



AssetOwl Limited

Appendix 4D

Half Year Report for the 6 Months ended to 31 December 2021

The following sets out the requirements of Appendix 4D with the stipulated information either provided here or cross-referenced to the 31 December 2021 Interim Financial Report, which is attached.

This Appendix 4D should be read in conjunction with the attached 31 December 2021 Interim Financial Report.

Name of Entity	Current Period
ASSETOWL LIMITED	PERIOD ENDED 31 DECEMBER 2021
ACN	Prior Corresponding Period
122 727 342	PERIOD ENDED 31 DECEMBER 2020

Results for Announcement to the Market	% Movement Compared to the Prior Period	Current Period A\$	Previous Period A\$
Revenue from Ordinary Activities	27.57%	39,205	30,731
Reported net (loss) from ordinary activities after tax	(75.93%)	(1,045,631)	(594,354)
Reported net (loss) attributable to members	(75.93%)	(1,045,631)	(594,354)

Net Assets	31 December 2021	31 December 2020
Net Tangible Assets (\$A)	253,833	707,928
Number of Securities	816,205,105	490,428,617
Net Tangible Assets per security (cents)	0.03	0.14

Dividends	Interim Dividend 2022	Interim Dividend 2021
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.

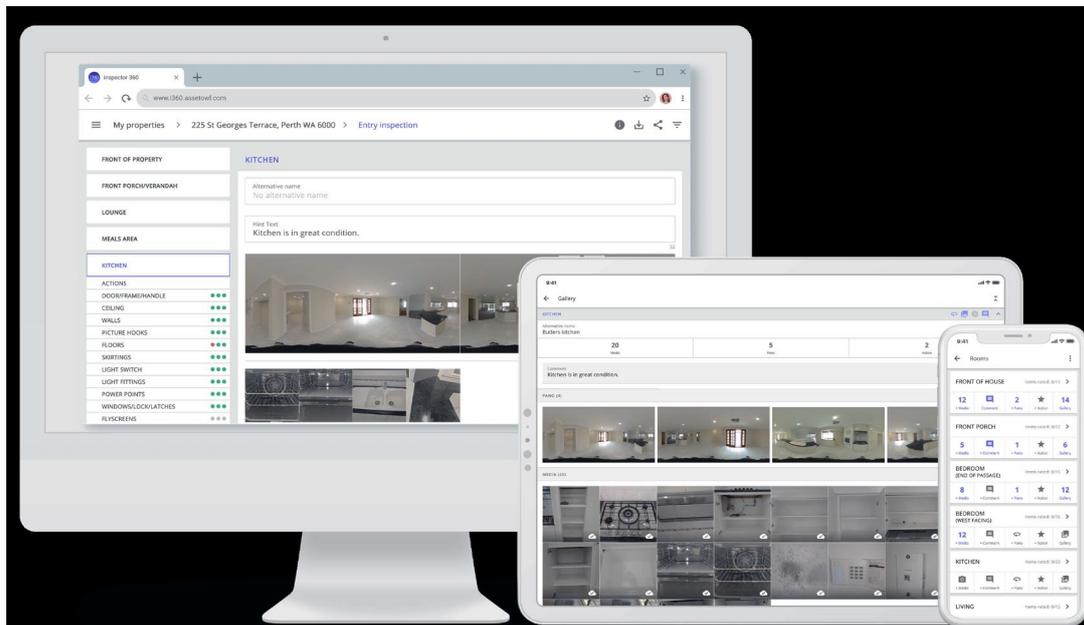
The independent auditors review report contains a section drawing attention to 'material uncertainty relating to going concern', further details is provided in the interim financial report which is attached to this Appendix 4D.

Authority

For the purpose of ASX Listing Rule 15.5, this announcement has been authorised by the Chairman of the Company, Simon Trevisan.

Asset Owl

ACN 122 727 342



CONSOLIDATED INTERIM FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

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CORPORATE DIRECTORY

DIRECTORS

Simon Trevisan (Chairman)
Giuseppe Di Franco (Executive Director)
Geoff Baldwin (Non-Executive Director)

COMPANY SECRETARY

Sean Meakin

CHIEF EXECUTIVE OFFICER

Geoff Goldsmith

REGISTERED AND PRINCIPAL OFFICE

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PERTH WA 6000
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Email: sales@assetowl.com

AUDITORS

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Level 9, Mia Yellagonga Tower 2
5 Spring Street
Perth WA 6000

SHARE REGISTRY

Advanced Share Registry
110 Stirling Highway
Nedlands WA 6909
Telephone: 1300 113 258 (within Australia)
+61 (0) 8 8389 8033 (international)

HOME EXCHANGE

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

SOLICITORS

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

BANKERS

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

DIRECTORS' REPORT

The Directors present their report together with the financial report of AssetOwl Limited (the Group) for the half year ended 31 December 2021 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)
- Giuseppe Di Franco (Executive Director)
- Geoff Baldwin (Non-Executive Director)

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

REVIEW OF OPERATIONS

AssetOwl Limited (ASX: AO1, **AssetOwl** or the **Company**) is an innovative technology company which has developed an enterprise software application which provides real estate agents with one trusted platform for managing property inspections.

'Pirsee' (formerly 'inspector360') is the revolutionary next generation of AssetOwl's photo-centric inspection management platform, designed to benefit property owners, tenants, agents and managers. It incorporates 360-degree imagery, video, voice-to-text and hot-spot mapping of floor plans to accurately document property condition reports, significantly boosting the efficiency of the inspection process. In short, the Pirsee app provides tenants, property managers and landlords with an exact record of the condition of residential properties.

From the commencement of the reporting period to 31 December 2021, AssetOwl increased its number of licensed customers using the platform from 14 to 40, the latter which includes 7 paying customers and 37 agencies within Western Australian. The Company estimates that 150,000 properties are professionally managed in WA, and with Pirsee contracted customers collectively having an estimated 17,440 properties under management, Pirsee has generated material traction in its home market in capturing over 10% of the local addressable market.¹

During the period, the AssetOwl team worked on a number of new platform features and upgrades including:

- **New routine inspection functionality.** The existing routine feature has had a major upgrade. Western Australian landlords typically perform four routine inspections per annum, with the majority of agencies conducting these inspections in-house. Our new workflow provides property managers with the flexibility to choose to streamline their routine inspection reports.
- **Property Tree integration.** Property Tree is a leading trust accounting platform, with over 3,500 real estate/property manager customers. Our product team has recently completed a major review and upgrade of Pirsee's integration with this trust tool, which will further improve the interoperability of our two platforms.
- **Infrastructure upgrade.** The team is working hard on a major upgrade to our platform infrastructure. The upgrade will improve the efficiency of our data migration capability, as well as the overall speed of our platform. The upgrades will be rolled out in stages with the first stage to be completed this quarter.

In September, AssetOwl was pleased to announce that it signed a license agreement with a Victorian real estate agency, a significant milestone for the Company representing the entry of the Company into Victoria. The agency remains in a trial stage. Victoria is a substantial market for the Company, with c. 645,000 private rental households, almost three times the size of the West Australian private rental market.

¹ 220,000 private rental households in WA - ABS 41300, Table 17, 'Housing Occupancy and Costs, Australia', 2017-18. 33% of private rental households self-managed by owners: (1) ["Self-Managing vs. Professional Property Management" Real Property Manager](#), (2) ["REA launches new landlord toolkit", Smart Property Investment](#) (REA)

DIRECTORS' REPORT

In January, the Company was pleased to announce a placement to new and existing sophisticated and professional investors to raise \$325,731 (before costs). Contemporaneously, the Company also launched a seven (7) for ten (10) Non-renounceable Rights Issue to raise up to \$1,942,043 (before costs). Sequoia Corporate Finance Pty Ltd, the lead manager for the placement has been engaged to secure commitments to place shortfall which results from the rights issue. The rights issue offers eligible shareholders the opportunity to acquire New Share at \$0.003 (0.3 cents) per share and closes on Thursday 24 March 2022 unless extended.

Funds raised from the right capital raising will be applied to key activities including (but not limited to):

- (a) ongoing software development to enhance platform functionality;
- (b) development of a Queensland and NSW compliant version of Pirsee;
- (c) east-coast Australia expansion;
- (d) marketing;
- (e) on-going research and development with respect to new revenue opportunities for the Pirsee platform; and
- (f) on-going working capital.

CORPORATE

Results of AGM

At AssetOwl's 2021 Annual General Meeting of Shareholders, held on 31 January 2022, all resolutions contained in the Notice of Meeting passed on a poll.

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 2021 amounted to \$1,045,631 (half year ended 31 December 2020: \$594,354). At 31 December 2021, the Group has \$267,356 cash and cash equivalents (30 June 2021: \$1,018,688).

Consolidated Statement of Profit or Loss and Other Comprehensive Income

The Group's loss result for the period increased relative to the loss result for the comparative period.

The increase in loss arose from a reduction in 'Other Income' and an increase in expenses such as Employee Benefits expenses.

Consolidated Statement of Cash Flows

Operating activities of the Group in the reporting period to 31 December 2021 required more net cash outflows than the Group's operating activities in the comparative period, the 6-month period to 31 December 2020. This is consistent with an increase in the net loss generated over the period.

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 SUBSEQUENT TO THE END OF THE REPORTING PERIOD

On 28 January 2022, the Company announced the completion of a placement to professional and sophisticated investors and launched a seven (7) for ten (10) non-renounceable Rights Issue to raise up to \$2.26m (before costs).

On 31 January 2022, AssetOwl Limited held its Annual General Meeting ('AGM') for the 2021 year. All resolutions put to the meeting were passed by shareholders via a poll.

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 2021.

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



Simon Trevisan

Chairman

Dated at Perth, Western Australia, this 25th of February 2022

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 2021, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the 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

Partner

BDO Audit (WA) Pty Ltd

25 February 2022

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR HALF-YEAR ENDED 31 DECEMBER 2021

	Notes	HALF YEAR	
		31 December 2021	31 December 2020
		\$	\$
CONTINUING OPERATIONS			
Revenue	2	39,205	30,731
Other Income	2	136,514	314,008
EXPENSES			
Cost of Goods Sold		(8,385)	-
Accounting and Audit expenses		(33,762)	(23,019)
Legal expenses		(23,278)	(12,892)
Corporate and administrative expenses		(153,759)	(146,616)
Professional consultant and contractor fees		(170,339)	(138,789)
Advertising and Marketing		(71,783)	-
Share based payments expense	6	(26,809)	-
Employee benefit expenses	2	(371,795)	(100,479)
Research and Development expenses	2	(313,320)	(472,238)
Depreciation and amortisation		(1,472)	(1,687)
Other expenses		(46,648)	(43,373)
(LOSS) BEFORE INCOME TAX		(1,045,631)	(594,354)
Income tax benefit		-	-
(LOSS) AFTER INCOME TAX		(1,045,631)	(594,354)
Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		(1,045,631)	(594,354)
Total comprehensive loss for the period is attributable to: Owners of AssetOwl Limited		(1,045,631)	(594,354)
Basic loss (cents per share)	7	(0.13)	(0.12)

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 2021

	Notes	31 December 2021	30 June 2021
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents		267,356	1,018,688
Trade and other receivables	4	158,580	464,596
Inventories		51,224	15,738
Prepayments		7,466	27,768
TOTAL CURRENT ASSETS		484,626	1,526,790
NON-CURRENT ASSETS			
Property, Plant and Equipment		9,013	4,116
Intangible Assets	5	1,066,201	1,066,201
TOTAL NON-CURRENT ASSETS		1,075,214	1,070,317
TOTAL ASSETS		1,559,840	2,597,107
CURRENT LIABILITIES			
Trade and other payables		38,425	67,942
Employee Benefits payable		189,927	146,512
TOTAL CURRENT LIABILITIES		228,352	214,454
NON-CURRENT LIABILITIES			
Employee Benefits payable		11,454	43,798
TOTAL NON-CURRENT LIABILITIES		11,454	43,798
TOTAL LIABILITIES		239,806	258,252
NET ASSETS		1,320,034	2,338,855
EQUITY			
Contributed Equity		21,028,146	21,028,146
Reserves		82,750	55,941
Accumulated Losses		(19,790,862)	(18,745,232)
TOTAL EQUITY		1,320,034	2,338,855

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 2021

	Notes	Contributed Equity \$	Share based payments Reserve \$	Shares Reserve \$	Accumulated Losses \$	Total \$
BALANCE AT 1 JULY 2021		21,028,146	55,941	-	(18,745,232)	2,338,855
(Loss) for the half year		-	-	-	(1,045,631)	(1,045,631)
Total comprehensive (loss)		-	-	-	(1,045,631)	(1,045,631)
Share based payments	6	-	26,809	-	-	26,809
BALANCE AT 31 DECEMBER 2021		21,028,146	82,750	-	(19,790,863)	1,320,033
BALANCE AT 1 JULY 2020		19,496,256	-	39,134	(17,174,985)	2,360,405
(Loss) for the half year		-	-	-	(594,354)	(594,354)
Total comprehensive (loss)		-	-	-	(594,354)	(594,354)
Issue of shares to investors		10,000	-	-	-	10,000
Capital raising costs		(1,922)	-	-	-	(1,922)
BALANCE AT 31 DECEMBER 2020		19,504,334	-	39,134	(17,769,339)	1,774,129

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 2021

	HALF YEAR	
	31 December 2021	31 December 2020
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers	44,336	26,727
Research and Development Grant received	422,657	422,252
Payments to suppliers and employees	(1,211,956)	(906,553)
Receipts related to other activities	-	28,345
Government Grants received	-	104,000
Interest received	-	114
NET CASH (OUTFLOW) FROM OPERATING ACTIVITIES	(744,963)	(325,115)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property, plant and equipment	(6,369)	-
NET CASH (OUTFLOW) FROM INVESTING ACTIVITIES	(6,369)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	-	10,000
Payment of share issue costs	-	(1,922)
NET CASH INFLOW FROM FINANCING ACTIVITIES	-	8,078
NET (DECREASE) IN CASH HELD	(751,332)	(317,037)
Cash and cash equivalents at beginning of period	1,018,688	966,272
CASH AT END OF PERIOD	267,356	649,235

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 2021 and considered together with any public announcements made by the Group during the half-year ended 31 December 2021 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.

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

These half-year financial statements were approved by the Board of Directors on 25th of February 2022.

(b) 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 Company incurred a loss after tax of \$1,045,631 (2020: loss of \$594,354) and incurred total net cash outflows from operating activities of \$744,963 for the half year ended 31 December 2021 (2020: net cash outflows of \$325,115). As at 25 February 2022, the Group has Cash and Cash equivalents on hand of \$283,164. These conditions indicate a material uncertainty that may cast a significant doubt about the Group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

On 28 January 2022 the Company launched a non-renounceable rights issue giving eligible shareholders the opportunity to acquire New Shares in the Company, whereby shareholders can apply for seven shares for every ten shares held at the Rights Issue record date (10 February 2022) to raise up to \$1,942,043 (before costs). The Rights Issue opened on 15 February 2022 and closes on 24 March 2022 unless extended at the election of the Company. Upon closure of the Rights Issue, the Company will then have 3 months place any shortfall to the Offer.

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

- raising additional capital to provide working capital for the business, through the successful completion of the rights issue, including placement of any resultant shortfall;
- the receipt of a Research and Development incentive rebate, to be calculated on eligible expenditure incurred by the Group's subsidiary AssetOwl Technologies Pty Ltd for the year ended 30 June 2022; and
- the successful commercialisation of Pirsee leading to a material increase in sales revenue, and accordingly receipts from customers.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at 25 February 2022, the Group:

- has \$283,164 cash and cash equivalents on hand; and
- has received a letter of support from substantial shareholder 'Tribis Pty Ltd' guaranteeing the debts of the Group for period of up until the earlier of when the Group completes a capital raising(s) of at least \$2,000,000 (net of costs) or until the date which is 12 month's period from the date of the interim financial report

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

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

2. PROFIT AND LOSS INFORMATION

Revenue and Other Income

The current interim reporting period includes items which either were not present in the comparative period or are present in the comparative period but are of a materially different value, and vice versa, in some cases, the current period does not include items which were, inherently, foreseen to be once off when they occurred.

	2021 (\$)	2020 (\$)
REVENUE FROM CUSTOMERS		
<i>Pirsee property inspection platform</i>		
Revenue from Services (Pirsee)	2,675	185
Revenue from Goods (Cameras and Accessories)	9,530	-
<i>Management Platform</i>		
Revenue from Services (management platform)	27,000	30,546
	39,205	30,731
Timing of revenue recognition		
At a point in time	9,530	-
Over time	29,675	30,731
	39,205	30,731

In the current period, the Group generated license fees from its Pirsee platform, whilst the Company commenced generating revenue from the platform in the comparative period, the increase in revenue from Pirsee in the current reporting period is reflective of an increased number of fee paying real estate agencies.

In the current period the Group generated revenue from the sale of cameras which are used by real estate agencies who have entered into licenses to use the Pirsee platform.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	2021 (\$)	2020 (\$)
OTHER INCOME		
Government Grants	-	79,500
Interest received	-	114
R&D tax incentive benefit	136,514	206,049
Gain on other activities	-	28,345
	136,514	314,008

Government grants

In the comparative period, the Group received two government grants which were introduced following the emergence of the COVID-19 Pandemic, detail on the nature of these grants is provided in the Group's Annual report for the year ended 30 June 2021.

Research and Development (R&D) tax incentive benefit

The reduction in R&D tax incentive benefit recognised is reflective of a decrease in the proportion of time the Group's key operational resources have spent on eligible R&D activities. As Pirsee commercialisation is progressing during the period, and continues to do so, the Group's personnel, who support the development of the platform have dedicated a higher proportion of their time to improving the service provision to our customers.

Expenses

Employee benefits expenses as disclosed has increased substantially relative to the comparative period, there are two main reasons for this.

Appointment of Chief Executive Officer

In April 2021, the Group appointed Mr Geoff Goldsmith as its Chief Executive Officer, Mr Goldsmith's fixed remuneration is \$150,000 per annum. Further disclosure on Mr Goldsmith's remuneration arrangement with the Group is provided in the Group's Annual Report.

Recognition of expenditure

In the current, and prior reporting periods, eligible research and development expenditure - which in every reporting period includes a substantial portion of salaries and wages expenditure paid to key operational resources- calculated on which the Company receives a R&D tax incentive benefit, is transferred from consolidated statement of profit or loss line items including *Employee benefit expenses* to *Research expenses*.

As described above ("R&D tax incentive benefit"), in the reporting period, a lower proportion of employees' time has been spent on activities for which the Group can accrue Research and Development incentive benefit, consequentially, in the current period a lower proportion of *Employee benefits expenses* has been recognised in *Research expenses*.

3. SEGMENT INFORMATION

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4. RECEIVABLES

	31 December 2021 (\$)	30 June 2021 (\$)
Accounts receivable	11,054	12,714
Net GST Receivable	11,012	29,225
R&D Offset receivable – 2022 financial year ⁽¹⁾	136,514	-
R&D Offset receivable – 2021 financial year ⁽²⁾	-	422,657
	158,580	464,596

(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 2022 financial year (YTD), calculated on eligible expenditure incurred in the period to 31 December 2021.

The methodology for calculating the amount of the R&D receivable for the 6 months to 31 December 2021 is consistent with the R&D methodology to determine the amount of the R&D incentive for the year to 30 June 2021. The determination of the receivable amount recognised at 31 December 2021 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 2021 financial year. AssetOwl Technologies Pty Ltd received this amount from the Australian Taxation Office in November 2021.

5. INTANGIBLE ASSETS

	31 December 2021 (\$)	30 June 2021 (\$)
Goodwill	1,066,201	1,066,201
	1,066,201	1,066,201

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

The goodwill is attributable to the cash flows expected to arise from the acquisition of AssetOwl Technologies Pty Ltd in December 2016. The Board views the Group as one CGU ('AssetOwl CGU') and monitors the Group's goodwill at this level. The Board has determined the recoverable amount of the AssetOwl CGU by assessing the fair value less cost of disposal (FVL COD) of the underlying assets with reference to the market approach based on the current market capitalisation (number of shares on issue multiplied by the quoted market price per share) of the Group on the Australian Securities Exchange (ASX). The recoverable value is a Level 1 measurement based on observable inputs of publicly traded shares in an active market.

The Group's market capitalisation at 31 December 2021 was \$3,264,820, being 816,205,105 shares at \$0.004 cents per share, consistent with above disclosure, this is taken to be the CGU's recoverable amount, for the purposes of the assessing impairment.

Management has assessed impairment indicators, including, but not limited to, observing that at 31 December 2021, the value of the Group's net assets were \$1,320,034, resulting in a headroom of \$1,944,786, and concluded that Company's Goodwill value at 31 December 2021 is able to be maintained.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6. SHARE BASED PAYMENTS

Issue of Share Options to Attree Pty Ltd for services.

On 14 July 2021 the Company issued a total of 8,500,000 Options over Ordinary Shares to Mr Nathan Want – Licensee and Director of Attree Real Estate – who agreed to work with AssetOwl to accelerate the roll-out of its photo-centric property management platform, Pirsee.

The agreement to issue Options to Nathan, which was executed on 14 July 2021, builds upon the existing relationship the Group had with Nathan before that date and formalised the alignment of incentives between Mr Want and AssetOwl.

The Options were issued to Attree Pty Ltd in five tranches. Tranche One recognises previous and future support on product development, general marketing and industry advice, representation at industry events, and public and private endorsement of our product.

The vesting conditions attached to subsequent tranches relate to achievement of pre-determined real estate agency customer and underlying ‘properties under management’ milestones over the period to 31 March 2024.

Tranche	Number	Vesting Condition
One	2,500,000	N/A – vest immediately
Two	1,500,000	AssetOwl customers (real estate agencies) with at least 2,500 properties under management introduced and signed for trials by 31 March 2022, and invoiced on or before 31 July 2022
Three	1,500,000	If tranche 2 options vest, AssetOwl customers (real estate agencies) with at least 7,500 properties under management introduced and signed for trials by 30 September 2022, and invoiced on or before 31 January 2023. <i>(vesting basis T3(a))</i> . If tranche 2 options do not vest, AssetOwl customers (real estate agencies) with at least 5,000 properties under management introduced and signed for trials by 30 September 2022, and invoiced on or before 31 January 2023 <i>(vesting basis T3(b))</i>
Four	1,500,000	If tranche 3 options vest (pursuant to vesting basis T3(a)): AssetOwl customers (real estate agencies) with at least 17,500 properties under management introduced and signed for trials by 31 March 2023, and invoiced on or before 31 July 2023. <i>(vesting basis T4(a))</i> If tranche 3 options do not vest, AssetOwl customers (real estate agencies) with at least 10,000 properties under management introduced and signed for trials by 31 March 2023, and invoiced on or before 31 July 2023. <i>(vesting basis T4(b))</i>
Five	1,500,000	If tranche 4 options vest (pursuant to vesting basis T4(a)): AssetOwl customers (real estate agencies) with at least 27,500 properties under management introduced and signed for trials by 31 March 2024, and invoiced on or before 31 July 2024. <i>(vesting basis T5(a))</i> . If tranche 4 options do not vest, AssetOwl customers (real estate agencies) with at least 10,000 properties under management introduced and signed for trials by 31 March 2024, and invoiced on or before 31 July 2024. <i>(vesting basis T5(b))</i>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The Options are valued based on the Company's share price on 14 July 2021, the date on which the Company and Attree Pty Ltd agreed to the terms of the Options. The Options are valued using Black-Scholes Option Pricing methodology with inputs as provided in the table below.

Tranche	One	Two	Three	Four	Five
Underlying Share Price	\$0.007	\$0.007	\$0.007	\$0.007	\$0.007
Exercise Price	\$0.010	\$0.016	\$0.016	\$0.024	\$0.024
Expected volatility	100%	100%	100%	100%	100%
Expiry Date / Years	31 December 2024 / 3.5 years	31 December 2024 / 3.5 years	31 December 2024 / 3.5 years	31 December 2025 / 4.5 years	31 December 2025 / 4.5 years
Expected Dividends	Nil	Nil	Nil	Nil	Nil
Risk free rate	0.16%	0.16%	0.16%	0.64%	0.64%
Total Value of Options in tranche	\$10,228	\$5,195	\$5,195	\$5,397	\$5,397

Grant Date	Tranche	Number as at 1 July 2021	Issued	Number as at 31 December 2021
14 July 2021	One	-	2,500,000	2,500,000
	Two	-	1,500,000	1,500,000
	Three	-	1,500,000	1,500,000
	Four	-	1,500,000	1,500,000
	Five	-	1,500,000	1,500,000
Total	-	-	8,500,000	8,500,000
Weighted Average Exercise Price		-	\$0.017	\$0.017

At the end of the reporting period, the 2,500,000 Tranche one Options are vested and exercisable. Weighted average remaining contractual life of Options outstanding at the end of the reporting period: 3.36 years (30 June 2021: N/A).

In relation to Options in Tranches two to five, it is management's assessment that it is more than likely that these Options will vest. Accordingly, a portion of the value of the Options in these tranches is recognised as an expense in the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Share Options held by Chief Executive Officer, Mr Geoff Goldsmith

In May 2021, the Company issued a total of 5,500,000 Share Options to its CEO, Mr Geoff Goldsmith. The Options were issued in five tranches.

Options in tranches 1 and 2 had vesting conditions attached pertaining to the commencement of Pirsee trials in Queensland and NSW respectively, by 31 December 2021. These vesting conditions were not met and the underlying Options have lapsed.

Grant Date	Tranche	Exercise Price	Expiry Date	Number as at 1 July 2021	Lapsed	Number as at 31 December 2021
20 May 2021	One	\$0.010	31/12/2024	500,000	(500,000)	-
	Two	\$0.010	31/12/2024	500,000	(500,000)	-
	Three	\$0.012	30/06/2025	1,000,000	-	1,000,000
	Four	\$0.012	30/06/2025	1,000,000	-	1,000,000
	Five	\$0.012	31/12/2025	2,500,000	-	2,500,000
Total	-			-	(1,000,000)	4,500,000
Weighted Average Exercise Price					\$0.012	\$0.012

At the end of the reporting period none of the Options in the above table are vested and exercisable.

Weighted average remaining contractual life of Options outstanding at the end of the reporting period: 3.72 years (30 June 2021: 4.14 years).

	Share based payments reserve			
	Total value	1 July 2021	Expense in current period	31 December 2021
Key Management Personnel				
Directors*				
Tranche one Options	\$30,244	\$30,244	-	\$30,244
Tranche two Options	\$15,219	\$8,003	\$6,233	\$14,236
Tranche three Options	\$15,698	\$5,599	\$3,215	\$8,814
Total	\$61,161	\$43,846	\$9,448	\$53,294
Other Key Management Personnel (CEO)				
Tranche one Options	\$2,087	\$380	(\$380)	-
Tranche two Options	\$2,087	\$380	(\$380)	-
Tranche three Options	\$4,212	\$426	(\$426)	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Tranche four Options	\$4,212	-	-	-
Tranche five Options	\$11,226	-	-	-
Total	\$23,824	\$1,186	(\$1,186)	-
Directors and CEO Total	\$84,985	\$45,032	\$8,262	\$53,294
Other Recipients				
Company Secretary and Management Consultant				
Tranche one Options	\$9,828	\$9,828	-	\$9,828
Tranche two Options	\$1,712	\$713	\$863	\$1,576
Tranche three Options	\$1,766	\$368	\$445	\$813
Attree Real Estate				
Tranche one Options	\$10,228	-	\$10,228	\$10,228
Tranche two Options	\$5,195	-	\$3,397	\$3,397
Tranche three Options	\$5,195	-	\$1,561	\$1,561
Tranche four Options	\$5,397	-	\$1,228	\$1,228
Tranche five Options	\$5,397	-	\$824	\$824
Total	\$44,718	\$10,909	\$18,546	\$29,455
Grand Total	\$129,703	\$55,941	\$26,809	\$82,750

7. LOSS PER SHARE

The calculation of basic loss per share for the reporting period was based on the loss attributable to ordinary Shareholders of \$1,045,631 (2020: loss of \$594,354) and a weighted average number of ordinary shares outstanding during the reporting period of 816,205,105 (2020: 489,801,905).

	2021 (\$)	2020 (\$)
Basic loss per share (cents per share)	(0.13)	(0.12)
(a) RECONCILIATION OF LOSS USED IN CALCULATING LOSS PER SHARE		
Loss attributable to ordinary Shareholders		
Loss after tax	(1,045,631)	(594,354)
Loss used in the calculation of EPS	(1,045,631)	(594,354)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	2021 (\$)	2020 (\$)
(b) WEIGHTED AVERAGE NUMBER OF SHARES USED AS THE DENOMINATOR		
Weighted average number of ordinary shares (WANOS)		
Weighted average number of ordinary shares	816,205,105	489,801,905

Ordinary share transactions and potential ordinary share transactions occurring subsequent to the end of the reporting period.

- On 3 February 2022, the Company issued 108,577,196 Ordinary Shares to raise 325,731 (before costs).
- On 7 February 2022, the Company provided an Offer Document to the ASX for a Non-Renounceable Rights Issue to raise up to \$1,942,043 (before costs), if all shareholders take up their entitlements under the Rights Issue or the Company otherwise raises the full amount, through placement of the resultant Shortfall to eligible investors, the Company will issue up to a further 647,347,611 ordinary shares.

These two events would have substantially increased the number of ordinary shares outstanding at the end of the reporting period if they had been completed before the end of the period.

8. RELATED PARTY INFORMATION

The Group had transactions with related parties during the period, these transactions are consistent with those disclosed in the Group's Annual Report for the financial year ended 30 June 2021.

The Group has received a letter from substantial shareholder, Tribis Pty Ltd ('Tribis'), a company of which Mr Simon Trevisan is the Managing Director. The letter advises that Tribis will provide sufficient financial support to AssetOwl to enable to meet its debts as and when they fall due and maintain its assets in good standing for the anticipated period until AssetOwl completes a capital raising of at least \$2M, or 12 months from the date of the signing of the Company's Interim Financial Report for the 6-month period to 31 December 2021, whichever is earlier.

9. EVENTS OCCURRING SUBSEQUENT TO THE END OF THE REPORTING PERIOD

On 28 January 2022, the Company announced the completion of a placement to professional and sophisticated investors and launched a seven (7) for ten (10) non-renounceable Rights Issue to raise up to \$2.26m (before costs).

On 31 January 2022, AssetOwl Limited held its Annual General Meeting ('AGM') for the 2021 year. All resolutions put to the meeting were passed by shareholders via a poll.

DIRECTORS' DECLARATION

In the opinion of the directors of AssetOwl Limited:

1. The financial statements and notes set out on pages 8 to 20, 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 2021 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 25th of February 2022.

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 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant 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 accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2021 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 the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Material uncertainty relating to going concern

We draw attention to Note 1(b) 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.

Responsibility of the directors for the 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether 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 2021 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*.

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.

BDO Audit (WA) Pty Ltd



Neil Smith
Director

25 February 2022