

27 January 2023

## ASX CODE

AXI

## ISSUED CAPITAL

Ordinary Shares  
432.7 M

## CONTACT

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## ASX ANNOUNCEMENT

### ACTIVITIES REPORT AND APPENDIX 4C – QUARTERLY CASH FLOW REPORT DECEMBER 2022

**Adelaide, Australia, Friday 27 January 2023: Axiom Properties Limited (ASX:AXI)** lodges the attached Appendix 4C Quarterly report for entities admitted on the basis of commitments for the quarter ended 31 December 2022.

The Company's cash reserves for the September quarter decreased by \$5.069 million and the Company held cash reserves of \$1.699 million as at 31 December 2022.

The Company refers to point 8 in the attached Appendix 4C and notes that it does not propose to take any steps to raise further cash to fund operations as there is contracted inflows in excess of \$10 million expected to be received in the following quarters, namely:

- o The \$2.500 million defects and income retention previously disclosed and held by Charter Hall with respect to the South Australian Emergency Services State Command Centre is currently being reconciled by an independent auditor and is due for release by 3 February 2023; and
- o The forecast circa \$8m final development fee receivable for the Butler large format retail centre is expected to be received within the next two quarters once the final settlement condition of 70% of tenants trading is achieved.

Details of the Company's business activities for the quarter are as follows:

- o Development costs spent on the construction of the Company's large format retail centre, the Butler Central Homemaker Centre was \$1.245 million. The Purchaser of the Centre, The Lester Group, are providing financial accommodation to fund all development costs in accordance with the Development Management Agreement, which includes fitout costs for tenants under construction and yet to commence trading.

In accordance with the conditions of the contract with the Purchaser, the Centre remains under development and the financial accommodation remains in place until such time that 70% of the tenants have commenced trading. In addition, the Company is entitled to and will continue to receive all tenant income from the centre until such time.

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In addition to Butler development costs and as announced on 13 December 2022, the Company settled the first of the three pad sites (facing Butler Boulevard) for \$995,400 and is working with several key potential lessees on the site.

The balance of development costs spent were post practical completion construction costs for the South Australian Emergency Services State Command Centre, payments for which are now complete.

The balance of net operating cash flows for the September quarter included cash out flows of employee, office overhead and interest costs as disclosed in item 1 in the below 4C, which are representative of regular quarterly operating costs.

- o Net investing cash outflows for the September quarter included inflows of \$0.181 million relating to timing differences of payments made by the Company for and on behalf of its Glenlea Estate project with respect to the Joint Venture BankSA facility funding of construction payments.

The Company refers to previous announcements advising it had entered into a Subscription Agreement to purchase a cornerstone investment in PointData Holdings Ltd and that the first tranche of \$2m was paid on 14 October 2022 in accordance with the agreement.

- o Net financing cash outflows for the September quarter were \$0.065 million which relate to the right of use lease liability of the Adelaide and Sydney offices and motor vehicle.
- o Aggregate amount of payments to related parties and their associates are for director fees and salaries and wages, as well as for costs incurred on behalf of the Company in the ordinary course of business, which were reimbursed at cost.

The Board and its executives continue to monitor operating and overhead costs to ensure the Company remains in a strong financial position. There were no substantive changes to business activities during the quarter.

Authorised for release by the Board.

#### About Axiom Properties Ltd

Axiom Properties Ltd is a property development and investment business focused on developing and delivering quality property solutions. Axiom's principal objective is to create long term value for shareholders through creating a well-respected property development and investment company that consistently delivers above industry returns on capital.

For more information, please contact:

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## Appendix 4C

### Quarterly cash flow report for entities subject to Listing Rule 4.7B

**Name of entity**

Axiom Properties Limited
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**ABN**

40 009 063 834
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**Quarter ended ("current quarter")**

31 December 2022
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<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	1,143	1,771
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs		
(c) advertising and marketing		
(d) leased assets		
(e) staff costs	(767)	(1,145)
(f) administration and corporate costs	(82)	(530)
1.3 Dividends received (see note 3)		
1.4 Interest received	9	15
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (Development Costs & Inventory)	(3,488)	(4,571)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(3,185)</b>	<b>(4,460)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses		
(c) property, plant and equipment		
(d) investments		
(e) intellectual property		
(f) other non-current assets		

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
2.2 Proceeds from disposal of:		
(a) entities		
(b) businesses		
(c) property, plant and equipment		
(d) investments		
(e) intellectual property		
(f) other non-current assets		
2.3 Cash flows from loans to other entities	181	90
2.4 Dividends received (see note 3)		
2.5 Other (Investment in Point Data)	(2,000)	(2,000)
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(1,819)</b>	<b>(1,910)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2 Proceeds from issue of convertible debt securities		
3.3 Proceeds from exercise of options		
3.4 Transaction costs related to issues of equity securities or convertible debt securities		
3.5 Proceeds from borrowings		
3.6 Repayment of borrowings		
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid / Return of Capital		
3.9 Other (Right of Use Lease Liability)	(65)	(130)
<b>3.10 Net cash from / (used in) financing activities</b>	<b>(65)</b>	<b>(130)</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	6,768	8,199
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(3,185)	(4,460)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(1,819)	(1,910)

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(65)	(130)
4.5	Effect of movement in exchange rates on cash held		
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>1,699</b>	<b>1,699</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	1,599	6,579
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (Property Trust Accounts)	100	189
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,699</b>	<b>6,768</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	336
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

*Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.*

7. <b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1 Loan facilities		
7.2 Credit standby arrangements		
7.3 Other (Development Funding Butler)	25,140	23,453
7.4 <b>Total financing facilities</b>	25,140	23,453
7.5 <b>Unused financing facilities available at quarter end</b>		1,687
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	<p>As announced on 13 December 2021, the Company settled the sale of its Butler Central Homemaker Centre. Under the terms of the agreement, the Purchaser (The Lester Group) is required to fund all future development costs on the same terms as the pre-existing BankSA construction facility, which was paid out in full on settlement (1.00% line fee, 1.30% margin on BBSY). In accordance with the Development Management Agreement, upon practical completion, the financial accommodation is terminated and The Lester Group will pay the Company its final development fee.</p>	

8. <b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(3,185)
8.2 Cash and cash equivalents at quarter end (item 4.6)	1,699
8.3 Unused finance facilities available at quarter end (item 7.5)	1,687
8.4 Total available funding (item 8.2 + item 8.3)	3,386
8.5 <b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	1
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
<p>Answer: No. As announced on 12 December 2022, the quarter included the acquisition of one of the three contracted Butler pad sites. The Company expects to acquire the final two pad sites from Fabcot in the next quarter. It is expected that the cash outflow will be offset by simultaneous settlement of one of the Butler pad sites, which is currently being contracted to a third party.</p>	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
<p>Answer: No, not required. As advised above, the Company is expecting cash inflows of \$10 million plus in the next two quarters.</p>	

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Yes. As previously announced, the Company expects final settlement of retention funds from Charter Hall with respect to its Worldpark development, estimated to be circa \$2m to occur this quarter. As also previously announced, the Company is working towards final settlement of its Butler large format retail centre with Lester Group this quarter, estimated to be circa \$8m. The Company continues to receive monthly income from the asset until final settlement.

*Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.*

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 27 January 2023.....

Authorised by: By the Board.....  
(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.