

ASX APPENDIX 4D

HALF-YEAR FINANCIAL REPORT TO 31 DECEMBER 2018

1. DETAILS OF REPORTING PERIOD

Name of Entity	Ookami Limited ("the Company")
ABN	67 009 081 770
Reporting Period	31 December 2018
Previous Corresponding Period	31 December 2017

2. RESULTS FOR ANNOUNCEMENT TO THE MARKET

	31 Dec 2018 \$	31 Dec 2017 \$	% Change
Revenues from ordinary activities	53,793	58,290	(8%)
Profit/(Loss) after tax from ordinary activities attributable to members	(468,374)	(258,644)	81.09%
Profit/(Loss) after tax attributable to members	(468,374)	(258,644)	81.09%

	Amount Per Security	Franked Amount Per Security
Final Dividend	Nil	Nil
Interim Dividend	Nil	Nil
Previous Corresponding Period	Nil	Nil
Record Date for Determining Entitlements	Not Applicable	

Commentary on results:

For further information, refer to the review of operations contained in the directors' report, which forms part of the attached condensed consolidated financial statements.

3. NET TANGIBLE ASSETS PER SHARE

	31 December 2018	31 December 2017
Net tangible asset backing per ordinary security	0.612 cents	0.922 cents

4. DETAILS OF ENTITIES OVER WHICH CONTROL HAS BEEN GAINED OR LOST DURING THE PERIOD

Control gained over entities

Name of entity (or group of entities)	N/A
Date control gained	N/A
Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities during the period (where material)	N/A
Consolidated profit/(loss) from ordinary activities of the controlled entity (or group of entities) whilst controlled during the whole of the previous corresponding period (where material)	N/A

Loss of control over entities

Name of entity (or group of entities)	N/A
Date control lost	N/A
Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities during the period (where material)	N/A
Consolidated profit/(loss) from ordinary activities of the controlled entity (or group of entities) whilst controlled during the whole of the previous corresponding period (where material)	N/A

5. DIVIDEND DETAILS

No dividend has been paid or recommended to be paid for the half-year ended 31 December 2018.

6. DETAILS OF DIVIDEND REINVESTMENT PLANS

N/A

7. DETAILS OF ASSOCIATE AND JOINT VENTURE ENTITIES

N/A

8. FOREIGN ENTITIES

N/A

9. AUDIT

This report has been based on accounts that have been subject to an audit review. There are no items of dispute with the auditor and the audit review is not subject to qualification.



Faldi Ismail
Chairman

26 February 2019



**CONDENSED INTERIM FINANCIAL REPORT
for the half-year ended 31 December 2018**

The information contained in this condensed interim report is to be read in conjunction with Ookami Limited's 2018 annual report and announcements to the market made by Ookami Limited

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Directors

Faldi Ismail	Non-Executive Chairman
Brendan de Kauwe	Non-Executive Director
Emilija Poposka Kardaleva	Non-Executive Director

Company Secretary

Stephen Buckley (appointed 7 November 2018)

Registered office

108 Outram Street,
West Perth, WA, 6005
Ph: +61 8 9486 7244

Auditor

Pitcher Partners BA&A Pty Ltd
Level 11, 12-14 The Esplanade
Perth, WA, 6000

Share Registry

Automic Registry Services
Level 2, 267 St Georges Terrace
Perth, WA, 6000

Bankers

National Australia Bank
Gateway Building
Cnr Marmion & Davy Streets
Booragoon WA 6154

Securities Exchange Listing

ASX Limited
Level 40, Central Park 152-158 St Georges Terrace
Perth, WA, 6000

ASX Code – OOK

Your Directors present their report, together with the condensed consolidated interim financial statements of Ookami Limited ("the Company") and controlled entities ("the Group" or "Ookami") for the half-year ended 31 December 2018.

Directors

The names and the particulars of the Directors of the Company during the half year and to the date of this report are:

Name	Status	Appointed
Faldi Ismail	Non-Executive Chairman	Appointed 5 June 2015
Brendan de Kauwe	Non-Executive Director	Appointed 5 June 2015
Emilija Poposka Kardaleva	Non-Executive Director	Appointed 30 January 2018

Review of operations

During half year, the Company continue to develop its Akela proprietary financial services software platform which provides Australian Financial Services Licence (AFSL) holders with streamlined total managed solution to capital raising and distribution on public and private offerings.

Ookami's wholly owned Akela Platforms continues to generate revenue and secure quality offerings for its retail and sophisticated (s708) investors. Akela has successfully closed oversubscribed offers for both Identiti Limited and QEM Limited's Initial Public Offerings (IPO), as well as secured allocations in the Initial Public Offerings (IPO or Offer) for both International Cobalt Resources Limited ("ICR") and Shaw River Manganese Limited (to be renamed Rolek Resources Limited "Rolek").

On 4 September 2018, the Company issued 2,000,000 Performance Rights to Ms Emilija Poposka Kardaleva, a non-executive director, subject to the following vesting conditions;

- 1,000,000 Performance Rights will vest if the Company's 10 day VWAP Share price meets or exceeds \$0.06 at any time in the 18 months after the date of issue of the Performance Rights; and
- 1,000,000 Performance Rights will vest if the Company's 10 day VWAP Share price meets or exceeds \$0.08 at any time in the 18 months after the date of issue of the Performance Rights.

On 4 September 2018, the Company issued 2,000,000 Unlisted Options exercisable at \$0.03 each on or before 3 September 2020 ("Expiry Date") and vesting if the Company's 10 day VWAP Share price increases to \$0.06 or higher at any-time prior the Expiry Date to Finind Pty Ltd as part of consideration for investor relation services.

On 21 September 2018, the Company entered into a Controlled Placement Agreement (CPA) with Acuity Capital. The CPA provides the Company with up to \$2 million of standby equity capital over the 28 months period. The Company retains full control of all aspects the placement process, including having sole discretion as to whether or not to utilise the CPA, the quantum of issued shares, the minimum issue price of shares and the timing of each placement tranche (if any). As collateral for the CPA, the Company has issued 16,000,000 shares at nil consideration to Acuity Capital, but may, at any time cancel the CPA and buy back the Collateral Shares for no consideration (subject to shareholder approval).

As announced on 20 December 2018, Akela platform has completed the second phase of integrating Brontech's "bronID" identity verification solution. A new user interface has also been implemented which now includes a revamped user dashboard and the addition of the cryptocurrency payments option with Paid By Coins (PBC). The PBC API (Application Programming Interface) is fully integrated with Akela and enabled for use. With the integration of the bronID identity solution, the identity of Akela customers will be verified with the bronID background check API for KYC/AML/CTF (Anti-Money Laundering and Counter-Terrorism Financing) purposes.

The usage of the bronID for identity verification will also overcome the compatibility issues in regard to identity verification requirements for compliance purposes between the difference participants in the ecosystem. This is expected to strengthen the relationship between all the stakeholders with both Ookami's ecosystem and Brontech technology partners and make network more attractive for new participants.

Directors of Ookami continue to consider technologies and solutions deemed complementary to the Ookami ecosystem and are continuing to explore such opportunities. The Board are currently evaluating a number of additional complementary business acquisition that deemed strategic to the technological and commercial partnership in place with Brontech, Paid By Coins and NCX that may have potential to create additional shareholder value.

Financial Performance

The loss for the six months ended 31 December 2018 was \$468,374 (31 December 2017: loss \$258,644).

The Group's had a working capital of \$798,556 (30 June 2018: \$1,231,574). The Group had negative cash flow from operating activities for the period amounting to \$347,254 (31 December 2017: negative cash flow from operating activities \$298,479).

Significant events after the balance sheet date

On 23 January 2019, the Company announced 39,979,730 of unlisted options exercisable at \$0.03 each has expired. The total number of unlisted options on issue following the expiry is as follows:

Expiry Date	Exercise Price	Number
3 September 2019	\$0.02	2,500,000
4 September 2019	\$0.02	23,000,000
3 September 2020	\$0.03	2,000,000

Rounding of amounts to nearest thousand dollars

In accordance with *ASIC Corporations (Rounding in Financial/Director's Reports) Instrument 2016/191*, the amounts in the directors' report and in the financial report have been rounded to the nearest one thousand dollars, or in certain cases, to the nearest dollar.

Auditor independence

The auditor's independence declaration is included on page 4 of the financial report.

Signed in accordance with a resolution of the Board of Directors made pursuant to s.306(3) of the *Corporations Act 2001*.

On behalf of the Directors



Faldi Ismail

Non-Executive Chairman

Dated 26 February 2019

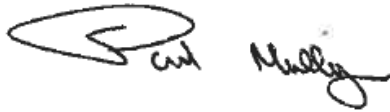
**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF OOKAMI LIMITED**

In relation to the independent auditor's review for the half-year ended 31 December 2018, to the best of my knowledge and belief there have been:

- (i) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) no contraventions of APES 110 *Code of Ethics for Professional Accountants*.

Pitcher Partners BA&A PTY LTD

PITCHER PARTNERS BA&A PTY LTD



PAUL MULLIGAN
Executive Director
Perth, 26 February 2019

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income



For the half-year ended 31 December 2018

		31 December 2018	31 December 2017
	Note	\$	\$
Revenue	3	51,613	51,525
Other income	3	2,180	6,765
Director fees		(72,000)	(36,000)
Insurance expense		(15,110)	-
Software expense		(140,995)	(126,952)
Professional fees		(114,846)	(81,102)
Share register expense		(19,149)	(17,948)
Share based payment expense		(31,008)	-
Rent expense		(9,000)	(9,000)
Depreciation & amortisation expense		(65,359)	-
AFSL expense		(18,934)	(16,187)
Other expenses		(35,766)	(29,745)
(Loss) before income tax		(468,374)	(258,644)
Income tax expense		-	-
(Loss) for the period		(468,374)	(258,644)
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Other comprehensive income for the year, net of tax		-	-
Total comprehensive (loss) for the year		(468,374)	(258,644)
(Loss) attributable to:			
Members of the parent entity		(468,374)	(258,644)
Total comprehensive (loss) attributable to:			
Members of the parent entity		(468,374)	(258,644)
Basic loss per share (cents per share)		(0.13)	(0.10)
Diluted loss per share (cents per share)		(0.13)	(0.10)

The condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Financial Position

For the half-year ended 31 December 2018



		31 December 2018	30 June 2018
	Note	\$	\$
CURRENT ASSETS			
Cash and cash equivalents		899,794	1,250,423
Trade and other receivables	4	62,106	56,274
Other assets		11,494	15,110
TOTAL CURRENT ASSETS		<u>973,394</u>	<u>1,321,807</u>
NON-CURRENT ASSETS			
Financial assets		1,203,937	1,203,937
Intangible assets		577,636	585,000
Property, plant and equipment		2,977	3,336
TOTAL NON-CURRENT ASSETS		<u>1,784,550</u>	<u>1,792,273</u>
TOTAL ASSETS		<u>2,757,944</u>	<u>3,114,080</u>
CURRENT LIABILITIES			
Trade and other payables		174,838	90,233
TOTAL CURRENT LIABILITIES		<u>174,838</u>	<u>90,233</u>
TOTAL LIABILITIES		<u>174,838</u>	<u>90,233</u>
NET ASSETS		<u>2,583,106</u>	<u>3,023,847</u>
SHAREHOLDERS' EQUITY			
Issued capital	5	27,139,194	27,142,569
Reserves	6	845,322	814,314
Accumulated losses		(25,401,410)	(24,933,036)
SHAREHOLDERS' EQUITY		<u>2,583,106</u>	<u>3,023,847</u>

The condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Changes in Equity

For the half-year ended 31 December 2018



	Issued Capital	Share Based Payment Reserve	Accumulated Losses	Total
	\$	\$	\$	\$
Balance at 1 July 2017	25,537,263	1,420,798	(23,800,612)	3,157,449
Loss for the period	-	-	(258,644)	(258,644)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	-	-	(258,644)	(258,644)
Balance at 31 December 2017	25,537,263	1,420,798	(24,059,256)	2,898,805
Balance at 1 July 2018	27,142,569	814,314	(24,933,036)	3,023,847
Loss for the period	-	-	(468,374)	(468,374)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	-	-	(468,374)	(468,374)
Transactions with owners recognised directly in equity				
Options issued during the period	-	24,960	-	24,960
Performance Rights issued during the period	-	6,048	-	6,048
Transaction costs	(3,375)	-	-	(3,375)
Balance at 31 December 2018	27,139,194	845,322	(25,401,410)	(2,583,106)

The condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Cash Flow

For the half-year ended 31 December 2018



	31 December 2018	31 December 2017
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(269,483)	(186,317)
Payments for software platform	(78,578)	(131,452)
Receipt from customer	56,263	12,525
Interest received	2,180	6,765
Net cash (used in) operating activities	<u>(289,618)</u>	<u>(298,479)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for development of software platform	(57,636)	-
Net cash (used in) investing activities	<u>(57,636)</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Share issue costs	(3,375)	-
Net cash (used in) financing activities	<u>(3,375)</u>	<u>-</u>
Net (decrease) in cash and cash equivalents	(350,629)	(298,479)
Cash and cash equivalents at beginning of period	1,250,423	2,664,218
Cash and cash equivalents at 31 December	<u><u>899,794</u></u>	<u><u>2,365,739</u></u>

The condensed consolidated statement of cash flow should be read in conjunction with the accompanying notes.

These condensed consolidated interim financial statements for the half year ended 31 December 2018 cover Ookami Limited (“the Company”) and its controlled entities as a consolidated entity (also referred to as “the Group”). Ookami Limited is a company limited by shares, incorporated and domiciled in Australia. The Group is a for-profit entity.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

The interim financial report is a condensed financial report prepared in accordance with the requirements of the *Corporations Act 2001* and AASB 134: Interim Financial Reporting. Compliance with AASB 134 ensures compliance with IAS 34 ‘Interim Financial Reporting’ where possible (refer to note 1(b)).

The condensed interim financial report was issued by the board of Directors on 26 February 2019 by the Directors of the Company.

This condensed interim financial report does not include the full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Company as in the full financial report.

It is recommended that this condensed interim financial report is read in conjunction with the annual financial report for the year ended 30 June 2018 and any public announcements made by Ookami Limited during and since the end of the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001* and the ASX Listing Rules.

b) Basis of preparation

The condensed interim financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The Accounting policies adopted in the preparation of this half-year financial report are consistent with those followed in preparation of the Group’s annual consolidated financial statements for the year ended 30 June 2018, except for the following new and revised Accounting Standards.

New Accounting Standards

The following Australian Accounting Standards have been issued or amended and are applicable to the half year financial statements of the Company:

AASB 9 ‘Financial Instruments’

AASB 9 supersedes pronouncement AASB 139 ‘Financial Instruments: Recognition and Measurement’ and was adopted by the Group effective 1 July 2018. The standard brings together all three aspects of the accounting for financial instruments: classification and measurement, impairment, and hedge accounting. With the exception of hedge accounting, the Group has applied AASB 9 retrospectively, with the initial application date of 1 July 2018. The Group does not currently apply hedge accounting.

As the date of initial application, the Group concluded to:

- Classifying eligible equity instruments as financial assets at fair value through profit and loss; and
- Apply the simplified approach for trade receivables in the calculation of the expected credit loss (ECL) rather than the general approach.

As a result of the adoption of the above, as the date of initial application, there is no material impact on the transactions and balances recognised in the financial statements.

The Group’s accounting policy for financial instruments from 1 July 2018 are as follows:

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), or fair value through profit and loss.

The classification of financial instruments at initial recognition depends on the financial asset’s contractual cashflow characteristics and the Group’s business model for managing them. With the exception of the Groups trade receivables that do not contain a significant financing component, the Group initially measures the financial asset at its fair value plus, in the case of a financial asset not at fair value through profit and loss, less transaction costs.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b) Basis of preparation

AASB 9 'Financial Instruments'

Trade receivables that do not contain a significant financing component are measured at the transaction price determined in accordance with the company's accounting policy for revenue recognition.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. In determining the provision required, the Group utilises its historical credit loss experience, adjusted only where appropriate for forward-looking factors specific to the debtors and economic environment. On that basis, the loss allowance as at 31 December 2018 was determined as follows:

	Current	More than 30	Total
Expected loss rate	0%	0%	
Gross carrying amount	\$10,000	\$22,000	\$32,000
Loss allowance	Nil	Nil	Nil

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 120 days past due.

Financial liabilities are classified, at initial recognition, as financial liabilities through fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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.

The Group's financial liabilities include trade and other payables.

AASB 15 'Revenue from Contracts with Customers'

AASB 15 supersedes AASB 111 Construction Contracts, AASB 118 Revenue and related interpretations and it applies with limited exceptions to all revenue arising from contracts with its customer. AASB 15 establishes a five-step model to account for revenue arising from contracts with customer and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The Group adopted AASB 15 using the full retrospective method of adoption. The effect of the transition on the current period has not been disclosed as the standard provides an optional practical expedient, however the impact on the current period is immaterial. The Group did not apply any of the other available option practical expedients.

At the initial date of application, the effective of adopting AASB 15 did not have a material impact on the transactions and balances recognised in the financial statements.

The Group's accounting policy for revenue and other income from 1 July 2018 is as follows:

Revenue is measured at the fair value of the consideration received or receivables after taking into account any discounts and rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Rendering of services

The Group primarily generates service revenue from the following activities:

- Platform listing fees, which are recognised when the customer signs the contract; and
- Capital raising fees, which are recognised at the completion of the Company's allocated capital raise.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b) Basis of preparation

AASB 15 'Revenue from Contracts with Customers'

In the majority of cases the services are provided under fixed price service contract. Revenue recognition relating to the provision of services is recognised when control of the services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those services. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable

Interest revenue

Interest revenue is brought into account on an accrual basis using the effective interest rate method and, if not received at the end of reporting period, is reflected in the statement of financial position as a receivable.

The above new and revised standards, all which are effective to the Group as at 1 July 2018, are not expected to have a material impact on the transactions and balances recognised in the financial statements in future period.

Changes to Critical Accounting Estimates and Judgements

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of asset or liabilities affected in future periods.

Please refer to the Group's 30 June 2018 financial statements for information on the Group's judgements, estimates and assumptions.

In the adoption of new accounting policies in the period, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements.

Measurement of fair value financial instruments

The Group's financial investments in unquoted equity shares, in Brontech Pty Ltd and National Currency eXchange Group Limited, are not traded in an active market. These investments have been fair valued using significant unobservable inputs (Level 3) for which market data is not available and that are developed using the best information available about the assumptions that market participants would use when pricing the asset. The investments at 31 December 2018 are being carried at cost, less impairment (if applicable), as a proxy for fair value.

2018	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value – unquoted equity shares		\$	\$	\$	\$
Investment in Brontech Pty Ltd	31 December 2018	933,240	-	-	933,240
Investment in National Currency eXchange Group	31 December 2018	270,697	-	-	270,697

There has been no movement in the fair value of the Group's financial investments in unquoted equity shares, in Brontech Pty Ltd and National Currency eXchange Group Limited, for the period.

Please refer to the Group's 30 June 2018 financial statements for further financial instrument disclosures.

Estimates

Provision for expected credit losses of trade receivables

The Group groups its client base into clients of similar credit risk to calculate ECLs for trade receivables. The provision rates used are based on past days for groupings of customers with similar loss patterns. The provision applied is initially based on the Group's historical observed default rates for each customer grouping. Where forward-looking information (such as a significant change in economic conditions and the junior listed sector) may provide evidence that there may be an increasing number of defaults, historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c) Going Concern

The condensed interim consolidated financial statements have been prepared on a going concern basis.

NOTE 2: OPERATING SEGMENTS

Segment Information

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The Group now only has one segment being, the development of software and the location of the segments assets is in Western Australia. Accordingly, all significant operating disclosures are based upon analysis of the Group as one segment. The financial results from this segment are equivalent to the financial statements of the Group as a whole.

NOTE 3: REVENUE AND OTHER INCOME

	Note	31 December 2018	31 December 2017
		\$	\$
Revenue from rendering of services			
Capital raising fees		26,613	46,525
Platform listing fees		25,000	5,000
		<u>51,613</u>	<u>51,525</u>
Other Income			
Interest received, non-related parties		2,180	6,765
		<u>2,180</u>	<u>6,765</u>

NOTE 4: TRADE AND OTHER RECEIVABLES

	Note	31 December 2018	30 June 2018
		\$	\$
Trade receivables		32,000	11,000
Other receivables		30,106	45,274
		<u>62,106</u>	<u>56,274</u>

All amounts are due within 12 months from balance date. The net carrying value of other receivables is considered a reasonable approximation of fair value.

NOTE 5: ISSUED CAPITAL

a) Share Capital

	31 December 2018	30 June 2018
	\$	\$
327,739,459 (30 June 2018: 311,739,459) fully paid ordinary shares	<u>27,139,194</u>	<u>27,142,569</u>

NOTE 5: ISSUED CAPITAL (CONTINUED)

b) Movements in fully paid Ordinary Capital

	Date	Number	\$
Balance at beginning of the reporting period	1 July 2018	311,793,459	27,142,569
Collateral shares issued to Acuity Capital Pty Ltd (i)	21 September 2018	16,000,000	-
Share issue costs			(3,375)
Balance at end of the reporting period	31 December 2018	327,793,459	27,139,194

(i) These shares have been issued, and are held by Acuity Capital Pty Ltd, only under the capacity to issue shares under a Controlled Placement Deed. In the event that Acuity Capital Pty Ltd remain in possession of the collateral shares at the expiry of the Controlled Placement Deed, these shares will be bought back by the Company for nil consideration.

Ordinary shareholders are entitled to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. Every ordinary shareholder present at a meeting in person or by proxy is entitled to one vote on a show of hands or by poll. Shares have no par value.

NOTE 6: RESERVE

	31 December 2018	30 June 2018
	\$	\$
Share based payment reserve (i)	845,322	814,314
	845,322	814,314

Movements

Opening balance		814,314	1,420,798
Exercise of 2,000,000 options expire 4 September 2019		-	(15,317)
Exercise of 2,520,270 options expire 22 January 2019		-	(35,127)
Conversion of Performance rights		-	(607,200)
Issue of 2,500,000 options - consideration for services – Dyamond Development Pty Ltd		-	51,160
Issue of 2,000,000 options – consideration for services – Finind Pty Ltd	6b	24,960	-
Issue of 2,000,000 performance rights to Director Emilija Poposka Kardaleva	6a,b	6,048	-
Balance at the end of the year		845,322	814,314

(i) During the period, the option reserve was renamed to the share based payment reserve to better reflect the nature of the reserve.

a. Performance Rights Issued

On 4 September 2018 the Company issued 2,000,000 Performance Rights to Ms Emilija Poposka Kardaleva, a non-executive director, subject to the following vesting conditions;

- a) 1,000,000 Performance Rights will vest if the Company's 10 day VWAP Share price meets or exceeds \$0.06 at any time in the 18 months after the date of issue of the Performance Rights ("Tranche 1"); and
- b) 1,000,000 Performance Rights will vest if the Company's 10 day VWAP Share price meets or exceeds \$0.08 at any time in the 18 months after the date of issue of the Performance Rights ("Tranche 2").

The Performance Rights have been valued at grant date (Note 6(b)) and each tranche are being expensed over the vesting period.

b. Unlisted Options Issued

On 4 September 2018 the Company issued 2,000,000 Unlisted Options exercisable at \$0.03 each on or before 3 September 2020 ("Expiry Date") and vesting if the Company's 10 day VWAP Share price increases to \$0.06 or higher at any-time prior the Expiry Date to Finind Pty Ltd as part of consideration for investor relation services.

NOTE 6: RESERVE (CONTINUED)

The Performance Rights and Unlisted Options were valued under Hoadley's Hybrid ESO Model and a fair value adjustment was posted as a share based payment. These instruments vest immediately. In respect of the above performance rights and options issued for services provided, it was determined that no fair value of the services was able to be determined, as such the fair value of the instruments was used as the fair value recorded. A summary of the inputs used in the valuation of the performance rights and options is as follows:

	Performance rights		Options
	Tranche 1	Tranche 2	
Share price at date of issue	\$0.023	\$0.023	\$0.023
Grant date	8/08/2018	8/08/2018	8/08/2018
Exercise price	Nil	Nil	\$0.030
Term	18 months	18 months	2 years
Share price target	\$0.060	\$0.080	\$0.060
Expected volatility (ii)	132%	132%	132%
Risk free interest rate	2.02%	2.02%	2.02%
Expected dividends	Nil	Nil	Nil
Employee exit rate	3%	3%	3%
Value per instrument	\$0.01321	\$0.01073	\$0.01248
Number of instruments	1,000,000	1,000,000	2,000,000
Total value of instruments	\$13,210	\$10,730	\$24,960

(ii) Volatility was determined by looking at similar companies for the equivalent life of the option.

NOTE 7: RELATED PARTY TRANSACTIONS

a) Key management personnel compensation

The related party transactions of the half-year financial report are consistent with those disclosed in the Company's 2018 annual financial report for the financial year ended 30 June 2018.

b) Other related party transactions

Purchases from and sales to related parties are made on terms equivalent to those that prevail in arm's length transactions. The Group acquired the following services from entities that are controlled by members of the Group's key management personnel:

Some Directors or former Directors of the Group hold or have held positions in other companies, where it is considered they control or significantly influence the financial or operating policies of those entities. During the period, the following entities provided corporate services and rental to the Group. Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Entity	Nature of transactions	Key Management Personnel	Total Revenue / (Expense)		Payable Balance	
			31 Dec 2018	31 Dec 2017	30 June 2018	30 June 2017
			\$	\$	\$	\$
Adamantium Holdings Pty Ltd	Rental of office	Faldi Ismail	(9,000)	(9,000)	(1,500)	(1,500)
Otsana Capital Pty Ltd	AFSL expense/ Capital raising fees	Faldi Ismail	(38,168)	(37,225)	(18,000)	(3,450)
Otsana Capital Pty Ltd	Corporate advisory	Faldi Ismail	(30,000)	-	-	-
Otsana Capital Pty Ltd	Revenue	Faldi Ismail	-	39,000	-	-
Brontech Pty Ltd	Software expense	Emilija Poposka Kardaleva	(60,000)	-	-	-
Steinpreis Paganin	Legal fees	Peter Wall	-	(21,061)	-	-

NOTE 7: RELATED PARTY TRANSACTIONS (CONTINUED)

The Company's wholly owned subsidiary Akela Capital Pty Ltd ("Akela") have an Authorised Representative and Intellectual Property Agreement (Agreement) with Otsana Capital Pty Ltd ("Otsana"), an entity controlled by director Faldi Ismail. Under the Agreement, Otsana will allow the Authorised Representatives of Akela to provide Authorised Specified Services under the Financial Services Licence (AFSL) held by Otsana. The Agreement is for a period of 24 months from 21 April 2017 and for the period ended 31 December 2018 a total fee of \$20,521 was paid to Otsana.

During last financial year on 18 June 2018, the Company signed a mandate to appoint Otsana Capital Pty Ltd to act as a corporate advisor effective from 1 July 2018 for a period of 12 months. \$25,000 were paid to Otsana in relation to corporate advisory.

The Group generated service revenue of \$39,000 for period ending 31 December 2017 by providing fixed price service contract for Otsana, an entity controlled by director Faldi Ismail.

During last financial year ending 30 June 2018, The Company entered into an agreement to acquire equity holding of 18.23% in Brontech Pty Ltd (blockchain company). Brontech Pty Ltd is a company controlled by director Emilija Poposka Kardalevea. For the half year period ending 31 December 2018, \$60,000 were payable for the identity verification API (Application Programming Interface).

Legal fees of \$21,061 were paid to Steinepreis Paganin for the half year period ended 31 December 2017. Peter Wall is a partner at Steinepreis Paganin and former director of Ookami Limited.

NOTE 8: CONTINGENT LIABILITIES AND COMMITMENTS

Contingent Liabilities

There are no other contingent liabilities as 31 December 2018 (30 June 2018: Nil).

Commitments

The Company signed a twelve months lease agreement with Adamantium Holdings Pty Ltd (a related entity). The lease expired on 1 November 2016 and thereafter the Company is not bound to any rental commitment except 3 months' cancellation notification. Commitments of \$4,500 remain at the end of the reporting period (2017: 4,500).

The Company signed a 24 months consultancy agreement with Zak Ismail to provide information technology services which expired on 31 January 2018. The Company amended the consultancy agreement with Zak Ismail on the 25 January 2018. The Company continued its information technology service agreement with Zak Ismail until either one of the party terminate the agreement. The Company is not bound to service commitment except 1 month termination notice. Commitments of \$5,000 remain at the end of the reporting period (2017: \$5,000).

The Company's subsidiary Akela Capital Pty Ltd signed a 24 months agreement with Otsana Pty Ltd (a related entity). Otsana will provide Akela with authority to provide Authorised Specified Services granted to the Authorised representative (Akela) of the AFSL License held by Otsana. The agreement expires on the 21 April 2019. Commitments of \$5,550 remain at the end of the reporting period (2017: \$23,550).

The Company signed a mandate to appoint Otsana Capital Pty Ltd (a related entity) to act as a corporate advisor effective from July 2018 for a period of 12 months. Commitment of \$30,000 remain at the end of the reporting period (2017: Nil).

NOTE 9: FAIR VALUES

The fair value of financial assets and financial liabilities of the Group approximated their carrying amount.

NOTE 10: EVENTS SUBSEQUENT TO REPORTING DATE

On 23 January 2019, the Company announced 39,979,730 of unlisted options exercisable at \$0.03 each has expired. The total number of unlisted options on issue following the expiry is as follows:

Expiry Date	Exercise Price	Number
3 September 2019	\$0.02	2,500,000
4 September 2019	\$0.02	23,000,000
3 September 2020	\$0.03	2,000,000

In the opinion of the Directors of Ookami Limited and its controlled entities ('the Group')

1. The financial statements and notes, as set out on pages 5-15 are 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 2018 and its performance for the half-year ended on that date; and
 - (ii) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting*.
2. There are reasonable ground to believe that the Company 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 and is signed for and on behalf of the Directors by:



Faldi Ismail
Non-Executive Chairman
Dated 26 February 2019

OOKAMI LIMITED
ABN 67 009 081 770

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF OOKAMI LIMITED**

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Ookami Limited (the 'Company') and its controlled entity (the 'Group'), which comprises the condensed consolidated statement of financial position as at 31 December 2018, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Group 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 gives a true and fair view and 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 2018 and its 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

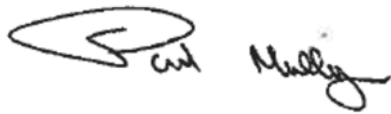
In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Ookami Limited, would be in the same terms if given to the directors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

Conclusion

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: giving a true and fair view of the Group's financial position as at 31 December 2018 and of its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Pitcher Partners BA&A PTY LTD

PITCHER PARTNERS BA&A PTY LTD



PAUL MULLIGAN
Executive Director
Perth, 26 February 2019