board and the Audit and Risk Committee have considered the non-audit services provided during the financial year by the Auditor and are satisfied that the provision of those non-audit services during the financial year by the Auditor is compatible with, and did not compromise, the Auditor's independence requirements of the *Corporations Act 2001* for the following reasons:

- (a) all non-audit services were subject to the Corporate Governance procedures adopted by the Group; and
- (b) the non-audit services provided do not undermine the general principles relating to Auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the Auditor's own work, acting in a management or decision-making capacity for the Group, acting as an advocate for the Group or jointly sharing risks and rewards.

During the year the following fees were paid or payable for non-audit services provided by the auditor of the parent entity, its related practices and non-related audit firms:

	2021 (\$)	2020 (\$)
Non-Assurance Services		
BDO Corporate Tax (WA) Pty Ltd – R&D Incentive services	22,660	22,390
Total remuneration for non-audit services	22,660	22,390

DIRECTORS' REPORT

AUDITORS INDEPENDENCE DECLARATION

The Auditors Independence Declaration as required under section 307C of the *Corporations Act 2001* for the year ended 30 June 2021 has been received and can be found on page 34.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.



Simon Trevisan

Non-Executive Chairman

Dated at Perth, Western Australia, this 27th October 2021

CORPORATE GOVERNANCE

The Board is responsible for the overall corporate governance of the Group, and it recognises the need for the highest standards of ethical behaviour and accountability. It is committed to administering its corporate governance structures to promote integrity and responsible decision making.

The Group's corporate governance structures, policies and procedures are described in its Corporate Governance Statement which is available on the Group's website at [Corporate governance | AssetOwl](#)

DECLARATION OF INDEPENDENCE BY NEIL SMITH TO THE DIRECTORS OF ASSETOWL LIMITED

As lead auditor of AssetOwl Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of AssetOwl Limited and the entities it controlled during the period.



Neil Smith

Director

BDO Audit (WA) Pty Ltd

Perth, 27 October 2021

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2021 (\$)	2020 (\$)
CONTINUING OPERATIONS			
Revenue	2	64,916	16,437
Other Income	3	530,615	522,775
EXPENSES			
Inventory Costs (including cost of goods sold)		(7,531)	-
Accounting and Audit expenses		(48,689)	(50,358)
Legal expenses		(37,096)	(13,492)
Corporate and administrative expenses		(290,254)	(222,466)
Professional consultant and contractor fees		(302,555)	(206,133)
Share based payments expense	15	(55,941)	-
Employee benefit expenses		(272,789)	(55,766)
Research expenses		(1,010,221)	(955,838)
Depreciation and amortisation		(3,195)	(40,385)
Other expenses from ordinary activities		(137,507)	(122,183)
(LOSS) BEFORE INCOME TAX		(1,570,247)	(1,127,409)
Income tax benefit	4	-	-
(LOSS) FOR THE YEAR		(1,570,247)	(1,127,409)
Loss is attributable to:			
Owners of AssetOwl Limited		(1,570,247)	(1,127,409)
NET (LOSS) FOR THE YEAR		(1,570,247)	(1,127,409)
Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE (LOSS) FOR THE YEAR		(1,570,247)	(1,127,409)
Total comprehensive loss for the year is attributable to			
Owners of AssetOwl Limited		(1,570,247)	(1,127,409)
Basic loss (cents per share)	19	(0.30)	(0.35)

The Consolidated Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2021

	Notes	2021 (\$)	2020 (\$)
CURRENT ASSETS			
Cash and cash equivalents	7	1,018,688	966,272
Trade and other receivables	8	464,596	480,707
Inventories		15,738	-
Prepayments		27,768	-
TOTAL CURRENT ASSETS		1,526,790	1,446,979
NON-CURRENT ASSETS			
Property, Plant and Equipment	9	4,116	5,370
Intangible Assets (Goodwill)	10	1,066,201	1,066,201
TOTAL NON-CURRENT ASSETS		1,070,317	1,071,571
TOTAL ASSETS		2,597,107	2,518,550
CURRENT LIABILITIES			
Trade and other payables	11	67,942	69,221
Employee Benefits payable	12	146,512	88,924
TOTAL CURRENT LIABILITIES		214,454	158,145
NON-CURRENT LIABILITIES			
Employee Benefits payable	12	43,798	-
TOTAL NON-CURRENT LIABILITIES		43,798	-
TOTAL LIABILITIES		258,252	158,145
NET ASSETS		2,338,855	2,360,405
EQUITY			
Contributed Equity	13	21,028,146	19,496,256
Reserves	14	55,941	39,134
Accumulated Losses	16	(18,745,232)	(17,174,985)
TOTAL EQUITY		2,338,855	2,360,405

The Consolidated Statement of Financial Position is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2021

	Notes	Contributed Equity (\$)	Share based payments reserve (\$)	Shares Reserve (\$)	Accumulated Losses (\$)	Total (\$)
BALANCE AT 01 JULY 2019		18,156,122	-	-	(16,047,576)	2,108,546
(loss) for the year		-	-	-	(1,127,409)	(1,127,409)
Total comprehensive (loss)		-	-	-	(1,127,409)	(1,127,409)
Transactions with equity holders in their capacity as equity holders:						
Share issued for capital raising	13	1,503,663	-	-	-	1,503,663
Share issue costs	13	(163,529)	-	-	-	(163,529)
Shares to be issued for professional services	13,14	-	-	39,134	-	39,134
BALANCE AT 30 JUNE 2020		19,496,256	-	39,134	(17,174,985)	2,360,405
BALANCE AT 01 JULY 2020		19,496,256	-	39,134	(17,174,985)	2,360,405
(loss) for the year		-	-	-	(1,570,247)	(1,570,247)
Total comprehensive (loss)		-	-	-	(1,570,247)	(1,570,247)
Transactions with equity holders in their capacity as equity holders:						
Share issued for capital raising	13	1,618,500	-	-	-	1,618,500
Share issue costs	13	(125,744)	-	-	-	(125,744)
Share based payments	15	-	55,941	-	-	55,941
Shares issued for professional services	13,14	39,134	-	(39,134)	-	-
BALANCE AT 30 JUNE 2021		21,028,146	55,941	-	(18,745,232)	2,338,855

The Consolidated Statement of Changes in Equity is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2021 (\$)	2020 (\$)
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		60,632	15,682
Receipt of R&D Tax Incentive		422,252	398,269
Payments to suppliers and employees		(2,053,780)	(1,718,641)
Payments for exploration and evaluation expenditure		-	(16,707)
Government Grants received		104,000	74,000
Interest received		114	1,621
NET CASH FLOWS (USED IN) OPERATING ACTIVITIES	17	(1,466,782)	(1,245,776)
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts related to other activities	3	28,345	-
Payment to acquire Property, Plant & Equipment		(1,941)	(5,168)
NET CASH FLOWS PROVIDED BY / (USED IN) INVESTING ACTIVITIES		26,404	(5,168)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		1,618,500	1,503,663
Payment of Share Issue Costs		(125,706)	(124,395)
Receipt of loan from related party		-	162,000
Repayment of loan to related party		-	(42,000)
NET CASH PROVIDED BY FINANCING ACTIVITIES		1,492,794	1,499,268
NET INCREASE IN CASH AND CASH EQUIVALENTS HELD		52,416	248,324
Cash and cash equivalents at beginning of year		966,272	717,948
CASH AND CASH EQUIVALENTS AT END OF YEAR	7	1,018,688	966,272

The Consolidated Statement of Cash Flows is to be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The primary accounting policies adopted in the preparation of the Financial Statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

(a) General Information

AssetOwl Limited (**Company**) or (**Entity**) is a public Company listed on the Australian Securities Exchange (ASX ticker: AO1), incorporated in Australia and operating in Australia. The financial report of the Company for the financial year ended 30 June 2021 comprises the Company and its subsidiaries (together referred to as the '**Group**'). The address of the Group's registered office is Level 14, 225 St Georges Terrace, Perth WA 6000, Australia. The primary business of the Group is technology and software development.

(b) Basis of Preparation

The financial report is a general-purpose financial report which has been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. AssetOwl Limited is a for profit entity for the purpose of preparing the Financial Statements.

Compliance with IFRS

The Financial Statements of the Group also comply with International Financial Reporting Standards (IFRSs) and interpretations adopted by the International Accounting Standard Board (IASB).

The Financial Statements were approved by the Board of Directors on 27 October 2021.

Historical cost convention

The financial report has been prepared on an accrual basis and is based on historical costs *modified* by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

All amounts are presented in Australia dollars, unless otherwise noted.

(c) Going Concern

The Directors are satisfied that the going concern assumption has been appropriately applied in preparing the financial statements and the historical financial information has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

For the year ended 30 June 2021 the Group made a loss of \$1,570,247 (2020: loss of \$1,127,409) and had cash outflows from operating activities of \$1,466,782 (2020: cash outflows of \$1,245,776). As at 27 October 2021, the Group has Cash and Cash equivalents on hand of \$252,822. These conditions indicate a material uncertainty that may cast a significant doubt about the Group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The ability of the Group to continue as a going concern will be dependent on the following:

- The receipt of the Research and Development incentive rebate of the amount \$422,657, calculated on eligible expenditure incurred by the Group's subsidiary company AssetOwl Technologies Pty Ltd for the year ended 30 June 2021;
- Financial support from substantial shareholder 'Tribis Pty Ltd';
- The continued commercialisation of Pirsee (formerly Inspector360) leading to a material increase in sales revenue, and accordingly receipts from customers; and

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

- Raising additional capital to provide working capital for the business, of a quantum and timing to be determined by the Board to meet the needs of the business.

As at 27 October 2021, the Group:

- Has \$252,822 cash and cash equivalents on hand;
- is anticipating the receipt of the Research and Development incentive rebate of \$422,657; and
- has received a letter of support from substantial shareholder 'Tribis Pty Ltd' guaranteeing the debts of the Group for a 12-month period from the date of annual report

accordingly, the Directors believe that there are reasonable grounds that the Group will continue as a going concern.

Should the Group be unable to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the entity not continue as a going concern.

(d) New or amended Accounting Standards and Interpretations adopted

The accounting policies adopted are consistent with those of the previous financial year and corresponding reporting period except for with respect to accounting for revenue and accounting for inventories. Further, the Group's accounting policy with respect to share-based payments has been expanded with the updated policy being disclosed below.

(i) Revenue

Licensing of Pirsee

The reporting period for the 12 months ended 30 June 2021 is the first financial year in which the generated revenue from its Pirsee (formerly inspector360) offering.

The Group's subsidiary company AssetOwl Technologies Pty Ltd ('AssetOwl') enters into contracts with customers, which are predominantly real estate agencies ('Counterparty', 'Customer'). Contracts are for an initial fixed period of time with a fixed fee payable for each month within the term.

In exchange for monthly consideration, the Counterparty is provided access to the Groups' software platform 'Pirsee'.

The transaction price, being the total consideration which the Group expects to be entitled to over the term of the contract is determined at the commencement of the license term by agreement between the Customer and AssetOwl, taking into account the number of leased residential properties for which the Customer provides real estate management services to at the commencement of the license term.

For each Counterparty which enters into a contract with AssetOwl, three services are provided, these services are: Provision of training to agency resources (including property managers) on the use of Pirsee; Upload the historical data relating to properties managed by the agency; and Provision of continued access to the Pirsee application. The primary service is access to the Pirsee application.

These three services are not distinct as the Counterparty does not obtain a benefit from the provision of any one or more services without all three services being provided, being a 'bundle of services'. Accordingly, there is a singular performance obligation / promise over which the transaction price / contract consideration is applied.

The Counterparty simultaneously receives and consumes the benefit of the service, being the ability to use the Pirsee application for the period of the contract, and all separate subsequent contract periods, accordingly the transaction price is recognised as revenue uniformly over the contract term.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Sale of insta360 cameras (sold to Pirsee licensees under distinct contracts)

The Group generates revenue from the sale of cameras to customers. The cameras are sold to customers under contracts separate to licenses for the Pirsee service. Contracts for the sale of cameras are distinct from contracts for the use of Pirsee as both the camera and Pirsee can be used interdependently.

Revenue from the sale of cameras is recognised at the point in time when the Group is contractually entitled to invoice the customer for the camera under the terms of the contract.

Management platform

The Groups' accounting policy for recognising revenue generated from the management platform in the current period is consistent with the policy disclosed in the Group's financial report for the year ended 30 June 2020 and is as below:

The Group generates revenue through allowing retailers to use its management platform, following execution of a software service agreement with the counterparty.

Software service agreements allow counterparties access to specific management platform modules including the platform's Audit and Properties modules, revenue is generated on a 'pay per action' basis therefore the level of revenue from a customer for a particular period is directly related to the counterparties usage level of the Group's management platform in that period. The Group generates a fee for each usage instance of the Audit module or Properties module, pursuant to the software service agreement entered into with the counterparty.

The Group has identified that the performance obligation under the software services agreements is the allowance of the counterparty to use the management platform as and when required by the counterparty, the Group generates a nominal amount of revenue for this access, with this fee being the base charge in any month.

The Group recognises revenue at the point in time when the performance obligation is satisfied, in the month when the end customer receives a benefit from the use of the management platform, revenue is generated when the management platform is used, on a "Pay per action" basis.

(ii) Inventory

The Group's inventory is cameras which it has purchased for the purpose of selling to real estate agencies who enter into licence agreements to use the Pirsee service.

Cameras are measured at the lower of cost and net realisable value. Cost comprises the value of the camera and costs incurred in bringing the camera to the Group's possession. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to complete the sale.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(iii) Share based payments

Share based payments may be provided by the Group for the acquisition of goods or services, or to incentivise employees (including Key Management Personnel) or other service providers to the Group.

For equity settled share-based payment transactions, the value of goods or services received, and the corresponding increase in equity is measured at the fair value of the goods or services received, unless that fair value cannot be estimated reliably. If the fair value of the goods or services received cannot be estimated reliably, they are measured, and a corresponding increase in equity recognised, indirectly, by reference to the fair value of the equity instruments granted.

The grant date fair value of share-based payments granted to employees (including Key Management Personnel) is recognised as a share-based payment expense, with a corresponding increase in equity, over the period that the payments are estimated to vest. Share based payments awarded to employees (including Key Management Personnel) and consultants are measured at the fair value of the services received by reference to the fair value of equity instruments granted.

Where share-based payment awards are granted to employees (including key management personnel) or other service providers with vesting conditions other than market conditions (such as a target share price upon vesting (or exercisability)), the total amount recognised as an expense will reflect the actual number of equity instruments which ultimately vest to the recipient.

Share-based payment arrangements in which the Group receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, regardless of how the equity instruments are obtained by the Group.

The adoption of these accounting policies did not result in a material adjustment to the amounts or disclosures in the current or prior year. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Other standards not yet applicable

A number of other standards, amendments to standards and interpretations issued by the AASB which are not materially applicable to the Group have not been applied in preparing these consolidated financial statements.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The following relevant standards and interpretations have been issued by the Australian Accounting Standards Board (AASB) but are not yet effective for the year ending 30 June 2021:

AASB reference	Title and Affected Standard(s):	Nature of Change	Application date:	Impact on Initial Application
AASB 2021-2 (issued March 2021)	Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates	<p>Introduces a definition of ‘accounting estimate’, i.e. monetary amounts in financial statements that are subject to estimation uncertainty, such as estimating expected credit losses for receivables, or estimating the fair value of an item recognised in the financial statements at fair value.</p> <p>Accounting estimates are developed using measurement techniques and inputs. Measurement techniques comprise estimation techniques (such as used to determine expected credit losses or value in use) and valuation techniques (such as the income approach to determine fair value).</p> <p>The amendments clarify that a change in an estimate occurs when there is either a change in a measurement technique or a change in an input.</p>	Annual reporting periods beginning on or after 1 January 2023	There will be no impact on the financial statements when these amendments are first adopted because they apply prospectively to changes in accounting estimates that occur on or after the beginning of the first annual reporting period to which these amendments apply, i.e. annual periods beginning on or after 1 July 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Other standards not yet applicable (continued)

AASB 2021-2 (issued March 2021)	Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates	<p>Only ‘material’ accounting policy information must be disclosed in the financial statements, i.e. if it relates to material transactions, other events or conditions and:</p> <ul style="list-style-type: none"> • The entity has changed its accounting policy during the period • There are one or more accounting policy options in Accounting Standards • The accounting policy was developed applying the hierarchy in AASB 108 because there is no specific IFRS dealing with the transaction • Significant judgement was required in applying the accounting policy <p>The accounting is complex, e.g. more than one IFRS applies to the transaction.</p>	Annual reporting periods beginning on or after 1 January 2023	Disclosure impact only.
---------------------------------	--	---	---	-------------------------

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(e) Comparative Figures

Comparative figures have been adjusted to conform to changes in presentation for the current financial year where required by accounting standards or as a result of changes in accounting policy. The values presented are in compliance with AASB 101 *Presentation of Financial Statements*.

(f) Principles of Consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of AssetOwl Limited ("Company" or "Parent Entity") as at 30 June 2021 and the results of all subsidiaries for the year then ended. AssetOwl Limited and its subsidiaries together are referred to in this financial report as "the Group" or "the consolidated entity".

Subsidiaries are all those entities (including special purpose entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

In preparing the Consolidated Financial Statements, all intercompany balances and transactions, income and expenses and profit or losses resulting from inter-entity transactions have been eliminated in full. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The investments in subsidiaries held by AssetOwl Limited are accounted for at cost in the separate Financial Statements of the Group less any impairment charges. The acquisition of subsidiaries is accounted for using the acquisition method of accounting. The acquisition method of accounting involves allocating the cost of the business combination to the fair value of the assets acquired and the liabilities and contingent liabilities assumed at the date of acquisition.

(g) Significant accounting judgements, estimates and assumptions

The preparation of the financial report requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the Financial Statements are outlined below:

Impact of Coronavirus (COVID-19) pandemic.

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Group based on known information. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Impairment of Goodwill

The Group undertakes at least on an annual basis, a test of the Group's Goodwill for impairment irrespective of whether there exists any indication that the Goodwill may be impaired. Judgement is included in determining whether any indication of impairment of Goodwill exists. The Board views the Group as one Cash Generating Unit

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(CGU) and monitors the Group's goodwill at this level. The Group tests the Goodwill for impairment by comparing the market capitalisation of the Company with the value of the Company's net assets. The Group also considers the liquidity of the shares of AssetOwl Limited traded on the ASX, taken to be proxy indicator of the ability of the Company's shareholders to realise the value of their shares held in the Company.

Share Based Payments

Judgement is exercised in assessing the likelihood that vesting conditions attached to Share Based Payment awards will be achieved, and accordingly, that the awards will vest. Judgement is also applied in anticipating the time frame over which the awards may vest. Subsequent re-assessments of one or either of these considerations may have a material impact in the level of expense recognised in future reporting periods.

Valuation of share-based payment awards is a material source of estimation as valuation of share payment awards involves the use of inputs including those not externally verifiable, including volatility.

Research and Development Incentive

The R&D offset receivable amount represents the expected refundable tax offset arising from AssetOwl Technologies Pty Ltd's Research and Development activity for the relevant financial year, calculated on eligible expenditure incurred in that year.

The methodology for calculating the amount of the R&D receivable for the financial year to 30 June 2021 is consistent with the R&D methodology to determine the amount of the R&D incentive for the year to 30 June 2020 and prior reporting periods. The determination of the receivable amount recognised at 30 June 2021 involves judgement and as a result, the amount is an estimate.

(h) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. The Board assesses the financial performance and position of the Entity and makes strategic decisions. The Board of Directors which has been identified as being the Chief Operating Decision Maker, who is responsible for allocating resources and assessing performance of the operating segments.

(i) Other Income

Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions. Further disclosure on government grants received or receivable is provided at note 3.

Interest Income

Interest income is recognised using the effective interest method. The effective interest method uses the effective interest rate which is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial asset.

Research and Development tax incentive benefit

Research and Development tax incentive benefit includes Research and Development ("R&D") concessions received or receivable in respect of eligible R&D as registered with AusIndustry. The R&D concession is brought to account when the eligible R&D expenditure has been identified and the resulting expected R&D incentive amount receivable has been quantified.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The R&D concession amount is recognised in other income as it relates to spending that has been expensed to the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

The R&D tax incentive amount is recognised as a current asset in the Consolidated Statement of Financial Position as the Group has turnover of less than \$20 Million and therefore the R&D tax incentive amount is a refundable tax offset for the Group.

(j) Income Tax Expenses or Benefit

The income tax expense or benefit (revenue) for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax base of assets and liabilities and their carrying amounts in the Financial Statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for all temporary differences, between carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases, at the tax rates expected to apply when the assets are recovered or liabilities settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. Exceptions are made for certain temporary differences arising on initial recognition of an asset or a liability if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit. Deferred tax assets are only recognised for deductible temporary differences and unused tax losses if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(k) Cash and Cash Equivalents

'Cash and Cash Equivalents' includes cash at bank and in hand, deposits held at call with financial institutions, other short-term highly liquid deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

For the purposes of the Consolidated Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

(l) Other Receivables

Other receivables include the Research and Development tax incentive benefit from the Australian Taxation Office and net GST receivable.

These items are measured at amortised cost and represent the amount expected to be received by the Group.

A provision for impairment of receivables is established when there is objective evidence that the Group will not be able to collect all amounts due. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(m) Property, Plant and Equipment

Recognition and measurement

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the Consolidated Statement of Profit or Loss and Other Comprehensive Income during the reporting period in which they are incurred.

Depreciation and amortisation rates and methods are reviewed annually for appropriateness. When changes are made, adjustments are reflected prospectively in current and future periods only. Depreciation and amortisation are expensed.

Depreciation is calculated using the straight-line method to allocation the cost of property, plant and equipment items, net of their residual values. Useful lives of the plant and equipment is 2 to 10 years.

(n) Intangible Assets

Goodwill

Goodwill is measured as described in note 1(f), being the excess of: the consideration transferred; amount of any non-controlling interest in the acquired entity; and the acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired.

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised, but it is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. The determination of gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments (note 5).

Impairment testing requires an estimation of the recoverable amount of the cash generating unit to which the goodwill is allocated. The assumptions used in this estimation of recoverable amount of goodwill are discussed in Note 10.

(o) Trade and Other Payables

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the Entity. Trade accounts payable are normally settled within 60 days.

(p) Employee Benefits

Short-term Employee Benefit Obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' service up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. Short Term employee benefit liabilities are included within employee benefits payable on the Consolidated Statement of Financial Position.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Other long-term Employee Benefit Obligations

Liabilities for long service leave not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are classified in non-current liabilities. They are therefore recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expect future salaries and wages levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of government bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

The obligations are presented as current liabilities in the Consolidated Statement of Financial Position if the Group does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

(q) Financial Assets

Classification

All of the Group's financial assets, which are included on the Consolidated Statement of Financial Position as "Trade other Receivables" are classified as subsequently measured at amortised cost. Management determines the classification of financial assets at initial recognition.

Recognition and derecognition

A financial asset is recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset.

Measurement

Financial Assets are initially measured at fair value plus any transaction costs that are directly attributable to the acquisition or issue of the asset. The Group's financial assets are subsequently measured at amortised cost using the effective interest method. The fair value of trade receivables is their nominal value less estimated credit adjustments.

Financial Assets are included in current assets, except for those with maturities greater than 12 months after the reporting period which are classified as non-current assets.

(r) Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or financial liabilities measured at amortised cost. Financial liabilities in the former category include contingent consideration payable on business combinations, financial liabilities in the latter category include trade payables.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Fair value is determined based on the value of the entity's equity instruments when the related business combination takes place.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at amortised cost

Trade and other payables are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the Group, less any discounts given. Trade accounts payable are normally settled within 60 days.

(s) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of GST except where GST incurred on a purchase of goods and services is not recoverable from the Taxation Authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Consolidated Statement of Financial Position.

Cash flows are included in the Consolidated Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authorities are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(t) Impairment of Assets

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Financial Assets

Impairment of financial assets is recognised on the basis of the expected credit loss, for trade receivables, the impairment recognised is equal to the lifetime expected credit loss for each individual receivable.

Non-Financial Assets

The carrying amounts of the non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, recoverable amount is estimated at each reporting date.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset of the Group that generates cash flows that largely are independent from other assets and companies. Impairment losses are recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. Impairment losses recognised in

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro rata basis.

(u) Contributed Equity

Ordinary shares are classified as Equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(v) Earnings per share

Basic earnings per share

Basic earnings per share are calculated by dividing:

- the profit or loss attributable to owners of the Group, excluding any costs of servicing equity other than ordinary shares;
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(w) Share-based Payment Transactions for the acquisition of goods and services

Share-based payment arrangements in which the Group receives goods or services in exchange for its own equity instruments are accounted for as equity-settled share-based payment transactions. The Group measures the value of equity instruments granted at the fair value of the goods and services received, unless that fair value cannot be measured reliably.

If the fair value of the goods or services received cannot be reliably measured, the transaction is measured by reference to the fair value of the instruments granted.

The calculation of the fair value of equity instruments at the date at which they are granted is determined using a Black-Scholes option pricing model, calculation of the fair value involves estimations of the relevant inputs to the pricing model.

NOTES TO THE FINANCIAL STATEMENTS

2. REVENUE

	2021 (\$)	2020 (\$)
REVENUE FROM CUSTOMERS		
<i>Pirsee property inspection platform</i>		
Revenue from Services (Pirsee)	2,316	-
Revenue from Goods (Cameras)	2,055	-
<i>Management Platform</i>		
Revenue from Services (Management Platform)	60,545	16,437
	64,916	16,437

3. OTHER INCOME AND EXPENSES

	2021 (\$)	2020 (\$)
OTHER INCOME		
R&D tax incentive benefit	422,657	422,254
Government Grants	79,500	98,500
Gain on other activities	28,345	-
Interest received	114	1,621
Other Income	-	400
	530,615	522,775

OTHER INCOME

Government Grants

The Group benefited from two Government Grants in the financial year.

Boosting Cash Flow for Employers

The Group received \$37,500 during the financial year, representing the *Boosting Cash Flow for Employers* payments which the Group was entitled to.

The Group received *Boosting Cash Flow for Employers* payments as it derived income in the 2019-20 financial year, of less than \$50 million, and it made eligible payments, including payment of salary and wages.

In the comparative year, the total *Boosting Cash Flow for Employers grant* recognised was \$62,500, including \$12,500 which was recognised in "Government Grants receivable" at 30 June 2020 and received in the 2021 financial year.

Job Keeper

The Group received Job Keeper payments of \$42,000 during the year. The Group's subsidiary AssetOwl Technologies Pty Ltd is an eligible Employer with eligible employees, which it continues to employ, and has complied with the conditions attaching to this grant.

In the comparative year, the company recognised Job Keeper payments of \$36,000, including \$12,000 which was recognised in "Government Grants receivable" at 30 June 2020 and received in the 2021 financial year.

NOTES TO THE FINANCIAL STATEMENTS

R&D tax incentive benefit

The Research and Development (R&D) benefit recognised arises from the Group's expenditure on eligible R&D activities performed in the financial year.

Gain on other activities

The Group received \$28,345 from the Northern Territory Government's Department of Industry, Tourism and Trade ('Department'), this is a cash security amount which had been paid by AssetOwl Limited (then named 'Regalpoint Resources Limited') for Rum Jungle (NT) exploration permits which were sold to the ASX listed company Podium Minerals Limited on 12 February 2018.

EXPENSES

Research and Development Expense

During the year, the Group continued to invest in software development to develop its Pirsee product for the residential property sector.

Consistent with prior reporting periods, it is the accounting policy of the Group that all costs incurred on Research and Development activities is recognised as an expense.

4. INCOME TAX BENEFIT

	2021 (\$)	2020 (\$)
Movement in tax reconciliation		
Tax Rates		
The potential tax benefit in respect of tax losses not brought into account has been calculated at 26% (30 June 2020: 27.5%).		
Numerical reconciliation between tax expenses and pre-tax net loss		
Income tax benefit at the beginning of the year		
Loss before income tax expense	(1,570,247)	(1,127,409)
Income tax benefit calculated at rates noted above	(408,264)	(310,037)
Tax effect on amounts which are not tax deductible	131,223	134,063
Movement in deferred tax asset not brought to account	277,041	175,974
Income tax benefit	-	-
Deferred tax assets not brought to account		
Unused tax losses	10,010,887	8,833,961
Future 'blackhole' deductions	321,519	420,473
Other timing difference	173,181	80,742
	10,505,587	9,335,176
Tax at 26% (30 June 2020: 27.5%)	2,731,453	2,567,173

The tax note above relates to the Groups' parent company AssetOwl Limited, and the Group's operating subsidiary AssetOwl Technologies Pty Ltd, these two Companies are not part of an income tax consolidated group for the purposes of the income tax assessment act 1997.

NOTES TO THE FINANCIAL STATEMENTS

Of the unused tax losses disclosed above, \$8,158,962 (2020: \$7,327,846) relates to AssetOwl Limited and \$1,851,925 (30 June 2020: \$1,506,115) relates to AssetOwl Technologies Pty Ltd.

For AssetOwl Limited and AssetOwl Technologies Pty Ltd as separate entities, the benefit of the unused tax losses will only be obtained if:

- (a) each entity derives future assessable income of a nature and an amount sufficient to enable the benefit from the deductions for the losses to be realised;
- (b) each entity continues to comply with the conditions for deductibility imposed by Law; and
- (c) no changes in tax legislation adversely affect the ability of each entity to realise these benefits.

5. SEGMENT INFORMATION

The Group operates in one reportable segment being the development of real estate inspection software for use by Real Estate agencies for the application to residential real estate properties. The Chief Operating Decision Maker ('CODM') of the Group is the Board of Directors, which reviews the performance of the entity on a consolidated basis - encompassing corporate activities of the Group. As a result, no reconciliation is required because the information as presented to CODM is used to make strategic decisions.

Management has determined based on reports reviewed by the Board of Directors and used to make strategic decisions, that the Group operates in one single reportable geographical segment being Australia. As a result, no additional segment information is provided.

6. FINANCIAL RISK MANAGEMENT

(a) Overview

The Group has exposure to the following risks from their use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk and the management of capital.

AssetOwl's Risk Management Framework is supported by the Board, Management and the Audit and Risk Committee. The Board is responsible for approving and reviewing the Group's Risk Management Strategy and Policy. Management is responsible for monitoring that appropriate processes and controls are in place to effectively and efficiently manage risk. The Audit and Risk Committee is responsible for identifying, monitoring and managing significant business risks faced by the Group and considering the effectiveness of its internal control system. Management and the Audit and Risk Committee report to the Board.

The Board has established an overall Risk Management Policy which sets out the Group's system of risk oversight, management of material business risks and internal control.

NOTES TO THE FINANCIAL STATEMENTS

The Group holds the following financial instruments.

	2021 (\$)	2020 (\$)
FINANCIAL ASSETS		
Cash and cash equivalents	1,018,688	966,272
Trade and other Receivables	12,714	1,931
	1,031,402	968,203
FINANCIAL LIABILITIES		
Trade and other payables	67,943	69,221
Employee Contractual Obligations	140,147	48,480
	208,090	117,701

(b) Financial Risk Management Objectives

The overall financial Risk Management Strategy focuses on the unpredictability of the finance markets and seeks to minimise the potential adverse effects on financial performance and protect future financial security.

Credit Risk

Credit risk is the risk of financial loss the Group if a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's cash and cash equivalents, deposits with banks, financial institutions and receivables generated in the course of business. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted.

The Group does not hold any credit derivatives to offset its credit exposure. The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to historical information about counterparty default rates.

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

	2021 (\$)	2020 (\$)
Receivables		
Accounts Receivable	12,714	1,931
	12,714	1,931
Cash at bank		
Cash at bank	1,018,688	966,272
	1,018,688	966,272

At 30 June 2021, \$7,714 of the Group's receivables are past due, \$5,775 of the receivables past due were settled subsequent to the end of the reporting period, no amount of the debt is considered to be impaired (30 June 2020: No amount of the Group's receivables is considered to be impaired or past due).

Liquidity Risk

Liquidity risk arises from the financial liabilities of the Group and the Group's subsequent ability to meet their obligations to repay their financial liabilities as and when they fall due.

NOTES TO THE FINANCIAL STATEMENTS

Ultimate responsibility for Liquidity Risk Management rests with the Board of Directors. The Board has determined an appropriate Liquidity Risk Management Framework for the Management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves and continuously monitoring budgeted and actual cash flows and matching the maturity profiles of financial assets, expenditure commitments and liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant. The following are contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting arrangements:

	Carrying Amount (\$)	Contractual Cash Flows (\$)	6 Months or less (\$)	6-12 Months (\$)	1-2 Years (\$)	2-5 Years (\$)
30 June 2021						
Trade and other payables	(67,943)	(67,943)	(67,943)	-	-	-
Employee Contractual Obligations	(140,147)	(140,147)	(96,349)	-	(33,462)	(10,336)
30 June 2020						
Trade and other payables	(69,221)	(69,221)	(69,221)	-	-	-
Employee Contractual Obligations	(48,480)	(48,480)	(48,480)	-	-	-

Market Risk

Market risk is the risk that changes in market prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising return. At the end of the financial year, The Group's sole exposure to market risk is interest rate risk.

Interest Rate Risk

The Group's exposure to interest rates primarily relates to the Group's cash and cash equivalents. The Group manages market risk by monitoring levels of exposure to interest rate risk and assessing market forecasts for interest rates.

NOTES TO THE FINANCIAL STATEMENTS

Profile

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments are:

Variable Rate Instruments

	2021 (\$)	2020 (\$)
Financial Assets	1,018,688	966,272
	1,018,688	966,272

The Group manages its interest rate risk by monitoring available interest rates while maintaining an overriding position of security whereby the majority of cash and cash equivalents are held in AA-rated bank accounts. The Group's exposure to interest rate risk and the effective weighted average interest rate by maturing periods is set out the table below.

	Weighted Average Effective Interest Rate	Total (\$)	Weighted Average Effective Interest Rate	Total (\$)
	2021	2021	2020	2020
Financial Assets				
Cash and cash equivalents	0.01%	1,018,688	0.46%	966,272

(c) Capital Management

When managing capital, the Board's objective is to ensure the Group continues as a going concern as well as to maintain optimal returns to Shareholders and benefits for other Stakeholders. The Board also aims to maintain a capital structure that ensures the lowest cost of capital available to the Group.

The Group had no formal financing and gearing policy or criteria during the year having regard to the early status of its development and low level of activity. There were no changes in the Group's approach to capital management during the year. The Group is not subject to any externally imposed capital requirements.

7. CASH AND CASH EQUIVALENTS

	2021 (\$)	2020 (\$)
Cash at bank	1,018,688	966,272
	1,018,688	966,272

(a) Reconciliation to cash at the end of the year

The above figures are reconciled to cash at the end of the financial year as shown in the Consolidated Statement of Cash Flows as follows:

	2021 (\$)	2020 (\$)
Balance as above	1,018,688	966,272
Balance per Statement of Cash Flows	1,018,688	966,272

(b) Restricted cash

The Company has no restricted cash at 30 June 2021 (30 June 2020: no restricted cash).

NOTES TO THE FINANCIAL STATEMENTS

8. TRADE AND OTHER RECEIVABLES

	2021 (\$)	2020 (\$)
Accounts Receivable	12,714	1,931
Net GST Receivable	29,225	32,024
R&D offset receivable	422,657	422,252
Government Grants receivable	-	24,500
	464,596	480,707

The Research and Development (R&D) offset receivable is the amount expected to be received from the Australian Taxation Office relating to eligible R&D costs incurred.

The amount recognised as R&D Offset receivable is regarded as an estimate as the amount is not confirmed until it is received by the Company from the ATO, following submission of the Company's tax return. The Company uses external professional advisers to calculate the amount of the R&D Offset receivable and for advice and support on the preparation of the required documentation for submission to AusIndustry.

Fair Value and Credit Risk

Due to the short-term nature of the trade receivables, the carrying amount is assumed to approximate their fair value. The exposure to credit risk at the end of the reporting period is the carrying amount of each class of receivables mentioned above. Refer to Note 6 for more information on the Risk Management Policy of the Group.

NOTES TO THE FINANCIAL STATEMENTS

9. PROPERTY, PLANT AND EQUIPMENT

	2021 (\$)	2020 (\$)
Opening net book value	5,370	15,586
Additions	1,941	5,168
Disposals	-	-
Depreciation Charge	(3,195)	(15,384)
Closing net book value	4,116	5,370
Cost of assets	61,184	59,244
Accumulated Depreciation	(57,068)	(53,874)
Net carrying amount	4,116	5,370

10. INTANGIBLE ASSETS

	2021 (\$)	2020 (\$)
Goodwill	1,066,201	1,066,201
	1,066,201	1,066,201

Reconciliation of Goodwill

Beginning of reporting year	1,066,201	1,066,201
End of reporting period	1,066,201	1,066,201

	2021 (\$)	2020 (\$)
Accumulated impairment losses		
Beginning of reporting year	(4,681,722)	(4,681,722)
End of reporting year	(4,681,722)	(4,681,722)

Net balance at end of reporting year	1,066,201	1,066,201
---	------------------	------------------

The Goodwill of the Group arose upon the acquisition of AssetOwl Technologies Pty Ltd which occurred in December 2016.

The goodwill is attributable to the cash flows expected to arise from the acquisition of AssetOwl Technologies Pty Ltd in December 2016. The Board views the Group as one CGU ('AssetOwl CGU') and monitors the Group's goodwill at this level. The Board has determined the recoverable amount of the AssetOwl CGU by assessing the fair value less cost of disposal (FVLCD) of the underlying assets with reference to the market approach based on the current market capitalisation (number of shares on issue multiplied by the quoted market price per share)

NOTES TO THE FINANCIAL STATEMENTS

of the Group on the Australian Securities Exchange (ASX). The recoverable value is a Level 1 measurement based on observable inputs of publicly traded shares in an active market.

The Group's market capitalisation at 30 June 2021 was \$4,897,231, being 816,205,105 shares at \$0.006 cents per share, consistent with above disclosure, this is taken to be the CGU's recoverable amount, for the purposes of the assessing impairment.

At 30 June 2021, the value of the Group's net assets were \$2,338,855, resulting in a headroom of \$2,558,376 and accordingly the Company's Goodwill value is maintained at 30 June 2021.

11. TRADE AND OTHER PAYABLES

	2021 (\$)	2020 (\$)
Trade creditors and accruals	67,942	69,221
	67,942	69,221

12. EMPLOYEE BENEFIT OBLIGATIONS

	2021 (\$)	2020 (\$)
Current Liabilities		
Employee Contractual Obligations	96,349	48,480
Statutory Obligations	50,163	40,444
	146,512	88,924
Non-Current Liabilities		
Employee Contractual Obligations	43,798	-
	43,798	-
	190,310	88,924

13. CONTRIBUTED EQUITY

(a) Movements of share capital during the year

Date	Details	No of shares	Issue price (\$)	\$
	Balance as at 1 July 2019	301,220,812		18,156,122
07.05.2020	Share Placement ¹	75,000,000	0.008	600,000
25.05.2020	Entitlement Offer ²	78,950,708	0.008	631,606
02.06.2020	Entitlement Offer (placement of shortfall) ³	34,007,097	0.008	272,057
	Share Issue cost ⁴	-	-	(163,529)
	Closing Balance as at 30 June 2020	489,178,617		19,496,256
	Balance as at 1 July 2020	489,178,617		19,496,256

NOTES TO THE FINANCIAL STATEMENTS

Date	Details	No of shares	Issue price (\$)	\$
03.07.2020	Share Placement ⁵	1,250,000	0.008	10,000
09.02.2021	Issue of Shares for corporate advisory services ⁴	4,076,488	0.0096	39,134
27.04.2021	Share Placement ⁶	38,000,000	0.005	190,000
01.06.2021	Share Placement ⁶	262,000,000	0.005	1,310,000
01.06.2021	Share Placement ⁶	17,000,000	0.005	85,000
25.06.2021	Share Placement ⁶	4,700,000	0.005	23,500
	Share Issue cost ⁷	-	-	(125,744)
Closing Balance as at 30 June 2021		816,205,105		21,028,146

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, based on the fair value of the services provided, in accordance with terms of engagement. Following shareholder approval received at the Company's Annual General Meeting on 29 January 2021, these shares were then issued.
5. On 3 July 2020, AssetOwl limited issued 1,250,000 ordinary fully paid shares, gross proceeds for the issue of the shares were \$10,000.
6. On the 21st of April 2021, the Company announced a capital raising of \$1.5M via the placement of 300,000,000 Ordinary shares at \$0.005. To complete this capital raising, 38,000,000 shares were issued on 27 April 2021, with the balance issued on 1 June 2021 following the receipt of necessary shareholder approval.

On 1 June and 25 June 2021, following shareholder approval, the Company placed a total of 21,700,000 to related parties, executives and the Company Secretary, funds raised from the issue of these shares were applied towards to costs of completing the capital raising announced on 21 April 2021.
7. 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 fees paid to the ASX.

Ordinary Shares

The holder of ordinary shares is entitled to participate in dividends and the proceeds on winding up of the Parent Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the Parent company does not have a limited amount of authorised capital.

NOTES TO THE FINANCIAL STATEMENTS

14. RESERVES

Option Reserve

The option reserve is used to record the value of the share-based payments provided to employees, consultants and for options issued pursuant to any acquisitions or in exchange for services.

	2021 (\$)	2020 (\$)
Reserve at the beginning of the year	-	-
Movement during the year:		
Share based payment expense	55,941	-
Reserve at the end of the year	55,941	-

There are 29,875,000 options outstanding at 30 June 2021 (30 June 2020: Nil), all of which were issued during the year. No Options were exercised during the year the year ended 30 June 2021.

Shares Reserve

The Shares reserve is used to record the value of shares to be issued to service providers in exchange for services.

	2021 (\$)	2020 (\$)
Reserve at the beginning of the year	39,134	-
Movement during the year:		
Issue of shares for corporate advisory services ¹	-	39,134
Issue of shares for corporate advisory services ¹	(39,134)	-
Reserve at the end of the year	-	39,134

1. Representing 4,076,488 shares to be issued to Sequoia Corporate Finance, to satisfy a fee payable for the Company's Entitlement Offer and Placement completed in May 2020.

15. SHARE BASED PAYMENTS

On 25 February 2021, the Company issued Share Options to Directors of the Company as at that date, or their related parties.

The Options were issued, under the Company's Employee Incentive Plan - approved by shareholders on 29 January 2021 - to incentivise the Directors and align their interests with the financial success of the Company, and provide an alternative to cash payments.

The Company also issued Options to Chief Technology Officer (and Executive Director effective from 8 April 2021) Mr Giuseppe Di Franco, a Management Consultant of the Company and its Company Secretary.

These Options were issued in three tranches on the terms, and in the proportions as set out below.

The Options are valued based on the Company's share price on 29 January 2021, the date of shareholder approval, the Options are valued using Black-Scholes Option Pricing methodology with inputs as provided in the table below.

NOTES TO THE FINANCIAL STATEMENTS

	Tranche	One	Two	Three
	Vesting Conditions	Vest upon issue	Vest on 29 January 2022	Vest on 29 January 2023
Inputs used in determining valuation	Number of Options	13,250,000	5,562,500	5,562,500
	Underlying Share Price	\$0.006	\$0.006	\$0.006
	Exercise Price	\$0.010	\$0.016	\$0.024
	Expected volatility	100%	100%	100%
	Expiry Date / Years	31 December 2023 / 2.5 years	31 December 2024 / 3.5 years	31 December 2025 / 4.5 years
	Expected Dividends	Nil	Nil	Nil
	Risk free rate	0.10%	0.10%	0.37%
Total Value of Options in tranche		\$40,073	\$16,931	\$17,465

					Movement	
Grant Date	Tranche	Exercise Price	Expiry Date	Number as at 1 July 2020	Issued	Number as at 30 June 2021
29 January 2021	One	\$0.010	31/12/2023	-	13,250,000	13,250,000
	Two	\$0.016	31/12/2024	-	5,562,500	5,562,500
	Three	\$0.024	31/12/2025	-	5,562,500	5,562,500
Total	-			-	24,375,000	24,375,000
Weighted Average Exercise Price	-			-	\$0.0146	\$0.0146

At the end of the financial year 13,250,000 of the Options in the above table have vested and are exercisable, all of these Options have an exercise price of \$0.010, and an expiry date of 31 December 2023.

937,500 Tranche 2 and 937,500 Tranche 3 Options are held by former director Mr Andrew Lane, these Options have not vested however upon his retirement as a Director, the Board resolved that Mr Lane did not forfeit his Options and accordingly, the Options will vest only subject to the continued passage of time.

No Options were forfeited, exercised or expired during the year.

Weighted average remaining contractual life of Options outstanding at the end of the year: 3.19 years (2020: N/A).

NOTES TO THE FINANCIAL STATEMENTS

Issue of Share Options to Chief Executive Officer.

On 20 May 2021 the Company issued a total of 5,500,000 Options over Ordinary Shares to Chief Executive Officer, Mr Geoff Goldsmith.

Share Options issued represent the Equity based short term incentives (STI's) awarded to Mr Goldsmith under his Executive Services Agreement entered into with the Company on 20 May 2021.

Share Options were issued to Mr Goldsmith in five tranches, with vesting conditions related to the achievement of time constrained targets tied directly to the success of AssetOwl's photo-centric real estate management platform, pirsee, as set-out below:

Tranche	Number	Vesting Condition
One	500,000	Pirsee* trial is commenced in Queensland by 31 December 2021.
Two	500,000	Pirsee* trial is commenced in New South Wales by 31 December 2021.
Three	1,000,000	first commercial sale of a Self-Managed Service Platform is achieved by 30 June 2022.
Four	1,000,000	300 Real Estate Agency Customers are secured by 30 June 2022.
Five	2,500,000	800 Real Estate Agency Customers are secured by 31 December 2022.

*formerly inspector360

The Options are valued based on the Company's share price on 20 May 2021, the date on which the Company and Mr Goldsmith agreed to the terms of the Options, the Options are valued using Black-Scholes Option Pricing methodology with inputs as provided in the table below.

Tranche	One	Two	Three	Four	Five
Underlying Share Price	\$0.007	\$0.007	\$0.007	\$0.007	\$0.007
Exercise Price	\$0.010	\$0.010	\$0.012	\$0.012	\$0.012
Expected volatility	100%	100%	100%	100%	100%
Expiry Date / Years	31 December 2024 / 3.5 years	31 December 2024 / 3.5 years	30 June 2025 / 4 years	30 June 2025 / 4 years	31 December 2025 / 4.5 years
Expected Dividends	Nil	Nil	Nil	Nil	Nil
Risk free rate	0.10%	0.10%	0.10%	0.10%	0.70%
Total Value of Options in tranche	\$2,087	\$2,087	\$4,212	\$4,212	\$11,226

NOTES TO THE FINANCIAL STATEMENTS

					Movement	
Grant Date	Tranche	Exercise Price	Expiry Date	Number as at 1 July 2020	Issued	Number as at 30 June 2021
20 May 2021	One	\$0.010	31/12/2024	-	500,000	500,000
	Two	\$0.010	31/12/2024	-	500,000	500,000
	Three	\$0.012	30/06/2025	-	1,000,000	1,000,000
	Four	\$0.012	30/06/2025	-	1,000,000	1,000,000
	Five	\$0.012	31/12/2025	-	2,500,000	2,500,000
Total	-			-	5,500,000	5,500,000
Weighted Average Exercise Price	-			-	\$0.0098	\$0.0098

At the end of the financial year none of the Options in the above table are vested and exercisable. Disclosure pertaining to the likelihood that these Options will vest is provided on page 66.

No Options were forfeited, exercised or expired during the year.

Weighted average remaining contractual life of Options outstanding at the end of the year: 4.14 years (2020: N/A).

NOTES TO THE FINANCIAL STATEMENTS

	Total value, at date of shareholder approval	Expense recognised in current period	Balance in reserve
<u>Key Management Personnel</u>			
Directors*			
Tranche one Options	\$30,244	\$30,244	\$30,244
Tranche two Options	\$15,219	\$8,003	\$8,003
Tranche three Options	\$15,698	\$5,599	\$5,599
Total	\$61,161	\$43,846	\$43,846
<u>Other Key Management Personnel (CEO)</u>			
Tranche one Options	\$2,087	\$380	\$380
Tranche two Options	\$2,087	\$380	\$380
Tranche three Options	\$4,212	\$426	\$426
Tranche four Options	\$4,212	-^	-^
Tranche five Options	\$11,226	-^	-^
Total	\$23,824	\$1,186	\$1,186
Key Management Personnel Total	\$84,985	\$45,032	\$45,032
<u>Other Recipients</u>			
Tranche one Options	\$9,828	\$9,828	\$9,828
Tranche two Options	\$1,712	\$713	\$713
Tranche three Options	\$1,766	\$368	\$368
Total	\$13,306	\$10,909	\$10,909
Grand Total	\$98,291	\$55,941	\$55,941

*Includes Options issued to Mr Giuseppe Di Franco who became an Executive Director of the Company in the period since the grant of the Options.

^ Having regard to vesting conditions attached to these Options and the date by when the vesting conditions must be achieved, at 30 June 2021:

- it was assessed by Management that the probability of Options in tranches one, two and three vesting is more than likely. Accordingly, a portion of the value of the Options in these tranches is recognised as an expense in the reporting period.
- it was assessed by Management that the probability of Options in tranches four and five vesting is less than likely. Accordingly, no portion of the value of the Options in these tranches is expensed in the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

Total expenses arising from share-based payment transactions recognised during the year amounted to \$55,941 (2020: N/A).

Share based payments pertaining to capital raising activities

In the 2020 financial year, The Company engaged the services of Sequoia Corporate Finance Pty Ltd (Sequoia) to manage its capital raising which was completed, comprising of an Entitlement Offer and a Placement to sophisticated and professional investors.

Pursuant to the terms of a Corporate Advisory services agreement between the Company and Sequoia, the parties that agreed that in the event that Sequoia raised at least \$1,500,000, Sequoia would be entitled to receive a payment from the Company in the form of shares.

The Company's capital raising was completed in full, with 187,957,805 shares issued, at \$0.008, to raise \$1,503,663, the fee was calculated on the following terms, *Sequoia shall be entitled to 1% of the post-money capital at the placement price taken in shares at a 20% premium to the placement price*, and calculated as below:

Shares on issue before capital raising	301,220,812
Capital raising shares	187,957,805
Number of shares on issue post capital raising	489,178,617
Post money capital at capital raising price of \$0.008 per share	\$3,913,429
1%	\$39,134
Placement price + 20% premium	\$0.0096
Number of shares	4,076,488

This share-based payment is measured at the fair value of the service received in the 2020 financial year.

The issue of these shares was subject to shareholder approval, which was subsequently received on 29 January 2021.

NOTES TO THE FINANCIAL STATEMENTS

16. ACCUMULATED LOSSES

	2021 (\$)	2020 (\$)
Accumulated (Loss) at the beginning of the year	(17,174,985)	(16,047,576)
Net (Loss) attributable to Shareholders	(1,570,247)	(1,127,409)
Accumulated (Loss) at end of the year	(18,745,232)	(17,174,985)

17. CASH FLOW INFORMATION

	2021 (\$)	2020 (\$)
Reconciliation of cash flow from operating activities with the loss from continuing operations after income tax:		
Net (Loss) after Income Tax	(1,570,247)	(1,127,409)
Depreciation and Amortisation	3,195	40,385
Gain on other activities ⁽¹⁾	(28,345)	-
Settlement of related party loan through participation in 3:8 Entitlement Offer	-	(120,000)
Share Based Payments Expense	55,941	-
CHANGES IN ASSETS & LIABILITIES FROM OPERATING ACTIVITIES		
(Increase)/Decrease in trade and other receivables	16,073	(37,643)
(Increase)/Decrease in inventories	(15,738)	-
(Increase)/Decrease in prepayments	(27,768)	-
Increase/(Decrease) in trade and other payables	(1,279)	(27,394)
Increase/(Decrease) in employee benefits payable	101,386	26,285
Cash flow (used in) Operating Activities	(1,466,782)	(1,245,776)

⁽¹⁾ Arises from the return of an amount from the Northern Territory Government, recognised and classified as arising from investing activities on the Consolidated Statement of Cash flows. Refer to note 3 for further disclosure.

Non-cash investing and financing activities.

Issue of shares as consideration for services

On 9 February 2021 the Company issued 4,076,488 shares to Sequoia Corporate Finance, these shares were issued, following the receipt of shareholder approval at an Annual General Meeting of the Company held on 29 January 2021, to satisfy a fee payable for the Company's Entitlement Offer and Placement completed in May 2020.

The value of these shares amounted to \$39,134, calculated in the manner as disclosed above in note 15.

NOTES TO THE FINANCIAL STATEMENTS

18. COMMITMENTS

The Commitment expenditure at reporting date is as follows:

	2021 (\$)	2020 (\$)
Not later than one year	60,000	60,000
TOTAL	60,000	60,000

There are no commitments for period beyond one year.

The nature of these commitments is disclosed below:

Administration Services Fees Commitment

The Group is party to an Administration Services Agreement with Tribis Pty Ltd to provide 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 Group 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 \$10,000 plus GST per month, which is required to be paid in full by the Group on ordinary terms.

The agreement has no specified end date and could be cancelled by either party after the provision of 6 months' notice, as a result, the above commitments table includes 6 months of payments, being \$60,000.

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

19. LOSS PER SHARE

The calculation of basic loss per share for the financial year was based on the loss attributable to ordinary Shareholders of \$1,570,247 (2020: loss of \$1,127,409) and a weighted average number of ordinary shares outstanding during the year of 521,783,579 (2020: 323,167,211).

	2021 (\$)	2020 (\$)
Basic loss per share (cents per share)	(0.30)	(0.35)

(a) RECONCILIATION OF EARNINGS TO OPERATING LOSS

Loss attributable to ordinary Shareholders

Loss after tax	(1,570,247)	(1,127,409)
Loss used in the calculation of EPS	(1,570,247)	(1,127,409)

	2021 (\$)	2020 (\$)
--	-----------	-----------

(b) WEIGHTED AVERAGE NUMBER OF SHARES USED AS THE DENOMINATOR

Weighted average number of ordinary shares (WANOS)

Weighted average number of ordinary shares	521,783,579	323,167,211
--	--------------------	--------------------

NOTES TO THE FINANCIAL STATEMENTS

20. REMUNERATION OF AUDITORS

During the year the following fees were paid or payable for services provided by the Auditor of the Group and its related parties.

	2021 (\$)	2020 (\$)
Auditors of the Group – BDO Audit (WA) Pty Ltd		
Audit and Review of Financial Statements		
Group	40,164	40,423
Total audit and review of financial statements	40,164	40,423
Non-audit services – BDO Corporate Tax (WA) Pty Ltd		
R&D Incentive Services	22,660	22,390
Total non-audit services	22,660	22,390
Total services provided by BDO	62,824	62,813

21. RELATED PARTY DISCLOSURES

Key Management Personnel

Directors and Executives compensation comprises:

	2021 (\$)	2020 (\$)
Short-term benefits	352,426	327,558
Share-based payments	45,032	-
Post-employment benefits	19,204	17,251
TOTAL	416,662	344,809

Detailed remuneration disclosures are provided in the Remuneration Report on pages 14 to 29.

Transactions with other related parties

Transactions between related parties are on normal commercial terms and conditions no more favorable than those available to other parties unless otherwise stated.

NOTES TO THE FINANCIAL STATEMENTS

The following transaction occurred with related parties for the year ended 30 June 2021.

	2021 (\$)	2020 (\$)
Other transactions		
Administration Fees (Tribis)	120,000	60,000
Loan provided to AssetOwl Limited by Tribis Pty Ltd	-	162,000
Settlement of Loan from Tribis Pty Ltd	-	(162,000)
Consultancy Services (Geoff Baldwin.com Realty Group Pty Ltd)	43,500	54,000
License agreement for the use of Pirsee, and sale of insta360 camera (Morecross Pty Ltd T/A RE/MAX Exchange)	968	-
Consultancy Services (Geoff Goldsmith)	87,000	-
TOTAL	251,468	114,000

The aggregate amounts recognised during the year relating to Key Management Personnel and their related entities were as follows.

Key Management Personnel (Capacity)	Transaction	Transactions value for the year ended 30 June		Balance outstanding as at 30 June	
		2021 (\$)	2020 (\$)	2021 (\$)	2020 (\$)
Directors					
Simon Trevisan (Director and controlling Shareholder of Tribis Pty Ltd)	Administrative fee for office space, telecommunications, office supplies, accounting support and administration and business support services	120,000	60,000	-	-
	Loan provided by Tribis Pty Ltd	-	162,000	-	-
	Settlement of Loan provided by Tribis Pty Ltd	-	(162,000)	-	-
Geoff Baldwin (Director and shareholder of Geoff Baldwin.Com Realty Group Pty Ltd)	Services provided in leading the Company's efforts to roll out inspector360	43,500	54,000	-	-
(Director and shareholder of Morecross Pty Ltd T/A RE/MAX Exchange)	Use of inspector360 pursuant to a license agreement with AssetOwl Technologies	337	-	55	-
	Acquisition of an insta360 camera	631	-	-	-
Other Key Management Personnel					
Geoff Goldsmith	Services provided in the capacity of a contractor from 23 November 2020 to 18 May 2021. Mr Goldsmith was appointed as CEO of the Group on 8 April 2021, he continued to be paid as a contractor until 18 May 2021 when he commenced being paid as an employee.	87,000	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

Notes in relation to the table of related party transactions.

Transactions with an entity related to Non-Executive Chairman Mr Simon Trevisan

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. For the year to 30 June 2021, the fee was \$10,000 plus GST per month.

From 1 March 2016 until 30 June 2020, the fee payable to Tribis had been \$5,000 per month plus GST.

Transactions with entities related to Non-Executive Director Mr Geoff Baldwin

Consultancy services

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

The Company paid \$43,500 in fees to Geoff Baldwin.Com Realty Group Pty Ltd for services provided in leading the Company's efforts to roll out Pirsee (2020: \$54,000). These fees are recognised in Professional consultant and contractor fees on the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

License agreement for the use of Pirsee, and acquisition of a camera.

The Group has a license agreement for the use of Pirsee with Morecross Pty Ltd T/A RE/MAX Exchange, which commenced in December 2020. The license agreement has a fixed term of 24 months. During the financial year, the Group recognised income arising from this agreement of \$337.

Non-executive director Mr Geoff Baldwin is the Managing Director of Morecross Pty Ltd. The license agreement terms were established on arms-length basis.

RE/MAX Exchange acquired an insta360 camera from the Group, the camera was sold on terms comparable to those which the Group sells cameras to other Real Estate Agency customers.

Provision of services by CEO Mr Goldsmith whilst a consultant – engagement as a contractor

On 23 November 2020, Mr Geoff Goldsmith (who was subsequently appointed as the Group's CEO on 8 April 2021) commenced as a consultant to the Company.

For his services provided between 23 November 2020 and 17 May 2021, Mr Goldsmith invoiced the Group at a rate of \$1,500 per day worked. Mr Goldsmith provided services for 58 days over this period and accordingly fees paid to Mr Goldsmith amounted to \$87,000.

NOTES TO THE FINANCIAL STATEMENTS

Issue of Shares

On 1 June and 25 June 2021, following the receipt of shareholder approval, the Company placed a total of 19,700,000 Ordinary Shares to related parties or their nominees, funds raised from the issue of these shares were applied towards costs of completing the capital raising announced on 21 April 2021.

- Executive director and Chief Technology Officer, Mr Giuseppe Di Franco acquired 4,700,000 Ordinary Shares for total consideration of \$23,500.
- Non-Executive director, Mr Geoff Baldwin acquired 2,000,000 Ordinary Shares for total consideration of \$10,000.
- The Company's Chief Executive Officer, Mr Geoff Goldsmith acquired 3,000,000 Ordinary Shares for total consideration of \$15,000.
- 10,000,000 Ordinary Shares were acquired by nominees of Tribis Pty Ltd, a related party of Non-Executive Chairman, Mr Simon Trevisan for total consideration of \$50,000.

The shares were placed subject to receipt of shareholder approval, where required. The shares were issued at a subscription price of \$0.05 per share, the same price at which the Company raised capital from un-related investors during the year.

22. PARENT ENTITY INFORMATION

The following details information related to the Parent Entity, AssetOwl Limited. The information presented here has been prepared using consistent accounting policies as presented in Note 1.

	2021 (\$)	2020 (\$)
Current assets	1,337,421	1,360,928
Non-current assets	1,066,201	1,066,201
Total Assets	2,403,622	2,427,129
Current liabilities	35,290	37,247
Non-Current liabilities	29,477	29,477
Total Liabilities	64,767	66,724
Net Assets	2,338,855	2,360,405
Contributed equity	21,028,146	19,496,255
(Accumulated losses)	(18,745,232)	(17,174,984)
Reserve	55,941	39,134
Total Equity	2,338,855	2,360,405
(Loss) for the year	(1,570,247)	(1,164,870)
Total Comprehensive (loss) for the Year	(1,570,247)	(1,164,870)

NOTES TO THE FINANCIAL STATEMENTS

There are no other separate commitments and contingencies for the parent entity as at 30 June 2021.

23. INTERESTS IN OTHER ENTITIES

Name of Entity	Place of business/country of incorporation	Ownership Interest		Principal Activities
		2021	2020	
AssetOwl Technologies Pty Ltd	Australia	100%	100%	Technology and Software Development
Regalpoint Resources Pty Ltd	Australia	100%	100%	Formerly held the Group's Exploration tenement in Queensland.

24. MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Issue of Share Options

On 20 July 2021, the Company issued a total of 8,500,000 Options over Ordinary Shares to Mr Nathan Want, the licensee and director of Attree Real Estate, a highly respected agency in the Western Australian real estate market.

Further detail on these Options is provided in the Company's announcement titled "AssetOwl to form a Strategic Partnership with Nathan Want" which was provided to the ASX on 15 July 2021.

No other matters or circumstances have arisen since 30 June 2021 that have significantly affected the Group's operations, results, or state of affairs, or may do so in future years.

25. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Due to their short-term nature, the carrying amounts of the current receivables and current payables are assumed to approximate their fair value.

DIRECTORS' DECLARATION

In the opinion of the Directors of AssetOwl Limited:

- (a) the Financial Statements and Notes set out on pages 35 to 74 are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Group's financial position as at 30 June 2021 and of their performance, for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and Corporations Regulations 2001; and other mandatory professional reporting requirements.
- (b) the Financial Report also complies with International Financial Reporting Standards as disclosed in Note 1.
- (c) there are reasonable grounds to believe that AssetOwl Limited will be able to pay its debts as and when they become due and payable; and
- (d) the Directors have been given the declarations required by Section 295A of the *Corporations Act 2001* by the Financial Officer for the financial year ended 30 June 2021.

Signed in accordance with a resolution of the Board of Directors.



Simon Trevisan

Non-Executive Chairman

Dated at Perth, Western Australia, this 27th October 2021

INDEPENDENT AUDITOR'S REPORT

To the members of AssetOwl Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of AssetOwl Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1(c) in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Carrying value of Goodwill

Key audit matter	How the matter was addressed in our audit
<p>At 30 June 2021, AssetOwl Limited recognised goodwill as disclosed in Note 10 to the financial report.</p> <p>An annual impairment test for goodwill is required under Australian Accounting Standard AASB 136 <i>Impairment of Assets</i>.</p> <p>The assessment of the carrying value of goodwill is considered to be a key audit matter due to the significance of the asset to the Group's consolidated statement of financial position, and the assessment requires management to make significant judgements and estimates in determining the recoverable amount of goodwill.</p>	<p>In addressing this matter our procedures included, but were not limited to the following:</p> <ul style="list-style-type: none"> • Reconciling goodwill recognised to historic business combinations; • Evaluating management's impairment assessment of goodwill by challenging the key estimates and assumptions used by management; • Challenging the appropriateness of the fair value less cost of disposal value determined in accordance with AASB 136 <i>Impairment of Assets</i>; • Comparing AssetOwl Limited's net assets to its fair value less cost of disposal as at 30 June 2021; and • Assessing the adequacy of the related disclosures in Note 1(g), 1(n) and 10 to the financial report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2021, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf

This description forms part of our auditor's report.



Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 14 to 29 of the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of AssetOwl Limited, for the year ended 30 June 2021, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit (WA) Pty Ltd

A handwritten signature in black ink, appearing to read 'Neil Smith', with a stylized flourish extending to the right.

Neil Smith

Director

Perth, 27 October 2021

ASX ADDITIONAL INFORMATION

Additional information required by the Australian Securities Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 4 October 2021.

(a) Distribution of equity securities

	Ordinary Shares
Holding	Number of Holders
1 - 1,000	62
1,001 - 5,000	79
5,001 - 10,000	35
10,001 - 100,000	306
100,001 - and over	647
Total	1,129

There were 386 holders of less than a marketable parcel of ordinary shares.

(b) Top twenty shareholders

The names of the twenty largest holders of quoted equity securities are listed below:

	Listed Fully Paid Ordinary Shares	Number of Shares	Percentage of Shares
1	TRIBIS PTY LTD	62,846,520	12.81%
2	OGEE AUSTRALIA PTY LTD	33,285,466	5.77%
3	NCKH PTY LTD	33,285,460	5.77%
4	YUCAJA PTY LTD	23,233,761	2.85%
5	ON THE CUSP INVESTMENTS PTY LTD	16,500,000	2.02%
6	CITICORP NOMINEES PTY LIMITED	15,273,545	1.87%
7	HIX CORP PTY LTD	12,287,855	1.51%
8	MR ARTHUR ATANAS TANASOVSKI	12,000,000	1.47%
9	MR JASON LINES & MRS LORRAINE LINES	11,038,706	1.35%
10	MR JOHN RAYMOND KIRTON	11,000,000	1.35%
11	MR KEVIN DANIEL LEARY & MRS HELEN PATRICIA LEARY	10,986,667	1.35%
12	KINGSTONE VENTURE CAPITAL PTY LTD	8,000,000	0.98%
13	MR DEAN RODNEY RYAN & MRS JULIA LEONIE RYAN	8,000,000	0.98%
14	BAIRDOS PTY LTD	7,995,789	0.98%
15	MS WENFENG CHEN	7,200,000	0.88%
16	STOCKSONLINE PTY LTD	6,611,045	0.81%
17	PHILP HOLDINGS PTY LTD	6,250,000	0.77%
18	BNP PARIBAS NOMINEES PTY LTD	6,145,878	0.75%
19	MR PAUL NEVILLE SOPHOCLEOUS	6,000,000	0.74%
20	SOMNUS PTY LTD	6,000,000	0.74%
Total		303,940,692	33.76%

ASX ADDITIONAL INFORMATION

(c) Substantial Shareholders

Substantial holders of shares in the in the Parent company are set out below

	Number	Percentage
TRIBIS PTY LTD	62,846,520	7.70%

(d) Voting rights

- (i) All ordinary shares (whether fully paid or not) carry one vote per share without restriction.
- (ii) There are no voting rights attached to options on issue.

(e) Unlisted Options Unquoted equity securities

- (i) There are 8,500,000 Unlisted Options on issue held by Attree Pty Ltd as trustee for the Attree Share Unit Trust.
- (ii) 29,875,000 Share Options issued under an employee incentive scheme, held by seven holders. Two people hold more than 20% of the Options.