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AssetOwl

AssetOwl Limited

Appendix 4D

Half Year Report for the 6 Months ended to 31 December 2019

The following sets out the requirements of Appendix 4D with the stipulated information either provided here or cross-referenced to the 31 December 2019 Interim Financial Report, which is attached.

This Appendix 4D should be read in conjunction with the attached 31 December 2019 Interim Financial Report.

Name of Entity	**Current Period**
ASSETOWL LIMITED	PERIOD ENDED 31 DECEMBER 2019
ACN	**Prior Corresponding Period**
122 727 342	PERIOD ENDED 31 DECEMBER 2018

Results for Announcement to the Market	**% Movement Compared to the Prior Period**	**Current Period A$**	**Previous Period A$**
Revenue from Ordinary Activities	28.18%	8,510	6,639
Reported net (loss) from ordinary activities after tax	6.23%	(643,848)	(686,636)
Reported net (loss) attributable to members	6.23%	(643,848)	(686,636)

Net Assets	**31 December 2019**	**31 December 2018**
Net Tangible Assets ($A)	385,997	320,438
Number of Securities	301,220,812	89,385,067
Net Tangible Assets per security (cents)	0.13	0.36

Dividends	**Interim Dividend 2020**	**Interim Dividend 2019**
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.

The independent auditors review report contains a section drawing attention to 'material uncertainty relating to going concern', further details is provided in the interim financial report which is attached to this Appendix 4D.

Authority

This announcement has been authorised for release by the Board of Directors of AssetOwl Limited.

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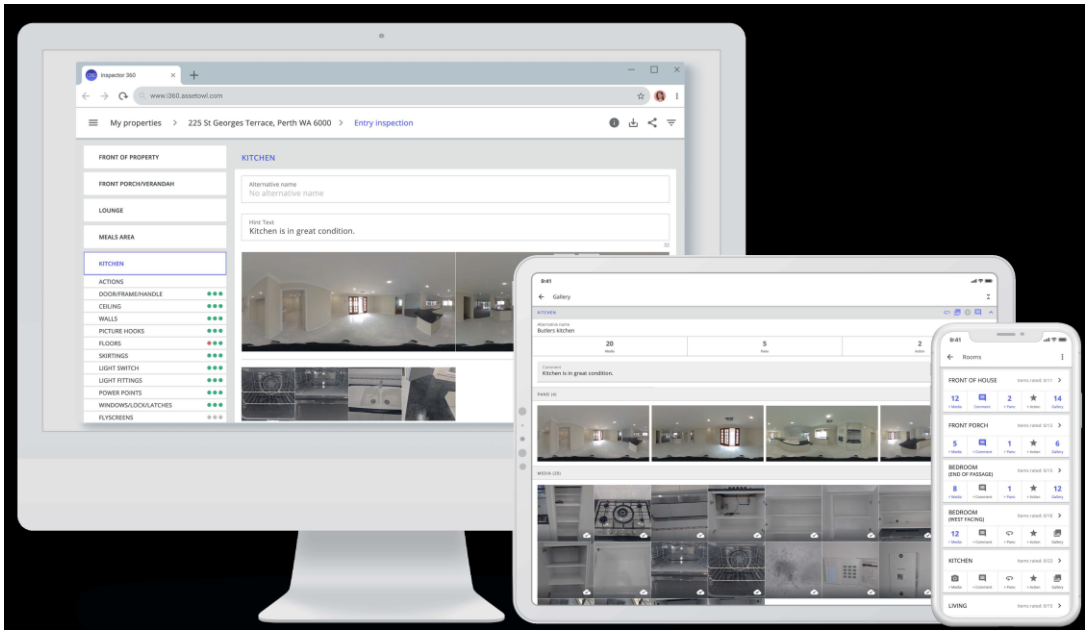
ACN 122 727 342



CONSOLIDATED INTERIM FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

CONTENTS

	Page
Corporate Directory	3
Directors' Report	4
Auditors Independence Declaration	7
Consolidated Statement of Profit or Loss and Other Comprehensive Income	8
Consolidated Statement of Financial Position	9
Consolidated Statement of Changes in Equity	10
Consolidated Statement of Cash Flows	11
Notes to the Consolidated Financial Statements	12
Directors' Declaration	18
Independent Auditor's Review Report	19

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CORPORATE DIRECTORY

DIRECTORS	Simon Trevisan	(Chairman)
	Andrew Lane	(Non-Executive Director)
	Geoff Baldwin	(Non-Executive Director)
COMPANY SECRETARY	Sean Meakin	
REGISTERED AND PRINCIPAL OFFICE	Level 14	
	225 St Georges Terrace	
	PERTH WA 6000	
	Telephone:	(08) 9424 9320
	Facsimile:	(08) 9321 5932
	Website:	https://assetowl.com/
	Email:	sales@assetowl.com
AUDITORS	BDO Audit (WA) Pty Ltd	
	38 Station Street	
	SUBIACO WA 6008	
SHARE REGISTRY	Automic Group	
	Level 2, 267 St Georges Terrace	
	PERTH WA 6000	
	Telephone:	1300 288 664 (within Australia)
		+61 (0) 2 9698 5414 (international)
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 3, Brookfield Place Tower 2	
	123 St Georges Terrace	
	PERTH WA 6000	

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DIRECTORS' REPORT

The Directors present their report together with the financial report of AssetOwl Limited (the Group) for the half year ended 31 December 2019 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.

- Simon Trevisan (Chairman)
- Andrew Lane (Non-Executive Director)
- Geoff Baldwin (Non-Executive Director)

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

REVIEW OF OPERATIONS

Highlights

- Completion and release of AssetOwl's next-generation property management platform, Inspector360 v1.0
- Grant of Inspector360 license to leading property inspection service provider, PCR & Inspection Services.
- Successful completion of Inspector360 commercial trial with RE/ MAX WA resulting in the signing of an agreement with the Company to implement Inspector360.
- Filing of a provisional Australian patent application to protect Inpsector360 intellectual property (IP).

AssetOwl Limited (ASX: AO1, **AssetOwl** or the **Company**) is an innovative technology company which has developed an enterprise software application. It provides cloud-based software services for real estate asset management to the residential, retail and government property sectors.

AssetOwl launched its photo-centric property management platform, Inspector360, in September 2019. The app provides tenants, property managers and landlords with an exact record of the condition of residential properties during a tenancy and when tenants move in and out, using AssetOwl's proprietary virtual tour technology to create an internal view of a property.

Following the launch of Inspector360, the Company received positive user feedback, and acceptance trials were completed with AssetOwl's cornerstone customers RE/MAX WA and leading property inspection service provider leading PCR & Inspection Services ('PCRS').

In February 2020, AssetOwl achieved a very important commercial milestone, when it entered into a commercial license agreement with leading property inspection service provider, PCR & Inspection Services ('PCRS'), AssetOwl granted PCRS an initial 18-month license agreement to utilise Inspector360 to conduct initial entry, routine and exit inspections for PCRS' clients who do not currently utilise property inspector software. PCRS will also be licenced as a reseller to allow it to sublicence Inspector360 to other clients so that they can upgrade from other residential property management software products to Inspector360.

Since being founded in 2005, PCRS has grown into a successful and property inspection provider, now servicing over one hundred real estate agencies with an estimated 10,000 properties under management and delivering an average of 65 property condition reports and 35 routine inspections per week.

Also in Q3 FY2020, following successful completion of a commercial trial in the RE/MAX WA Corporate Office, RE/MAX confirmed its intention to implement Inspector360 ongoing and to refer it to Australian RE/MAX RE/MAX franchisees. Part of the NYSE-listed RE/MAX Holdings (NYSE: RMAX), RE/MAX WA is a residential and commercial real estate agency and property manager, part of a network of more than 120,000 agents active in over 100 countries and territories.

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DIRECTORS' REPORT

AssetOwl is to commence Inspector360 trials with several additional existing partners, including Colliers International WA, The Agency Group Australian (ASX: AU1), and Attree Real Estate in March 2020.

Inspector360 includes a number of novel and unique features. AssetOwl engaged Wrays Patent Attorneys to prepare patent applications, which were filed with the Australian Patent Office for Intellectual Property in January 2020. Filing the provisional patent application allows AssetOwl's software to be sold commercially while protecting the IP.

The Company is close to completing the integration of Inspector360 with PropertyMe; a leading trust accounting and communication platform, and one of Australia's largest and most complete cloud property management software providers. More than 2,500 real estate agencies and property management customers utilise the PropertyMe platform. AssetOwl plans to launch an integrated service offering to PropertyMe customers in March 2020.

AssetOwl is in the final stages of entering into a partnership agreement to implement Inspector360 with PropertyTree, a property management and communications platform with more than 3,500 real estate agency customers across Australia and New Zealand.

CORPORATE

Results of AGM

At AssetOwl's Annual General Meeting of Shareholders on 25 November 2019, all resolutions contained in the Notice of Meeting passed on a show of hands.

Appointment of Company Secretary

On 13 September 2019 the Company appointed Mr Sean Meakin as its Company Secretary. Mr Meakin took over this role from Ms Fleur Hudson.

Mr Meakin is a Chartered Accountant and an associate member of the Governance Institute of Australia, he is also the Company Secretary of BMG Resources Limited (ASX: BMG), and unlisted company Zeta Petroleum Plc.

Ms Hudson is an Executive Director of Tribis Pty Ltd, AssetOwl's largest shareholder, she continues to provide management and commercial support to AssetOwl in this capacity. Ms Hudson served as Company Secretary of AssetOwl Limited (then Regalpoint Resources Limited) since 2009.

Resignation of Alternate Director

Mr Jack Stone retired as alternate director of the Company's Chairman Mr Simon Trevisan on 17 July 2019.

PRINCIPAL ACTIVITIES

The principal activity of the Group is technology and software development.

OPERATING RESULTS

The Group's net loss after providing for income tax for the half year ended 31 December 2019 amounted to $643,848 (half year ended 31 December 2018: $686,636). At 31 December 2019, the Group has $201,022 cash and cash equivalents (30 June 2019: $717,948).

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

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

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DIRECTORS' REPORT

EVENTS OCCURING SUBSEQUENT TO THE END OF THE REPORTING PERIOD

In February 2020, AssetOwl entered into a commercial license agreement with leading property inspection service provider, PCR and Inspection Services ('PCRS'). AssetOwl has granted PCRS an initial 18-month licence from 21 February 2020 to utilise Inspector360 to conduct initial entry, routine and exit inspections for PCRS' clients who do not currently utilise property inspector software. PCRS will also be licenced as a reseller to allow it to sublicence Inspector360 to other clients so that they can upgrade from other residential property management software products to Inspector360.

AssetOwl will receive a fee per report generated using Inspector360. The fees charged are set depending on the nature of the report and also the level of functionality that can be accessed. The tenant and landlord applications being premium offerings with higher associated licence fees.

Having regard to the inputs which will determine the value of the Company's revenue generated from this agreement, the Company is unable to quantify the economic impact of the agreement.

Tribis Pty Ltd (Tribis) has provided a letter of support to the Company dated 24 February 2020 confirming that Tribis will provide financial support to AssetOwl to meet its debts when they fall due and to enable AssetOwl to carry on its business as a going concern and maintain its assets in good standing for a period until AssetOwl completes adequate fund raising or for the period of 12 months from the date of signing the 2019 Half Year Report.

There were no other post reporting date events at the reporting date.

AUDITORS INDEPENDENCE DECLARATION

The lead auditor's independence declaration as required under S.307C of the Corporations Act 2001 is set out on page 7 for the half year ended 31 December 2019.

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

Simon Trevisan
Chairman
Dated at Perth, Western Australia, this 28th of February 2020

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

As lead auditor for the review of AssetOwl Limited for the half-year ended 31 December 2019, 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.

Neil Smith

Director

BDO Audit (WA) Pty Ltd

Perth, 28 February 2020

BDO Audit (WA) Pty Ltd ABN 79 112 284 787 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit (WA) Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR HALF-YEAR ENDED 31 DECEMBER 2019

	Notes	HALF YEAR	
		31 December 2019	31 December 2018
		$	$
CONTINUING OPERATIONS			
Revenue		8,510	6,639
Interest		1,526	2,615
R&D tax incentive benefit		242,526	231,606
Accounting and Audit expenses		(21,752)	(22,381)
Legal expenses		(12,283)	(19,518)
Corporate and administrative expenses		(50,839)	(66,670)
Professional consultant and contractor fees		(108,661)	(35,713)
Employee benefit expenses		(95,303)	(85,304)
Research expenses		(548,820)	(509,162)
Depreciation and amortisation		(22,089)	(21,407)
Tenements administration expense		-	(117,977)
Impairment expense		-	(14,816)
Other expenses		(36,663)	(34,548)
(LOSS) BEFORE INCOME TAX	3	**(643,848)**	**(686,636)**
Income tax benefit		-	-
(LOSS) AFTER INCOME TAX		**(643,848)**	**(686,636)**
Other Comprehensive Income			-
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		**(643,848)**	**(686,636)**
Total comprehensive loss for the period is attributable to: Owners of AssetOwl Limited		(643,848)	(686,636)
Basic loss (cents per share)		(0.21)	(0.77)

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

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2019

	Notes	31 December 2019 $	30 June 2019 $
CURRENT ASSETS			
Cash and cash equivalents		201,022	717,948
Trade and other receivables	4	264,198	443,065
TOTAL CURRENT ASSETS		**465,220**	**1,161,013**
NON-CURRENT ASSETS			
Property, Plant and Equipment		11,166	15,586
Intangible Assets (including goodwill)	5	1,078,701	1,091,201
TOTAL NON-CURRENT ASSETS		**1,089,867**	**1,106,787**
TOTAL ASSETS		**1,555,087**	**2,267,800**
CURRENT LIABILITIES			
Trade and other payables		28,281	96,615
Employee Benefit payable		62,108	62,639
TOTAL CURRENT LIABILITIES		**90,389**	**159,254**
TOTAL LIABILITIES		**90,389**	**159,254**
NET ASSETS		**1,464,698**	**2,108,546**
EQUITY			
Contributed Equity		18,156,122	18,156,122
Accumulated Losses		(16,691,424)	(16,047,576)
TOTAL EQUITY		**1,464,698**	**2,108,546**

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

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR HALF-YEAR ENDED 31 DECEMBER 2019

	Contributed Equity $	Share based payments Reserve $	Accumulated Losses $	Total $
BALANCE AT 1 JULY 2019	**18,156,122**	**-**	**(16,047,576)**	**2,108,546**
(Loss) for the half year	-	-	(643,848)	(643,848)
Total comprehensive loss for the half year	**-**	**-**	**(643,848)**	**(643,848)**
BALANCE AT 31 DECEMBER 2019	**18,156,122**	**-**	**(16,691,424)**	**1,464,698**
BALANCE AT 1 JULY 2018	**16,828,594**	**1,558,435**	**(15,555,151)**	**2,831,878**
(Loss) for the half year	-	-	(686,636)	(686,636)
Total comprehensive loss for the half year	**-**	**-**	**(686,636)**	**(686,636)**
Shares issued for professional services	40,000	(40,000)	-	-
BALANCE AT 31 DECEMBER 2018	**16,868,594**	**1,518,435**	**(16,241,787)**	**2,145,242**

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CONSOLIDATED STATEMENT OF CASH FLOWS
FOR HALF-YEAR ENDED 31 DECEMBER 2019

	Notes	HALF YEAR	
		31 December 2019	31 December 2018
		$	$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers		7,821	5,578
Payments to suppliers and employees		(919,374)	(949,639)
Payments for exploration and evaluation related activity		-	(43,907)
Interest received		1,526	2,615
Research and Development Grant received		398,269	983,418
NET CASH (OUTFLOW) FROM OPERATING ACTIVITIES	3	**(511,758)**	**(1,935)**
CASH FLOWS FROM INVESTING ACTIVITIES			
(Purchase) / Sale of property, plant and equipment		(5,168)	510
NET CASH (OUTFLOW) / INFLOW FROM INVESTING ACTIVITIES		**(5,168)**	**510**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowing (Related Party)		-	150,000
NET CASH INFLOW FROM FINANCING ACTIVITIES		**-**	**150,000**
NET INCREASE/(DECREASE) IN CASH HELD		**(516,926)**	**148,575**
Cash and cash equivalents at beginning of period		**717,948**	**310,651**
CASH AT END OF PERIOD		**201,022**	**459,226**

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

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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 2019 and considered together with any public announcements made by the Group during the half-year ended 31 December 2019 in accordance with the continuous disclosure requirements arising under Corporations Act 2001 and the ASX Listing Rules.

The Group's accounting policies are consistent with the policies adopted for the previous financial year and corresponding interim reporting period, except for the adoption of the new accounting standard as set out below.

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

These half-year financial statements were approved by the Board of Directors on 28th of February 2020.

(b) New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

AASB 16 Leases

The consolidated entity has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

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The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Impact of Adoption of AASB 16 - Leases

The consolidated entity has adopted AASB 16 from 1 July 2019 using the retrospective modified approach and as such the comparatives have not been restated. The impact of adoption is not material to the financial statements.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

(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 4)
- Goodwill (note 5)

(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.

The interim financial report has been prepared on a going concern basis.

The Company incurred a loss after tax of $643,848 and incurred total net cash outflows from operating activities of $511,758 for the half year ended 31 December 2019.

The Directors have prepared a cash flow forecast for the period to February 2021, the forecast contemplates the completion of a capital raising in the near term to provide sufficient working capital for the continued operation of the

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business. This results in a material uncertainty that may cast a significant doubt about the Company's ability to continue as a going concern.

As at 28 February 2020, the Group has $18,160.14 cash and cash equivalents on hand.

The Directors have made an assessment on whether it is reasonable to assume that the Company will be able to continue its normal operations based on the following factors and judgements:

- The receipt of a letter of support from major shareholder, Tribis Pty Ltd, to enable AssetOwl to meet its debts as and when they fall due, and maintain its assets good standing for a period until AssetOwl completes adequate fund raising or for the period of 12 months from the date of signing the 2019 Half Year Report.
- Anticipated completion of a capital raising to raise sufficient working capital to secure the operation of the Group;
- The successful commercialisation of its Inspector360 product; and
- Receipt of FY20 Research & Development rebate

Should the Company not be able 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 interim 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. SEGMENT INFORMATION

The Directors have considered the requirements of *AASB 8 – Operating segments*. 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 2019, the Consolidated Entity had only one geographical location being Australia and operated in one business segment being Software Development.

Segment information provided to the Board of Directors is as follows:

	Software Development	Unallocated	Total
31 December 2019			
Assets	1,555,087	-	1,555,087
Liabilities	(66,811)	(23,578)	(90,389)
Net Assets			**1,464,698**
30 June 2019			
Assets	2,267,800	-	2,267,800
Liabilities	(99,903)	(59,351)	(159,254)
Net Assets			**2,108,546**

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	Half Year	
	31 December 2019	**31 December 2018**
Revenue from external sources	8,510	6,639
Reportable segment profit/(loss)	(459,944)	(310,811)
Material and Non-Cash items within the segment (Loss)		
R&D Incentive benefit	238,867	231,606
Depreciation and Amortisation	(22,089)	(21,407)
Impairment Expense	-	(14,816)

Reconciliation of Segment Operating Loss to net loss before Income Tax

	Half-year	
	31 December 2019	**31 December 2018**
Segment Operating (Loss)	(459,944)	(310,811)
Non-segment specific expenditure		
Tenements administration expense	-	(117,977)
Other expenses	(183,604)	(257,848)
(Loss) before Income Tax	**(643,848)**	**(686,636)**

3. REVIEW OF OPERATIONS

Consolidated Statement of Profit or Loss and Other Comprehensive Income

The Group's loss result for the period marginally improved on the loss result for the comparative period.

In the reporting period to 31 December 2018, the Group recognised 'Tenements Administration Expense' in relation to Paroo Range (QLD) tenements which the Group surrendered in December 2018, and accordingly there is no comparable expenditure in relation to these tenements in the 6 month period to 31 December 2019.

The reduction in this expenditure was partly offset by the development of the Company's photo-centric property management platform, Inspector360 which the Company continued to develop in the current period.

Consolidated Statement of Cash Flows

The Group's net cash outflow from operating activities in the 6 months to 31 December 2019 and the comparative period, to 31 December 2018, is substantially impacted by the value of the Research and Development Grant received in the respective periods.

In the comparative period, the 6 months to 31 December 2018, the Group received the Research and Development grant relating to Research and Development activity in the financial year to 30 June 2018. In the 2018 financial year, the Group's Research and Development activity required a higher level of funding by the Group (than the 2019 financial year) and the reduction in the value of the Research and Development Grant received in the 6 months to 31 December 2019 reflects this.

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4. RECEIVABLES

	31 December 2019	30 June 2019
	$	$
Financial Instruments		
Subsequently measured at amortised cost		
Trade and other receivables	6,858	1,100
Office bond paid	4,800	4,800
Assets which are not Financial Instruments		
R&D Offset receivable – 2020 financial year[(1)]	242,524	-
R&D Offset receivable – 2019 financial year[(2)]	-	398,267
GST receivable	10,016	38,898
	264,198	**443,065**

(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 2020 financial year, to 31 December 2019. The methodology for calculating the amount of the R&D receivable for the 6 months to 31 December 2019 is consistent with the R&D methodology to determine the amount of the R&D incentive for the year to 30 June 2019. The determination of the receivable amount recognised at 31 December 2019 involves judgement and as a result, the amount is an estimate.

(2) The R&D offset receivable amount represents the refundable tax offset arising from AssetOwl Technologies Pty Ltd's Research and Development activity for the 2019 financial year. AssetOwl Technologies Pty Ltd received this amount from the Australian Taxation Office on 24 September 2019.

Due to their short-term nature, the carrying amounts of the trade and other receivables is assumed to approximate their fair value.

5. INTANGIBLE ASSETS

	31 December 2019	30 June 2019
	$	$
Goodwill – at beginning of period	**1,066,201**	1,802,054
Impairment expense	-	(735,853)
Goodwill – at end of period	**1,066,201**	**1,066,201**
Intellectual property	12,500	25,000
Total Intangible Assets	**1,078,701**	**1,091,201**

The Intellectual Property and Goodwill held by the Group 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 Group's acquisition of AssetOwl Technologies Pty Ltd. The Board views the Group as one CGU ('AssetOwl CGU') and monitors the Group's Goodwill at this level.

The fair value less costs of disposal (FVLCOD) of the underlying assets have been determined through the market approach. This is based on the current market capitalisation (number of shares on issue multiplied by the quoted market price per share) of the Group on the Australia Securities Exchange (ASX). At 31 December 2019, the Groups market capitalisation ($2,108,546) exceeded the value of the Group's net assets, and it was not necessary to recognise an impairment expense in relation to this reporting period.

6. COMMITMENTS

There are no changes to the Group's commitments since 30 June 2019.

7. RELATED PARTY INFORMATION

Administration Services Agreement

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

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

The Group's Chairman, Mr Simon Trevisan, is the Managing Director and substantial shareholder of Tribis Pty Ltd.

The terms of this Administration Services Agreement for the period to 31 December 2019 where consistent with the terms for the year to 30 June 2019.

8. EVENTS OCCURING SUBSEQUENT TO THE END OF THE REPORTING PERIOD

In February 2020, AssetOwl entered into a commercial license agreement with leading property inspection service provider, PCR and Inspection Services ('PCRS'). AssetOwl has granted PCRS an initial 18 month licence from 21 February 2020 to utilise Inspector360 to conduct initial entry, routine and exit inspections for PCRS' clients who do not currently utilise property inspector software. PCRS will also be licenced as a reseller to allow it to sublicence Inspector360 to other clients so that they can upgrade from other residential property management software products to Inspector360.

AssetOwl will receive a fee per report generated using Inspector360. The fees charged are set depending on the nature of the report and also the level of functionality that can be accessed. The tenant and landlord applications being premium offerings with higher associated licence fees.

Having regard to the inputs which will determine the value of the Company's revenue generated from this agreement, the Company is unable to quantify the economic impact of the agreement.

Tribis Pty Ltd (Tribis) has provided a letter of support to the Company dated 24 February 2020 confirming that Tribis will provide financial support to AssetOwl to meet its debts when they fall due and to enable AssetOwl to carry on its business as a going concern and maintain its assets in good standing for a period until AssetOwl completes adequate fund raising or for the period of 12 months from the date of signing the 2019 Half Year Report.

There were no other post reporting date events at the reporting date.

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DIRECTORS' DECLARATION

In the opinion of the directors of AssetOwl Limited:

1. The financial statements and notes set out on pages 8 to 17, 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 2019 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.

Simon Trevisan

Chairman

Dated at Perth, Western Australia, this 28th of February 2020

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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 2019, 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 2019 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 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 2019 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.

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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

Neil Smith

Director

Perth, 28 February 2020

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