

## AssetOwl Limited

### Appendix 4D

#### Half Year Report for the Period to 31 December 2017

<b>Name of Entity</b>	<b>Current Period</b>
ASSETOWL LIMITED	PERIOD ENDED 31 DECEMBER 2017
<b>ACN</b>	<b>Prior Corresponding Period</b>
122 727 342	PERIOD ENDED 31 DECEMBER 2016

<b>Results for Announcement to the Market</b>	<b>%Movement Compared to the Prior Period</b>	<b>Current Period A\$</b>	<b>Previous Period A\$*</b>
Revenue from Ordinary Activities	1,274.46%	12,700	924
Reported net (loss) from ordinary activities after tax	(65.22%)	(1,151,638)	(697,018)
Reported net (loss) attributable to members	(65.22%)	(1,151,638)	(697,018)

<b>Net Assets</b>	<b>31 December 2017</b>	<b>31 December 2016</b>
Net Tangible Assets (\$A)	1,116,595*	3,515,688*
Number of Securities	60,542,116	60,542,116
Net Tangible Assets per security (cents)	1.84	5.81

\* Assumes "Financial Liabilities", which comprise deferred consideration, will be settled in equity if milestones are satisfied.

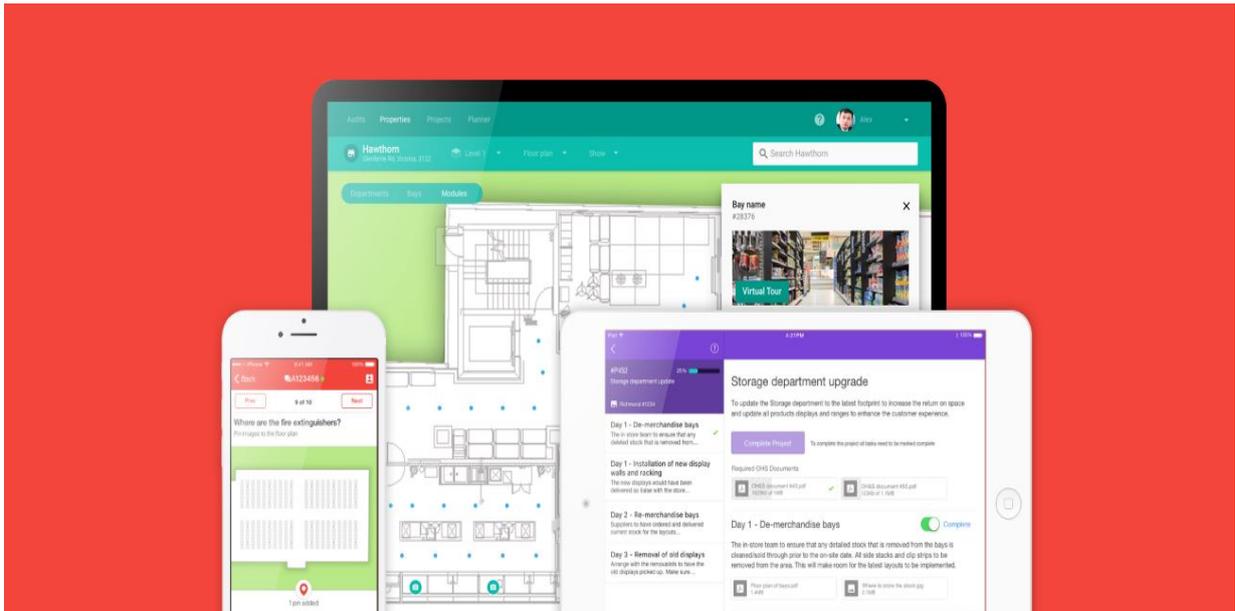
<b>Dividends</b>	<b>Interim Dividend 2018</b>	<b>Interim Dividend 2017</b>
Amount per share	NIL	NIL
Franked amount	NIL	NIL

#### Review Results

This report is based on the financial statements that have been the subject of an independent review and are not subject to any dispute or qualification.



ACN 122 727 342



**CONSOLIDATED INTERIM FINANCIAL REPORT  
FOR THE HALF-YEAR ENDED  
31 DECEMBER 2017**

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# CORPORATE DIRECTORY

## DIRECTORS

Shane L Stone (Chairman)  
Bruce McCracken (Executive Director)  
Simon Trevisan (Non-Executive Director)  
Ian Murchison (Non-Executive Director)  
Andrew Lane (Non-Executive Director)

## COMPANY SECRETARY

Fleur Hudson

## REGISTERED AND PRINCIPAL OFFICE

Level 14  
191 St Georges Terrace  
PERTH WA 6000  
Telephone: (08) 9424 9320  
Facsimile: (08) 9321 5932  
Website: [assetowl.com](http://assetowl.com)  
Email: [sales@assetowl.com](mailto:sales@assetowl.com)

## AUDITORS

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

## SHARE REGISTRY

Security Transfer Australia Pty Ltd  
770 Canning Highway  
APPLECROSS WA 6153  
Telephone: (08) 9315 2333  
Facsimile: (08) 9315 2233

## HOME EXCHANGE

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

## SOLICITORS

Jackson McDonald  
225 St Georges Terrace  
PERTH WA 6000

## BANKERS

St George Bank  
Level 2, Westralia Plaza  
167 St Georges Terrace  
PERTH WA 6000

## DIRECTORS' REPORT

The Directors present their report together with the financial report of AssetOwl Limited (the Group) for the half year ended 31 December 2017 and the auditor's review report thereon.

### DIRECTORS

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

- Shane L Stone (Chairman)
- Bruce McCracken (Executive Director)
- Simon Trevisan (Non-Executive Director)
- Ian Murchison (Non-Executive Director)
- Andrew Lane (Non-Executive Director)

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

### REVIEW OF OPERATIONS

During the half year ended 31 December 2017, AssetOwl Limited (**AssetOwl** or the **Company**) continued to build market validation and interest in its core enterprise property management platform (Management Platform), while also working toward value realisation for shareholders through the divestment of its mineral exploration assets.

#### Diversification beyond retail

Whilst the commercialisation of the Management Platform within the retail sector has been and remains a core focus for the Company, AssetOwl is progressing a strategy to expand into the multi-billion dollar property management sector (with both Government and Private enterprises), together with targeted opportunities in the construction and asset management industry.

#### Customer Contracts and Partnerships

In July 2017, 7-Eleven Australia signed a software service agreement to use the management platform for confirming merchandise execution standards across its stores nationally. This contract milestone marked AssetOwl's first stage of its commercialisation strategy with tier 1 retailers in Australia. The Management Platform has been implemented across 7-Eleven's entire store network (651 stores nationally) for use within their merchandise department allowing the business to efficiently monitor and manage merchandise standards.

In December 2017, AssetOwl announced its intention to partner with Colliers International (WA) Ltd to provide its Management Platform to Colliers as a new client in the property management sector. Colliers is an industry leading global real estate company operating in 66 countries. The group delivers a full range of property management services to real estate owners, occupiers and investors across all sectors worldwide.

The Company anticipates finalisation of this agreement in the March quarter, at which point the contract will mark AssetOwl's first commercial deal to provide its management platform to a property sector client. The Company is also well advanced to provide the Management Platform to an agency in the Government property sector, which will see the Company positioned to expand in both the private and government property management sectors.

#### Key Management appointment and strengthening of core team

The Company appointed Brian Simons as its Head of Sales commencing from mid-July. Brian is an experienced sales executive having worked in software sales for 10 years, most recently as a Sales Manager at Aconex Limited where he consistently met and exceeded sales targets. Brian has the responsibility for leading the execution of the Company's sales strategy.

## DIRECTORS' REPORT

### Platform enhancement and mobile application

AssetOwl has continued to enhance its core business platform and in some cases add additional features to meet specific market requirements.

The development and delivery of the Android application was delivered during the half year. This is a key enhancement which will complement the existing iOS application and meets the requirements for a broader set of potential customers.

### Sale of Rum Jungle Mineral Project

In November 2017, AssetOwl announced it had entered a conditional binding sale transaction with Weld Range Metals Limited (now renamed Podium Minerals Limited) for the sale of the Company's Rum Jungle project.

The Rum Jungle Project is a mineral exploration and development project operated by the Company conducted in relation to exploration licence EL26094, located at Bachelor in the Northern Territory. The project area is primarily prospective for gold and uranium and includes the Highlander gold anomaly where gold has been recorded in north-trending quartz veins over a strike exceeding 2,000 metres.

The Company acquired the project prior to its IPO in 2011, and in line with the change in the Company's main business undertaking from mineral exploration to software development and related services, and the Company has sought to realise the Rum Jungle Project for the benefit of its shareholders.

Podium Minerals is an Australian mineral exploration and resources development company with a focus on platinum group metals, gold and nickel-copper sulphides. Podium Minerals' core projects are located within its mining leases covering the Weld Range Complex in the Mid-West Region of Western Australia. Its portfolio of mineral assets includes exploration licences which are prospective for gold at Mindoolah and Tuckabianna.

Podium Minerals has undertaken an IPO to raise over \$5m in funds to rapidly advance its projects in conjunction with its acquisition of the Rum Jungle Project. Podium Minerals securities (ASX:POD) are expected to commence trading on the ASX on 28 February 2018.

The transaction for the sale of the Rum Jungle Project was conditional upon (among other things) Podium Minerals completing its due diligence enquiries and receipt of conditional approval from ASX for both its admission to the Official List of ASX and for the quotation of its ordinary shares.

The Company has now received consideration in the form of 6,000,000 fully paid ordinary shares in Podium Minerals and 3,000,000 options, each exercisable at \$0.20 each within 30 months of grant (Consideration Securities).

Eligible AO1 shareholders received a total of \$1.2m in Podium Minerals consideration shares at \$0.20 each, with each eligible AO1 shareholder receiving 13 Podium shares and 6.6 Podium options for each 100 AO1 shares they own.

Those shareholders from whom the Company acquired AssetOwl Technologies Pty Ltd in 2016 were excluded from the distribution, in accordance with the terms of that transaction.

The record date for determining a shareholder's entitlement to receive Podium securities via In-Specie Distribution was 5pm (WST) on 15 February 2018, and the In-Specie distribution occurred on 22 February 2018.

## CORPORATE

### Results of Annual General Meeting

At AssetOwl's Annual General Meeting of Shareholders held on 30 November 2017, all resolutions contained in the Notice of Meeting passed on a show of hands.

# DIRECTORS' REPORT

## Release of Securities and Performance Rights from Escrow

The following securities and Performance Rights were released from escrow on 23 December 2017:

Type	Number
Ordinary Shares	1,760,963 at an issue price of \$0.20 per share.
Performance Rights	2,275,710 Class A 1,137,855 Class B 477,796 Class C
Options	758,568 exercisable at \$0.25 per option and expiring 31 March 2019

The Performance Rights were issued pursuant to the Share Sale and Purchase Agreement (SSPA) as part of the consideration paid for the acquisition of AssetOwl Technologies Pty Ltd and were approved by Shareholders in December 2016. The vesting of the Performance Rights is dependent upon meeting the milestones set out in the SSPA.

## Performance milestone achievement and issue of equity consideration

In December 2017, AssetOwl achieved the Year 1 performance milestone for site deployments set out in the SSPA, with approximately double its target number of site deployments. The Year 1 performance milestone targets relating to revenue and net profit before tax were not met due to the speed of commercialisation ramp-up. This result was consistent with disclosure in the Company's Annual Report for the year to 30 June 2017 where the likelihood of Year 1 performance milestones being met was assessed as 33%.

As such, the AssetOwl vendors earned a total of 5,000,000 Class A Performance Rights, which convert into an equivalent number of AssetOwl ordinary shares. As indicated above, 2,275,710 Class A Performance Rights were released from escrow on 23 December 2017. This means that of the 5,000,000 Class A Performance Rights which vest, 758,570 are free from escrow and 4,241,430 remain in escrow until 6 January 2019.

## Results of General Meeting

The sale of the Rum Jungle project and associated resolutions was approved by AssetOwl shareholders at a General Meeting held on 8 January 2018.

## Amended Constitution

As announced on 11 January 2018, AssetOwl amended its Constitution incorporating an amendment to clause 29 (being the inclusion of clause 29A), relating to reductions of capital and buy backs. This amendment was approved, under Special Resolution 1, by Shareholders at the General Meeting held on 8 January 2018.

## PRINCIPAL ACTIVITIES

AssetOwl Limited is a technology and software development company.

## OPERATING RESULTS

The Group's net loss after providing for income tax for the half year ended 31 December 2017 amounted to \$1,151,638 (half year ended 31 December 2016: \$697,018). At 31 December 2017, the Group has \$692,412 cash and cash equivalents (30 June 2017: \$1,690,810).

## SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Group during the half year.

## DIRECTORS' REPORT

### EVENTS OCCURRING AFTER THE REPORTING PERIOD

#### Disposal of Rum Jungle Project and Capital return.

On 1 November 2017, the Company announced to the ASX that it had entered into a conditional sale transaction with Weld Range Minerals Limited (ACN 009 200 079) (subsequently renamed 'Podium Minerals Limited')(Podium), pursuant to which:

- Podium agreed to purchase the Company's Rum Jungle Project, in exchange for 6,000,000 shares in Podium and 3,000,000 options in Podium ('Consideration Securities'); and
- The Company agreed to distribute the Consideration Securities In-Specie to 'Eligible shareholders'.

Eligible shareholders are defined as all shareholders of the Company with a registered address in Australia and New Zealand at the Record Date (being 15<sup>th</sup> February 2018), other than AssetOwl Vendors.

AssetOwl Vendors being defined as the Shareholders from whom the Company acquired the shares in AssetOwl Technologies Pty Ltd pursuant to the Acquisition Agreement (and any Associates to whom those Shareholders have transferred shares received as consideration under the acquisition agreement)

Subsequent to the end of the reporting period, on 8<sup>th</sup> January 2018 the Company held a general meeting to allow shareholders to vote on the three resolutions, being:

- Amendment to the Company's constitution;
- Disposal of the Company's Rum Jungle Project in the Northern Territory; and
- Selective reduction of Capital.

Shareholders voted in favour of the three resolutions.

This transaction between AssetOwl Limited and Podium was completed on 9<sup>th</sup> February 2018, with AssetOwl being issued 6,000,000 shares and 3,000,000 options in Podium (Consideration Securities).

Had this transaction been completed prior to the end of the reporting period, the Company would have recognised a gain on the disposal of the Company's Rum Jungle project equal to the fair value of the Consideration Securities received.

There are no assets or liabilities on the Company's consolidated statement of financial position at 31 December 2017 related to the Rum Jungle project and as such there are no assets or liabilities classified as held for sale.

The In-Specie distribution of Podium shares and options to Eligible shareholders was completed on 22<sup>nd</sup> February 2018, each Eligible shareholder received 13 shares and 6.6 options for every 100 AssetOwl shares held at the record date.

Had this In-Specie distribution occurred during the period to 31 December 2017 the Company would have recognised a reduction in Contributed equity equal to fair value of the Consideration securities received, representing the return of capital to the eligible AssetOwl shareholders.

#### OTHER MATTERS

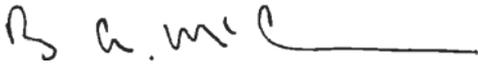
No other matters or circumstances have occurred subsequent to the reporting date that would have a material impact on the consolidated financial statements.

## DIRECTORS' REPORT

### AUDITORS INDEPENDENCE DECLARATION

The lead auditor's independence declaration as required under S.307C of the Corporations Act 2001 is set out on page 9 for the half year ended 31 December 2017.

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

A handwritten signature in black ink, appearing to read 'B. McCracken', followed by a horizontal line extending to the right.

**Bruce McCracken**

Executive Director

Dated at Perth, Western Australia, this 28<sup>th</sup> of February 2018

## DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF ASSETOWL LIMITED

As lead auditor for the review of AssetOwl Limited for the half-year ended 31 December 2017, 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 review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

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



**Jarrad Prue**

Director

**BDO Audit (WA) Pty Ltd**

Perth, 28 February 2018

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR HALF-YEAR ENDED 31 DECEMBER 2017

	Notes	HALF YEAR	
		31 December 2017	31 December 2016
		\$	\$
<b>CONTINUING OPERATIONS</b>			
Revenue		5,428	-
Interest		7,272	924
R&D tax incentive benefit		608,136	24,535
Change in Fair Value of Contingent Consideration Payable		668,116	-
Accounting and Audit expenses		(36,300)	(25,270)
Legal expenses		(79,004)	(164,073)
Corporate and administrative expenses		(74,730)	(130,204)
Professional consultant and contractor fees		(50,542)	(205,269)
Employee benefit expenses		(225,575)	(90,871)
Research expenses		(1,354,097)	(53,234)
Depreciation and amortisation		(21,706)	(2,083)
Exploration expenditure		-	(41,995)
Tenements administration expense		(34,162)	-
Impairment expense	6	(500,000)	-
Other expenses		(64,474)	(9,478)
<b>LOSS BEFORE INCOME TAX</b>	4	<b>(1,151,638)</b>	<b>(697,018)</b>
Income tax benefit		-	-
<b>LOSS AFTER INCOME TAX</b>		<b>(1,151,638)</b>	<b>(697,018)</b>
Other Comprehensive Income		-	-
<b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD</b>		<b>(1,151,638)</b>	<b>(697,018)</b>
Total comprehensive loss for the period is attributable to:		(1,151,638)	(697,018)
Basic loss (cents per share)		(1.90)	(2.43)

The above 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 31 DECEMBER 2017

	Notes	31 December 2017 \$	30 June 2017 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		692,412	1,690,810
Trade and other receivables	5	650,828	916,841
<b>TOTAL CURRENT ASSETS</b>		<b>1,343,240</b>	<b>2,607,651</b>
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment		47,938	44,801
Intangible Assets (including goodwill)	6	5,310,622	5,823,188
<b>TOTAL NON-CURRENT ASSETS</b>		<b>5,358,560</b>	<b>5,867,989</b>
<b>TOTAL ASSETS</b>		<b>6,701,800</b>	<b>8,475,640</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		99,514	88,338
Employee Benefit Obligations		175,069	140,331
Financial Liabilities	7	1,012,500	800,000
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,287,083</b>	<b>1,028,669</b>
<b>NON-CURRENT LIABILITIES</b>			
Financial Liabilities	7	141,719	1,022,335
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>141,719</b>	<b>1,022,335</b>
<b>TOTAL LIABILITIES</b>		<b>1,428,802</b>	<b>2,051,004</b>
<b>NET ASSETS</b>		<b>5,272,998</b>	<b>6,424,636</b>
<b>EQUITY</b>			
Contributed Equity		17,045,391	17,045,391
Reserves		1,518,435	1,518,435
Accumulated Losses		(13,290,828)	(12,139,190)
<b>TOTAL EQUITY</b>		<b>5,272,998</b>	<b>6,424,636</b>

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

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR HALF-YEAR ENDED 31 DECEMBER 2017

Notes	Contributed Equity \$	Option Reserve \$	Accumulated Losses \$	Total \$
<b>BALANCE AT 1 JULY 2017</b>	<b>17,045,391</b>	<b>1,518,435</b>	<b>(12,139,190)</b>	<b>6,424,636</b>
Loss for the half year	-	-	(1,151,638)	(1,151,638)
<b>Total comprehensive loss for the half year</b>	<b>-</b>	<b>-</b>	<b>(1,151,638)</b>	<b>(1,151,638)</b>
<b>BALANCE AT 31 DECEMBER 2017</b>	<b>17,045,391</b>	<b>1,518,435</b>	<b>(13,290,828)</b>	<b>5,272,998</b>
<b>BALANCE AT 1 JULY 2016</b>	<b>11,704,402</b>	<b>59,361</b>	<b>(10,733,427)</b>	<b>1,030,336</b>
Loss for the half year	-	-	(697,018)	(697,018)
<b>Total comprehensive loss for the half year</b>	<b>-</b>	<b>-</b>	<b>(697,018)</b>	<b>(697,018)</b>
Transactions with equity holders in their capacity as equity holders				
Shares issued for capital raising	3,500,000	-	-	3,500,000
Shares issued for acquisition of AssetOwl Technologies Pty Ltd	3,000,000	-	-	3,000,000
Shares issued for advisory services in relation to the acquisition of AssetOwl Technologies Pty Ltd	200,000	-	-	200,000
Options issued to underwriters	(950,583)	950,583	-	-
Vendor Options	-	508,491	-	508,491
Share issue costs during the half year	(400,256)	-	-	(400,256)
<b>BALANCE AT 31 DECEMBER 2016</b>	<b>17,053,563</b>	<b>1,518,435</b>	<b>(11,430,445)</b>	<b>7,141,553</b>

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

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR HALF-YEAR ENDED 31 DECEMBER 2017

	HALF YEAR		
	Notes	31 December 2017	31 December 2016
		\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from Customers		4,870	-
Payments to suppliers and employees		(1,841,821)	(625,190)
Payments for exploration and evaluation expenditure		(32,662)	(41,995)
Interest received		7,272	924
Receipt of Research and Development Grant		861,221	-
<b>NET CASH FLOWS (USED IN) OPERATING ACTIVITIES</b>		<b>(1,001,120)</b>	<b>(666,261)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(12,278)	-
Cash acquired on acquisition of businesses		-	16,525
<b>NET CASH FLOWS PROVIDED BY/(USED IN) INVESTING ACTIVITIES</b>		<b>(12,278)</b>	<b>16,525</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of shares (net of transaction costs)		-	3,032,881
Recovery of related party loan		15,000	-
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>		<b>15,000</b>	<b>3,032,881</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		<b>(998,398)</b>	<b>2,383,145</b>
Cash and cash equivalents at beginning of period		<b>1,690,810</b>	<b>1,097,149</b>
<b>CASH AT END OF PERIOD</b>		<b>692,412</b>	<b>3,480,294</b>

The above 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

### (a) Basis of preparation of Half-Year Financial Statements

This half-year financial report is a general purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 'Interim Financial Reporting', Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

The half-year financial report does not include full disclosures of the type normally included within the annual financial statements. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as the full financial statements.

It is recommended that the half-year financial report be read in conjunction with the annual financial statements for the year ended 30 June 2017 and considered together with any public announcements made by the Group during the half-year ended 31 December 2017 in accordance with the continuous disclosure requirements arising under Corporations Act 2001 and the ASX Listing Rules.

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

These half-year financial statements were approved by the Board of Directors on 28<sup>th</sup> of February 2018.

### (b) Changes in and adoption of new accounting policies

The Group's accounting policies are consistent with the policies adopted for the previous financial year.

### (c) Significant accounting judgements, estimates and assumptions

The preparation of the half-year 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 preparing this half-year financial report, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty relate to the following:

- R&D receivable (note 5)
- Goodwill (note 6)
- Contingent Consideration (note 7)

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## (d) 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 six month period ended 31 December 2017 the group made a loss of \$1,151,638 and had cash outflows from operating activities of \$1,001,120. The ability of the Consolidated Entity to continue as a going concern is dependent on securing additional funding through the issue of equity. These conditions indicate a material uncertainty that may cast a significant doubt about the consolidated entity'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 Directors believe that the Consolidated Entity will continue as a going concern due to current working capital and expected successful fundraising through the issue of equity. As a result, the financial information has been prepared on a going concern basis.

Should the Consolidated Entity 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.

## 2. Business Combination

On the 23rd of December 2016, AssetOwl Limited acquired 100% of the share capital of AssetOwl Technologies Pty Ltd, the twelve month 'measurement period' for this acquisition ended on the 23rd of December 2017. Up to this date, Management considered the existence of any Assets not previously recognised, and in doing so applied accounting standard AASB138 Intangible Assets.

Following finalisation of the business combination accounting there was no change to the amounts disclosed in the 30 June 2017 financial statements.

## 3. SEGMENT INFORMATION

The directors have considered the requirements of AASB 8 – Operating segments are identified and segment information disclosed on the basis of internal reports that are regularly provided to, or reviewed by, the Group's chief operating decision maker, which is the Board of Directors. In this regard, such information is provided using similar measures to those used in preparing the Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Financial Position and Consolidated Statement of Cash Flows.

For the half year ended 31 December 2017, the Consolidated Entity had only one geographical location being Australia and operated in one business segment being Software Development. This operating segment was acquired on the 23<sup>rd</sup> of December 2016 on the acquisition of AssetOwl Technologies Pty Ltd and the results shown below therefore only include the period since the date of acquisition.

Segment information provided to the executive management committee is as follows:

	Software Development	Unallocated	Total
<b>31 December 2017</b>			
Assets	6,026,211	675,589	6,701,800

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	Software Development	Unallocated	Total
Liabilities	(1,342,533)	(86,269)	(1,428,802)
<b>Net Assets</b>			<b>5,272,998</b>
<b>30 June 2017</b>			
Assets	6,807,531	1,668,109	8,475,640
Liabilities	(2,021,287)	(29,717)	(2,051,004)
<b>Net Assets</b>			<b>6,424,636</b>

\*Assets and liabilities reported as Unallocated are those of the Parent Company which is not considered to be part of the Software Development Segment.

	Software Development
<b>Half Year 31 December 2017</b>	
Revenue	5,428
Reportable segment profit/(loss)	(781,656)*
<b>Half Year 31 December 2016</b>	
Revenue	-
Reportable segment profit/(loss)	(37,440)

\* Reportable segment profit/(loss) for software development includes the change in fair value of the Contingent Consideration relating to the acquisition of AssetOwl Technologies Pty Ltd, being \$668,116. Refer to note 7 for further detail on this amount. There is no equivalent change in fair value of the contingent consideration liability for the period to 31 December 2016.

	Half-year	
	31 December 2017	31 December 2016
<b>Segment Operating Profit / (Loss)</b>	(781,656)	(37,440)
Interest Income	6,616	924
Accounting and audit expenses	(30,775)	(16,720)
Legal	(60,302)	(164,072)
Corporate and Administrative expenses	(74,476)	(130,204)
Professional consultant and contractors fee	(13,139)	(200,000)
Director Fees	(134,985)	(90,420)
Tenements administration expense	(34,162)	-
Exploration expenditure	-	(41,995)
Other expenses	(28,759)	(17,091)
<b>Profit/(Loss) before Income Tax</b>	<b>(1,151,638)</b>	<b>(697,018)</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 4. REVIEW OF EXPENDITURE

Expenditure in the current period is higher than the prior period. This increased expenditure has arisen through actions associated with the acquisition of AssetOwl Technologies Pty Ltd on 23 December 2016. Expenditure incurred during the half year is for full 6 months expenditures of AssetOwl Technologies Pty Ltd compared to the prior period only included the expenditures for the period from 23 December 2016 to 31 December 2016.

Impairment expense of \$500,000 has been recognised during the period, refer to note 6 for further disclosure.

The Group's expenditure for the period is offset by the 'Change in Fair Value of Contingent Consideration Payable' recognised during the period, a gain of \$668,116.

### 5. RECEIVABLES

	31 December 2017	30 June 2017
	\$	\$
Trade and other receivables	5,610	-
Prepayment	-	5,000
Office bond paid	-	400
R&D Offset receivable <sup>(1)</sup>	591,118	844,203
GST receivable	16,639	14,777
Related party loan receivable	37,461	52,461
	<b>650,828</b>	<b>916,841</b>

(1) 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 2018 financial year. The methodology for calculating the amount of the R&D receivable for the 6 months to 31 December 2017 is consistent with the R&D methodology to determine the amount of the R&D incentive for the year to 30 June 2017. The determination of the receivable amount recognised at 31 December 2017 involves judgement and as a result, the amount is an estimate.

Payment from ATO in regards R&D offset receivable recognised on the Consolidated Statement of Financial position at 30 June 2017 was received on 24 October 2017.

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 6. INTANGIBLE ASSETS

	31 December 2017	30 June 2017
	\$	\$
Goodwill – at beginning of period	5,747,923	5,747,923
Impairment expense	(500,000)	-
<b>Goodwill – at end of period</b>	<b>5,247,923</b>	<b>5,747,923</b>
Formation expenses	199	398
Intellectual property	62,500	74,867
	<b>5,310,622</b>	<b>5,823,188</b>

The Intellectual Property and Goodwill held by the Company have arisen upon the acquisition of AssetOwl Technologies Pty Ltd which occurred in December 2016. Intellectual property is recognised at the value recognised at acquisition date.

The Goodwill is attributable to the cash flows expected to arise from the Company's acquisition of AssetOwl Technologies Pty Ltd. The Board views the Company as one CGU ('AssetOwl CGU'), and monitors the Company'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 (FVL COD) of the underlying assets. The method applied was the market approach based on the current market capitalisation (number of shares on issue multiplied by the quoted market price per share) of the Group on the Australian Securities Exchange (ASX). The recoverable value is a Level 3 measurement with the main unobservable input being the fair value of the AssetOwl CGU.

The Group has recorded an impairment expense during the year, which reflects the subsequent movement in the market value of the Company. It is noted that this does not reflect the Company's underlying cash flow forecast for the business, as this measure is not considered appropriate under the accounting standards due to the business being in the early stages of commercialisation without a sufficient track record.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 7. FINANCIAL LIABILITIES THROUGH PROFIT OR LOSS

	31 December 2017	30 June 2017
	\$	\$
<b>Contingent Consideration</b>		
<b>Current Liability</b>		
15,000,000 Class A Performance Rights - Value at beginning of reporting period	800,000	1,500,000
Fair value increase/(decrease)	(125,000)	(700,000)
Class A Performance rights liability	<b>675,000</b>	<b>800,000</b>
7,500,000 Class B Performance Rights - Value at beginning of reporting period	720,000	-
Fair value increase/(decrease)	(382,500)	-
Class B Performance rights liability	<b>337,500</b>	-
<b>Total Current Liability</b>	<b>1,012,500</b>	<b>800,000</b>
<b>Non-Current Liability</b>		
7,500,000 Class B Performance Rights	-	500,000
Fair value increase/(decrease)	-	220,000
Class B Performance rights liability	-	<b>720,000</b>
3,149,319 Class C Performance Rights - Value at beginning of reporting period	302,335	209,955
Fair value increase/(decrease)	(160,616)	92,380
Class C Performance rights liability	<b>141,719</b>	<b>302,335</b>
<b>Total Non-Current Liability</b>	<b>141,719</b>	<b>1,022,335</b>
<b>Total Liability</b>	<b>1,154,219</b>	<b>1,822,335</b>

The value of the contingent consideration is the Board's assessment of the value of performance rights issued under the agreement for the acquisition of AssetOwl Technologies Pty Ltd.

When the Company acquired AssetOwl Technologies Pty Ltd on 23 December 2016, the Company issued 25,649,319 Performance rights to the vendors in three separate classes: A, B and C. The vesting of the performance rights is based the achievement of pre-defined performance metrics for the years ending 31 December 2017, 2018 and 2019.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For each class of Performance Rights, the value of the liability above is based on:

- The current likelihood of performance milestone targets being met,
- The number of performance rights which may vest under the share purchase agreement for the acquisition of AssetOwl Technologies Pty Ltd; and
- The Company's share price as at 31 December 2017, being 13.5c.

For each year, there are milestone targets relating to number of stores at the end of the year, revenue and Net Profit before tax (NPBT). Full details on these targets is provided in the Company's Annual report for the year to 30 June 2017.

In relation to year 1, being the calendar year ended 31 December 2017, the Company has achieved the stores milestone target, however, the Company has not achieved the milestone targets relating to revenue or Net Profit Before Tax. Consistent with the terms of the Share sale and purchase agreement, those Performance Rights associated with the stores target, being 5,000,000 Performance Rights, have vested as at 31 December 2017, while the remaining 10,000,000 Class A Performance Rights were forfeited at 31 December 2017.

As at 30 June 2017, Management estimated that the likelihood of the milestone 1 targets being met was 33⅓%, and this is the % of year 1 / class A Performance Rights which have ultimately vested.

Pursuant to the Share Sale and Purchase agreement for the acquisition of AssetOwl Technologies Pty Ltd, it is at the discretion of AssetOwl Limited whether the liability is to be settled through the payment of cash or through the issue of shares in AssetOwl Limited. As at the date of this financial report, the directors have not advised the vendors of the manner in which the vested performance rights will be settled and as a result, the value of these vested performance rights continues to be recognised as a liability.

At 30 June 2017, Management estimated that the likelihood of both class B and class C performance rights vesting was 60%. As at 31 December 2017, Management now estimate that the likelihood of both Class B and Class C Performance Rights vesting is 33⅓%.

The change in fair value of Contingent Consideration payable over the 6-month period to 31 December 2017, an amount of \$668,116, has arisen by:

- Managements re-assessment of the likelihood of the remaining performance milestone targets being met; and
- The change in share price of the Company's shares, the closing price of the Company's shares on the ASX at 30 June 2017 was 16c per share, while the closing price of the Company's shares on the ASX at 31 December 2017 is 13.5c per share.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The financial liability is a level 3 financial instrument. The following table summarises the quantitative information about the significant unobservable inputs used in this level 3 fair value measurement:

Description	Fair Value at 31 December 2017	Unobservable inputs	Range of Inputs	Relationship of inputs to fair value
Contingent consideration	1,154,219	Probability of achieving milestones disclosed above	Class A Performance Right Milestones: 33⅓%* Class B Performance Right Milestones: 33⅓% Class C Performance Right Milestones: 33⅓%	If the probability of achieving Class B and C performance right milestones was 10% higher or lower, the fair value would increase/decrease by \$143,765

\*this is no longer an estimate as these milestones relate to 2017 calendar year, 1/3<sup>rd</sup> of the milestones relating to this calendar year were met.

As stated in the Company's Annual Report for the year ended 30 June 2017, it is at the discretion of AssetOwl Limited whether the liability is to be settled through the payment of cash or through the issue of shares in AssetOwl Limited.

### 8. CONTINGENT LIABILITIES

There are no contingent liabilities at 31 December 2017.

### 9. COMMITMENTS

There are no changes to the Company's commitments since 30 June 2017, with the exception of a reduction in the Company's Melbourne office lease commitment due to the passing of time.

### 10. RELATED PARTY INFORMATION

The Company is owed \$37,461 by the Company's CEO Giuseppe Di Franco, this amount was \$52,461 at 30 June 2017. The loan has been recovered from Mr Di Franco through a payroll deduction. The loan is interest free.

In the year to 30 June 2017, Matrix Partners Pty Ltd, a Company associated with Mr Andrew Lane, a non-executive director of the Company, provided accounting, taxation and business advisory services in connection with the operations of the Group. During the 6 month period to 31 December 2017, Matrix Partners Pty Ltd did not provide any services to the Company.

### 11. EVENTS OCCURRING AFTER THE REPORTING PERIOD

#### Disposal of Rum Jungle Project and Capital return.

On 1 November 2017, the Company announced to the ASX that it had entered into a conditional sale transaction with Weld Range Minerals Limited (ACN 009 200 079) (subsequently renamed 'Podium Minerals Limited')(Podium), pursuant to which:

- Podium agreed to purchase the Company's Rum Jungle Project, in exchange for 6,000,000 shares in Podium and 3,000,000 options in Podium ('Consideration Securities'); and
- The Company agreed to distribute the Consideration Securities In-Specie to 'Eligible shareholders'.

Eligible shareholders are defined as all shareholders of the Company with a registered address in Australia and New Zealand at the Record Date (being 15<sup>th</sup> February 2018), other than AssetOwl Vendors.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AssetOwl Vendors being defined as the Shareholders from whom the Company acquired the shares in AssetOwl Technologies Pty Ltd pursuant to the Acquisition Agreement (and any Associates to whom those Shareholders have transferred shares received as consideration under the acquisition agreement).

Subsequent to the end of the reporting period, on 8<sup>th</sup> January 2018 the Company held a general meeting to allow shareholders to vote on the three resolutions, being:

- Amendment to the Company's constitution;
- Disposal of the Company's Rum Jungle Project in the Northern Territory; and
- Selective reduction of Capital.

Shareholders voted in favour of the three resolutions.

This transaction between AssetOwl Limited and Podium was completed on 9<sup>th</sup> February 2018, with AssetOwl being issued 6,000,000 shares and 3,000,000 options in Podium (Consideration Securities).

Had this transaction been completed prior to the end of the reporting period, the Company would have recognised a gain on the disposal of the Company's Rum Jungle project equal to the fair value of the Consideration Securities received.

There are no assets or liabilities on the Company's consolidated Statement of Financial Position at 31 December 2017 related to the Rum Jungle project and as such there are no assets or liabilities classified as held for sale.

The In-Specie distribution of Podium shares and options to Eligible shareholders was completed on 22<sup>nd</sup> February 2018, each eligible shareholder received 131.16 shares and 65.58 options for every 1,000 AssetOwl shares held at the record date.

Had this In-Specie distribution occurred during the period to 31 December 2017 the Company would have recognised a reduction in Contributed equity equal to fair value of the Consideration securities received, representing the return of capital to the eligible AssetOwl shareholders.

### **Other matters**

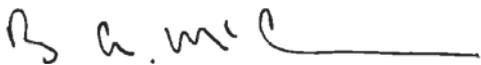
No other matters or circumstances have occurred subsequent to reporting date that would have a material impact on the consolidated financial statements.

## DIRECTORS' DECLARATION

In the opinion of the directors of AssetOwl Limited:

1. The financial statements and notes set out on pages 10 to 22, are in accordance with the *Corporations Act 2001*, including:
  - (a) giving a true and fair view of the consolidated financial position as at 31 December 2017 and of its performance, for the half year ended on that date; and
  - (b) complying with Australian Accounting Standards AASB 134 Interim Financial Reporting, the Corporation Regulations 2001 and the mandatory professional reporting requirements.
2. There are reasonable grounds to believe that the Consolidated Entity will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



**Bruce McCracken**

Executive Director

Dated at Perth, Western Australia, this 28<sup>th</sup> of February 2018

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of AssetOwl Limited

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the half-year financial report of AssetOwl Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2017, 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 half-year then ended, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2017 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

#### Emphasis of matter - Material uncertainty relating to going concern

We draw attention to Note 1(d) 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 conclusion is not modified in respect of this matter.

#### Directors' responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

#### Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2017 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### **Independence**

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's review report.

**BDO Audit (WA) Pty Ltd**

A handwritten signature in blue ink, consisting of the letters 'BDO' above the name 'J Prue'.

**Jarrad Prue**

**Director**

Perth, 28 February 2018