

17 February 2023

ASX CODE

AXI

ISSUED CAPITAL

Ordinary Shares
432.7 M

CONTACT

South Australia

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Adelaide SA 5000

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ASX ANNOUNCEMENT

APPENDIX 4D – HALF YEAR REPORT 31 DECEMBER 2022

Adelaide, Australia, Friday 17 February 2023: Axiom Properties Limited (ASX:AXI) is pleased to announce its half year result to 31st December 2022. Whilst on the face of it the result reflects a loss of \$1.663 million, it is as expected given the current status of the Company's development pipeline and its existing projects under development.

The Company makes the following points:

1. Following the pre-sale of its Butler Central Homemaker Centre in WA in September 2021, the Company has re-deployed some of the returned capital into an exciting cornerstone holding in pointData – a deep tech, AI-driven property data and analytics business which is generating significant interest amongst multiple property sectors, stakeholders and industry verticals given pointData's unique machine learning algorithms and its ability to interpret multiple data sources and millions of data points to solve challenges in the wider property sector;
2. The Company continues to evaluate other exciting opportunities that sit adjacent to its pointData investment and that offer unique insights into the property sphere;
3. We note the cash balance as outlined in the latest quarterly activities and appendix 4C cash flow report (27th January 2023) of \$1.699 million and highlight that the final development fee from Charter Hall of ~\$2 million from the sale of the Company's SAFECOM building in South Australia in December 2021 for \$80 million has now been received.
4. Additionally, the Company expects to settle the final development fee payment from its Butler Central Homemaker Centre referred to in point 1 above by 30th June this year. The net payment figure is expected to be in excess of \$8 million, boosting the Company's cash reserves;
5. A small portion of these funds are expected to be utilised to purchase the last two remaining pad sites at the Butler Homemaker Centre by 30th June 2023, following the Company's purchase of the first pad site on Butler Boulevard in December 2022. These three additional sites collectively amount to almost 7,500 sq.m of land in strategic locations around the integrated Butler Central Shopping and Homemaker Centre, and allow the Company to develop up to a further 3,000 sq.m (approx.) of strategic retail and services uses;

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6. The Company continues to evaluate new project development opportunities, notwithstanding the current challenges facing the property and construction industries due to inflation-driven interest rate rises and other economic headwinds. The Company and its executives are confident that they have the expertise and experience, as well as a strong balance sheet and strong track record of performance, to successfully navigate these volatile times and to take advantage of strategic opportunities that arise in the current environment. Indeed, the Company notes they are in advanced discussions on several exciting and significant new development opportunities which, if successful, would form the core launch platform of the renewed development pipeline.
7. With respect to the Group's NTA – Management doesn't consider NTA to be an accurate guide to the true value of the business. The Company complies with the Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB'), and as such development assets are recognised on the balance sheet at cost. However, what is not reflected on the balance sheet is the Company's view on its Intangible Asset portfolio, which management believe should reflect increasing underlying value of each of its projects as it progresses through its de-risking process of the development, thereby adding incremental value to each asset during the acquisition and development phase (which is typical of development companies). Crystallisation of the tangible full value uplift is only recognised following a sale of the asset or when the asset is re-classified as an investment asset once complete. Hence, Management consider the reported NTA significantly undervalues the intangible value created on each of its development assets;
8. This half-year loss reflects the nature of the Company's operations at a snapshot point in time; having pre-sold the Butler Central Homemaker Centre and the Group's other development assets being still in development phase, the loss comes following several healthy years of profits as development projects are finalised and crystallised through pre-sale agreements with third party purchasers. The success of the last few years has enabled the Group to share the benefits of these projects with its Shareholders through the payment of three capital returns totalling ~\$33.5 million. Now that the Group is in a rebuilding phase and continually assessing new project opportunities, we expect the lumpy nature of earnings associated with development activities to be evident.

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:

Paul Santinon
Company Secretary
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Appendix 4D

Half year report

Half-year ended 31 December 2022

Introduced 01/01/03 Amended 17/12/10

Name of entity

AXIOM PROPERTIES LIMITED

ABN

40 009 063 834

1. Half-year ended ('current reporting period') Half-year ended ('previous corresponding period')

31 DECEMBER 2022

31 DECEMBER 2021

2. Results for announcement to the market

					\$A'000
2.1	Revenue from ordinary activities	up/down	98%	To 1,038	
2.2	Profit/(Loss) from ordinary activities after tax attributable to members	up/down	128%	To (1,663)	
2.3	Profit/(Loss) for the period attributable to members	up/down	128%	To (1,663)	

Dividends		Amount per security	Franked amount per security
2.4	Final dividends	N/A	N/A
2.4	Interim dividends	N/A	N/A

2.5	Record date for determining entitlements to the dividends	N/A
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- 2.6 Brief explanation of any of the figures in 2.1 to 2.4 necessary to enable the figures to be understood:

This report should be read in conjunction with Axiom Properties Limited's most recent Annual and Interim Financial Reports.

3. NTA backing

	Current reporting period	Previous corresponding period
3.1 Net tangible assets per security	3.97 cents	4.43 cents

4. Control gained over entities having material effect

4.1 Name of entity (or group of entities)	N/A
4.2 Date of gain of control	N/A
4.3 Consolidated profit (loss) from ordinary activities after tax of the controlled entity (or group of entities) since the date in the current period on which control was acquired	N/A
4.3 Profit (loss) from ordinary activities after tax of the controlled entity (or group of entities) for the whole of the previous corresponding period	N/A

Loss of control of entities having material effect

4.1 Name of entity (or group of entities)	N/A
4.2 Date of loss of control	N/A
4.3 Consolidated profit (loss) from ordinary activities after tax of the controlled entity (or group of entities) since the date in the current period on which control was acquired	N/A
4.3 Profit (loss) from ordinary activities after tax of the controlled entity (or group of entities) for the whole of the previous corresponding period	N/A

5. Dividends / distributions

Date the dividend / distribution is payable	N/A
Amount per security of foreign source dividend / distribution	N/A

Total dividends / distributions

Ordinary securities	N/A
Preference securities	N/A

6. Dividend / distribution plans

Dividend or distribution investment plans in operation:	N/A
The last date(s) for receipt of election notices for participation in dividend or distribution reinvestment plans	N/A

7. Details of aggregate share of profits (losses) of associates and joint venture entities

Name of associate / joint venture:	MB Estate Pty Ltd	
Holding in entities	50% holding in Joint Venture	
Group's aggregate share of associates' and joint venture entities':	Current reporting period \$A'000	Previous corresponding period \$A'000
Profit (loss) from ordinary activities before tax	1,210	(59)
Income tax on ordinary activities	-	-
Profit (loss) from ordinary activities after tax	-	-
Extraordinary items net of tax	-	-
Net profit (loss)	1,210	(59)
Adjustments	-	-
Share of net profit (loss) of associates and joint venture entities	1,210	(59)

Name of associate / joint venture:	Currie St Pty Ltd	
Holding in entities	50% holding in Joint Venture	
Group's aggregate share of associates' and joint venture entities':	Current reporting period \$A'000	Previous corresponding period \$A'000
Profit (loss) from ordinary activities before tax	-	-
Income tax on ordinary activities	-	-
Profit (loss) from ordinary activities after tax	-	-
Extraordinary items net of tax	-	-
Net profit (loss)	-	-
Adjustments	-	-
Share of net profit (loss) of associates and joint venture entities	-	-

Name of associate / joint venture:	PointData Holdings Ltd	
Holding in entities	22% holding in Associate	
Group's aggregate share of associates' and joint venture entities':	Current reporting period \$A'000	Previous corresponding period \$A'000
Profit (loss) from ordinary activities before tax	(117)	-
Income tax on ordinary activities	-	-
Profit (loss) from ordinary activities after tax	-	-
Extraordinary items net of tax	-	-
Net profit (loss)	(117)	-
Adjustments	-	-
Share of net profit (loss) of associates and joint venture entities	(117)	-

8. Foreign entities

Which set of accounting standards is used in compiling the report (e.g. International Financial Reporting Standards):	N/A
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9. All entities

A description of accounts subject to audit dispute or qualification:	N/A
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**INTERIM FINANCIAL REPORT
31 December 2022**

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DIRECTORS' REPORT

Your Directors submit the financial report of the consolidated entity, Axiom Properties Limited, ("Axiom" or "the Company") for the half-year ended 31 December 2022 ("the half-year"). In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

Directors

The names of Directors who held office during or since the end of the half-year and until the date of this report are as noted below. Directors were in office for this entire period unless otherwise stated.

Ian James Laurance AM	Non-executive Chairman
Benjamin Peter Laurance	Managing Director
John Sylvester Howe	Non-executive Director
Liu Ying Chun	Non-executive Director
Doris Chung Gim Lian	Non-executive Director (alternate director)

Financial Results

The Company recorded a loss after tax of \$1.663 million for the half-year ended 31 December 2022, which is a decrease to the previous equivalent half-year's profit (31 December 2021: \$6.030 million profit after tax). This loss is as expected given the where the Company is at in its development life cycle, having booked significant profit results over the last few years from its mature development projects. Pleasingly, Mt Barker Glenlea and in particular the Living Choice settlement contributed to profit during the period.

Review of Operations

pointData

In accordance with the Company's strategic review and as previously announced, the Company entered into a Subscription Agreement to purchase a cornerstone investment in pointData and agreed to invest up to \$4m in 2 equal tranches. The first \$2m tranche was paid in October 2022, with the second tranche payment of \$2m being approved by pointData Shareholders in December 2022. In addition to and also in accordance with the Company's entitlement under the Subscription Agreement, Mr Paul Santinon was appointed to the Board on behalf of the Company, which was also approved by Shareholders in December. The second tranche is payable by 31st December 2023 and is subject to pointData achieving certain performance hurdles related to achieving revenue targets, giving Axiom up to circa one third ownership.

The Company is working closely with the pointData executive team as well as its Board to unlock further strategic investment whilst also supporting the team in continuing development of state-of-the-art PropertyAI, algorithms, data and intelligence systems. The Company is very pleased with the progress that pointData is making and is excited by the significant interest that pointData is generating within the property industry from its key target markets.

World Park 01: SAFECOM, Keswick SA

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 was reconciled by an independent auditor in January 2023 and paid to the Company in February 2023. The amount paid in full and final settlement was \$1.927 million. Axiom retains a development right with Charter Hall on the surplus developable land, which is capable of being developed into a 10,000 sqm (approx.) office facility, subject to a sufficient tenant pre-commitment.

DIRECTORS' REPORT (continued)**Review of Operations (continued)***Mt Barker, SA*

Following on from year end reporting, and despite multiple increases by the RBA to the cash rate, the Mt Barker market remains buoyant due to its price competitiveness and in demand lifestyle. During the period the Joint

Venture completed Stages 3 and 4 including settlement of the Living Choice over 55's lifestyle village super lot and commenced construction on Stage 5 and the new intersection onto Paech Road, which is expected to be completed this quarter. Proceeds from sales are being used to progressively pay back the BankSA development finance facility, in addition to the Joint Venture now holding residual funds to expedite planned reserve amenity and next stage works to meet market demand. To that extent, Stages 6, 7 and 8 as well as major reserve works are currently being documented ready for construction this year, subject to appropriate Council and finance approvals being in place. Stage 6 has already achieved pre-sales of 50% prior to commencement.

Butler, WA

As previously announced and in accordance with the conditions of the contract with the Lester Group, the Butler Central Homemaker Centre remains under development and the financial accommodation remains in place until such time that 70% of the tenants have commenced trading, which is expected to occur in the following two quarters. In addition, and as previously announced, the Company settled the first of the three pad sites (facing Butler Boulevard) and is working with several key potential lessees on the site. The Company expects to acquire the final two pad sites from Fabcot in the next two quarters.

Currie St, Adelaide SA

The Company and its partner continue to work with QT Hotels on the hotel as well as continue to search for prospective commercial users for the office component of the mixed-use project. Given the strong turn around in the travel and tourism markets since a global softening in Covid policies, the Company and its proposed hotel operator are increasingly confident of securing sufficient pre-conditions to enable a re-commencement of this project.


End of Review of Operations**Rounding of Amounts**

The Company has applied the relief available to it in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, and accordingly certain amounts in the interim financial report and the Directors' report have been rounded off to the nearest \$1,000, unless otherwise indicated.

Auditor's Independence Declaration

Section 307C of the Corporations Act 2001 requires our auditors, BDO Audit Pty Ltd, to provide the Directors of the Company with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on page 9 and forms part of this Directors' Report for the half year ended 31 December 2022.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to s.306(3) of the Corporations Act 2001.

Ben Laurance 
Managing Director

Dated this 17th day of February 2023

DECLARATION OF INDEPENDENCE
BY ANDREW TICKLE
TO THE DIRECTORS OF AXIOM PROPERTIES LIMITED

As lead auditor for the review of Axiom Properties Limited for the half-year ended 31 December 2022, 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 Axiom Properties Limited and the entities it controlled during the period.



Andrew Tickle
Director

BDO Audit Pty Ltd

Adelaide, 17 February 2023

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

	Notes	31 December 2022 \$'000	31 December 2021 \$'000
Continuing Operations			
Revenue from contracts with customers	2 (a)	1,038	48,317
Cost of sales		(1,563)	(40,543)
		(525)	7,774
Other income	2 (b)	15	4
Share of profit/(loss) from equity accounted investments	2 (c)	1,093	(59)
Employee benefits expense		(1,567)	(1,443)
Depreciation and amortisation expense		(110)	(110)
Finance costs		(9)	(26)
Other expenses		(560)	(378)
Profit/(loss) before income tax		(1,663)	5,762
Income tax benefit		-	268
Net Profit/(loss) for the period		(1,663)	6,030
Total comprehensive income for the period		(1,663)	6,030
Basic (loss)/earnings per share (cents per share)		(0.38) cents	1.39 cents
Diluted (loss)/earnings per share (cents per share)		(0.38) cents	1.39 cents

The accompanying notes form part of these financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022**

	Notes	31 December 2022 \$'000	30 June 2022 \$'000
Assets			
Current Assets			
Cash and cash equivalents		1,699	5,828
Trade and other receivables		1,150	778
Contract assets	6	12,191	13,190
Other financial assets		-	2,371
Other assets		147	68
Total Current Assets		15,187	22,235
Non-Current Assets			
Trade and other receivables		-	609
Right -of-use assets		280	391
Inventory	5	1,141	96
Other assets		80	80
Investments accounted for using the equity method	7	3,985	616
Total Non-Current Assets		5,486	1,792
Total Assets		20,673	24,027
Liabilities			
Current Liabilities			
Trade and other payables		2,427	4,025
Lease Liabilities		220	240
Provisions		449	421
Borrowings		-	-
Total Current Liabilities		3,096	4,686
Non-Current Liabilities			
Lease Liabilities		101	202
Borrowings		-	-
Total Non-Current Liabilities		101	202
Total Liabilities		3,197	4,888
Net Assets		17,476	19,139
Equity			
Issued capital	3	30,641	30,641
Accumulated losses		(13,165)	(11,502)
Total Equity		17,476	19,139

The accompanying notes form part of these financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

	Issued Capital	Accumulated Losses	Reserves	Total Equity
	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2021	47,949	(17,004)	-	30,945
Profit for the period	-	6,030	-	6,030
Total comprehensive income for the period	-	6,030	-	6,030
Return of capital	(17,308)	-	-	(17,308)
Balance at 31 December 2021	30,641	(10,974)	-	19,667
Balance at 1 July 2022	30,641	(11,502)	-	19,139
Loss for the period	-	(1,663)	-	(1,663)
Total comprehensive income for the period	-	(1,663)	-	(1,663)
Balance at 31 December 2022	30,641	(13,165)	-	17,476

The accompanying notes form part of these financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

Notes	31 December 2022 \$'000	31 December 2021 \$'000
Cash flows from operating activities		
Receipts from customers	1,771	57,210
Payments to suppliers and employees	(2,825)	(1,413)
Payment of project development costs	(3,421)	(37,878)
Interest received	15	4
Finance costs	-	-
Net cash (outflow)/inflow from operating activities	(4,460)	17,923
Cash flows from investing activities		
Loans with related entities	90	88
Payments for investments	(2,000)	-
Proceeds from fixed interest securities	2,371	3,038
Net cash inflow from investing activities	461	3,126
Cash flows from financing activities		
Repayment of lease liability	(130)	(136)
Return of capital	-	(17,308)
Net cash outflow from financing activities	(130)	(17,444)
Net increase/(decrease) in cash held	(4,129)	3,605
Cash and cash equivalents at the beginning of the period	5,828	9,127
Cash and cash equivalents at the end of the period	1,699	12,732

The accompanying notes form part of these financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying notes form part of these financial statements.

Statement of compliance

This half-year consolidated financial statements are general purpose financial statements 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'.

This condensed half-year financial report is intended to provide an update on the latest annual financial statements of Axiom Properties Limited and its controlled entities ("the Company"). This condensed half-year financial report does not include 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 financial report be read in conjunction with the annual financial report for the year ended 30 June 2022 and any public announcements made by the Company during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

Basis of preparation

The half-year financial report has been prepared on a historical cost basis, except for the revaluation of certain financial instruments to fair value. Cost is based on the fair value of the consideration given in exchange for assets. The Company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, and accordingly, certain amounts in the Directors' Report and the half-year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

Accounting policies and methods of computation

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these accounting standards and interpretations did not have any significant impact on the financial performance or position of the company.

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

Significant accounting judgments and key estimates

The preparation of interim financial reports requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim report, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Company's annual financial statements for the year ended 30 June 2022 with the exception of the estimates associated with revenue recognition as outlined in note 2(a).

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

NOTE 2: PROFIT/(LOSS) BEFORE INCOME TAX

	31 December 2022 \$'000	31 December 2021 \$'000
(a) Revenue from contracts with customers		
Rental Income	115	80
Sales Income	728	48,234
Development fee income	195	3
	1,038	48,317
Disaggregation of revenue		
Goods transferred at a point of time	728	17,127
Goods transferred over time	-	31,107
Services transferred over time	310	83
	1,038	48,317

Geographical regions

All revenue is derived from Australia.

Revenue recognition

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised. The following specific recognition criteria must also be met before revenue is recognised:

Rental income

Rental income is accounted for on a straight-line basis over the lease term. Contingent rental income is recognised as income in the periods in which it is earned. Lease incentives granted are recognised as a reduction as rental income received on a straight-line basis from the lease commencement date to the end of the lease term. Payments are typically received within 30 days.

Sales Income

There are two types of sales income received from the sale of Worldpark to Charter Hall and Butler to The Lester Group. Initial settlement tranches were recognised at a point in time upon financial settlement of the land and capital improvements value. Subsequent sales income received monthly on a fund through basis for construction from initial settlement is recognised as good and services transferred over time.

Revenue - estimates

Judgement is exercised in determining the costs associated with potential defects during the defect's liability periods for Worldpark and Butler as well as contractual income guarantees. A degree of variability therefore exists at the end of the reporting period which has a direct bearing on the amount of revenue recognised in the period.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

NOTE 2: PROFIT/(LOSS) BEFORE INCOME TAX (Continued)

(b) Other income

	31 December 2022 \$'000	31 December 2021 \$'000
Interest received	15	4

(c) Share of loss from equity accounted investments

Share of profit/(loss) from MB Estate Pty Ltd	1,210	(59)
Share of profit/(loss) from PointData Holdings Ltd	(117)	-
	1,093	(59)

NOTE 3: ISSUED CAPITAL

	31 December 2022 \$'000	30 June 2022 \$'000
<i>Ordinary shares</i>		
Issued and fully paid	30,641	30,641

	6 months to 31 Dec 2022		12 months to 30 June 2022	
	No.	\$'000	No.	\$'000
<i>Movements in ordinary shares on issue</i>				
At start of period	432,713,658	30,641	432,713,658	47,949
Return of capital	-	-	-	(17,308)
At end of period	432,713,658	30,641	432,713,658	30,641

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

NOTE 4: SEGMENT REPORTING

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Company that are regularly reviewed by the Board in order to allocate resources to the segment and to assess its performance.

Information regarding these segments is presented below. The accounting policies of the reportable segments are the same as the Company's accounting policies. The following tables are an analysis of the Company's revenue, results from continuing operations and the Company's assets and liabilities by reportable segment provided to the Board for the half-year ended 31 December 2022 and 31 December 2021.

Continuing operations				
31 December 2022	Investment Property \$'000	Development \$'000	Corporate \$'000	Consolidated \$'000
Segment revenue	-	1,008	30	1,038
Other income	-	3	12	15
Share of net profit/(loss) of equity accounted investments	(117)	1,210	-	1,093
Segment result	(117)	658	(2,204)	(1,663)
Results from continuing operations	(117)	658	(2,204)	(1,663)
Segment assets	1,883	17,129	1,661	20,673
Segment liabilities	-	1,740	1,457	3,197

Continuing operations				
31 December 2021	Investment Property \$'000	Development \$'000	Corporate \$'000	Consolidated \$'000
Segment revenue	-	48,284	33	48,317
Other income	-	-	4	4
Share of net profit/(loss) of equity accounted investments	-	(59)	-	(59)
Segment result	-	7,652	(1,622)	6,030
Results from continuing operations	-	7,652	(1,662)	6,030
Segment assets	-	16,036	12,179	28,215
Segment liabilities	-	6,995	1,553	8,548

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

NOTE 5: INVENTORIES

	31 December	30 June
	2022	2022
	\$'000	\$'000
<i>Non-Current</i>		
Land (development)	1,141*	96

* As announced, the Company settled the first of the three pad sites (facing Butler Boulevard) for \$995,400 during the period.

NOTE 6: CONTRACT ASSETS

	31 December	30 June
	2022	2022
	\$'000	\$'000
<i>Current</i>		
Contract Assets	12,191	13,190

Contract Assets recognised at December 2022 represents revenue earned but not yet invoiced on the Butler and SAFECOM developments. As previously announced, the Butler development achieved practical completion on 30 June 2022, however the Centre remains under development and the financial accommodation remains in place until such time that 70% of the tenants have commenced trading. As outlined in the Directors' report, the portion of the contract asset relating to the SAFECOM development has been received subsequent to the reporting date.

NOTE 7: INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investment Summary

		31 December	30 June
		2022	2022
Name of entity	Type of Investment	\$'000	\$'000
MB Estate Pty Ltd	Joint Venture	1,486	-
Currie St Pty Ltd	Joint Venture	616	616
PointData Holdings Ltd	Associate	1,883	-
Total		3,985	616

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

NOTE 7: INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (continued)

Joint ventures

Details of the Company's joint venture at the end of the reporting period is as follows:

Name of entity	Principal activity	Country of incorporation	Equity Participation Share	
			December 2022 %	June 2022 %
MB Estate Pty Ltd	Land subdivision	Australia	50	50
Currie St Pty Ltd	Land & building development	Australia	50	50

Reconciliation of carrying amount of the interest in joint venture recognised in the Company financial statements.

MB Estate Pty Ltd

	31 December 2022 \$'000	30 June 2022 \$'000
Opening carrying amount	-	785
Contributions to joint venture	471	-
Share of profit/(loss) of investment	1,210	(61)
Less: downstream development fees	(195)	(724)
Carrying value of the Company's interest in the joint venture	<u>1,486</u>	<u>-</u>

Axiom is responsible for initial equity contributions for the venture. The other party will contribute land and hold the land for the benefit of the joint venture until allotments are sold. After an initial distribution of proceeds paid to the other party, and a project management fee paid to Axiom, the remaining profits are to be distributed in accordance with the above equity participation share.

Currie St Pty Ltd

	31 December 2022 \$'000	30 June 2022 \$'000
Opening carrying amount	616	616
Contributions to joint venture	-	-
Share of profit/(loss) of investment	-	-
Carrying value of the Company's interest in the joint venture	<u>616</u>	<u>616</u>

Axiom has the right to contribute equity of up to \$6.0m to earn a 50% interest in the project and will be responsible for delivering the development. Axiom also has the right to earn a development management fee during the project's life-cycle.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

NOTE 7: INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (continued)

Associate

Details of the Group's associates at the end of the reporting period is as follows:

Name of entity	Principal activity	Country of incorporation	Equity Participation Share	
			December 2022 %	June 2022 %
pointData Holdings Ltd	Property data and analytics	Australia	22	-

Reconciliation of carrying amount of the interest in associate recognised in the Company financial statements.

pointData Holdings Ltd

	31 December 2022 \$'000
Opening carrying amount	-
Contributions to associate	2,000
Share of profit/(loss) of investment	(117)
Carrying value of the Company's interest in the associate	<u>1,883</u>

As previously announced, Axiom has agreed to invest up to \$4m in 2 equal tranches into deep tech PropertyAI company Point Data. The first \$2m tranche was approved and paid on 14th October 2022, with the second tranche payment of \$2m being approved by pointData Shareholders in December 2022. This second payment is subject to conditions to the benefit of the Company and due to be paid anytime up to December 2023.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022****NOTE 8: FINANCIAL INSTRUMENTS**

The Directors consider that the carrying amount of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

NOTE 9: COMMITMENTS

As previously disclosed, the Company achieved Practical Completion on its Butler Central Homemaker Central project on 30 June 2022. The Centre remains under development and the financial accommodation remains in place from The Lester Group until such time that 70% of the tenants have commenced trading, which is expected to occur in the next two quarters.

NOTE 10: EVENTS SUBSEQUENT TO REPORTING DATE

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 was reconciled by an independent auditor in January 2023 and paid to the Company in February 2023. The amount paid in full and final settlement was \$1.927 million.

No other matters or circumstances have arisen since the end of the financial half-year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs in future financial years.

NOTE 11: CONTINGENT LIABILITIES

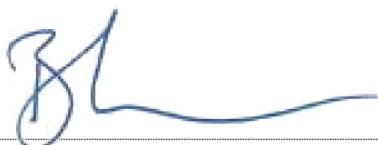
The Company had no contingent liabilities as at 31 December 2022.

DIRECTORS' DECLARATION

In the opinion of the Directors of Axiom Properties Limited ('the Company'):

1. The financial statements and notes thereto, as set out on pages 10 to 21, are in accordance with the Corporations Act 2001 including:
 - a. complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - b. giving a true and fair view of the consolidated entity's financial position as at 31 December 2022 and of its performance for the half-year then ended.
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303 (5) of the Corporations Act 2001.



Ben Laurance
Managing Director

Dated this 17th day of February 2023

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF AXIOM PROPERTIES LIMITED

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Axiom Properties Limited (the Company) and its subsidiaries (the Group), which comprises the condensed consolidated statement of financial position as at 31 December 2022, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the condensed 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 2022 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.

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 2022 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.

A handwritten signature in blue ink that reads 'BDO'.

BDO Audit Pty Ltd

A handwritten signature in blue ink that reads 'Andrew Tickle'.

Andrew Tickle
Director

Adelaide, 17 February 2023