

Appendix 4D

Half year report

Half-year ended 31 December 2023

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 2023

31 DECEMBER 2022

2. Results for announcement to the market

\$A'000

2.1	Revenue from ordinary activities	up/down	89%	To 115
2.2	(Loss) from ordinary activities after tax attributable to members	up/down	57%	To (721)
2.3	(Loss) for the period attributable to members	up/down	57%	To (721)

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	3.14 cents	3.97 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	1,062	1,210
Income tax on ordinary activities	-	-
Profit (loss) from ordinary activities after tax	1,062	1,210
Extraordinary items net of tax	-	-
Net profit (loss)	1,062	1,210
Adjustments	-	-
Share of net profit (loss) of associates and joint venture entities	1,062	1,210

Name of associate / joint venture:	PointData Holdings Ltd	
Holding in entities	33.33% 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	(425)	(117)
Income tax on ordinary activities	-	-
Profit (loss) from ordinary activities after tax	(425)	(117)
Extraordinary items net of tax	-	-
Net profit (loss)	(425)	(117)
Adjustments	-	-
Share of net profit (loss) of associates and joint venture entities	(425)	(117)

Name of associate / joint venture:	Openn Negotiations Ltd	
Holding in entities	19.77% 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	(115)	-
Income tax on ordinary activities	-	-
Profit (loss) from ordinary activities after tax	(115)	-
Extraordinary items net of tax	-	-
Net profit (loss)	(115)	-
Adjustments	-	-
Share of net profit (loss) of associates and joint venture entities	(115)	-

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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A.B.N. 40 009 063 834

**INTERIM FINANCIAL REPORT
31 December 2023**

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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 2023 ("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 \$0.721 million for the half-year ended 31 December 2023, which is a decrease to the previous equivalent half-year's loss (31 December 2022: \$1.663 million loss before tax). This periodic loss is not unexpected and is representative of the financial lifecycle of a traditional property development business whereby earnings can tend to be lumpy in nature. The Company's Property Development Division is currently incubating several exciting development opportunities as highlighted in the Group's Operational Update announced in October 2023. The Company expects to realise the efforts of these development opportunities over the next 18 - 24 months.

As also detailed in this Operational Update, the Company has established a separate division which is focused on making strategic investments in the Property and Financial Technology sector. This high conviction, active investment division has a mandate to invest in aligned businesses where management feels they can add significant value and expertise to the investee company. To date, the portfolio has invested in 7 such opportunities where our management team is working with the investee co-founders and executives to unlock substantial value.

We appreciate your support and trust as we move forward and continue to incubate opportunistic property development and technology investments. We are confident that our focused commitment to implementing the new strategic advisory and investment model will ensure sustained growth and financial stability as well as generate significant returns for Shareholders.

Review of Operations

Property Development and Investment

Butler, WA

As part of the Group's Large Format Retail Centre it developed in Butler, WA, Axiom purchased 3 additional padsites (smaller parcels of land adjacent to the main centre suitable for such uses as Quick Service Restaurants or smaller, stand-alone tenancies). The Vendor, Fabcot (Woolworths) agreed to undertake a sub-division of 2 of these padsites (sub-division still pending, but imminent). Collectively, these parcels of land total some 7,500 sq.m (approx.) and lie in various locations around the main shopping centre (comprising most uses including supermarket, specialty and large format retail, services and well-being uses).

DIRECTORS' REPORT (continued)**Review of Operations (continued)****Lot 2814**

This land parcel comprises 2,200 sq.m approx. and enjoys a high-profile location on Butler Boulevard, a main arterial road connecting Marmion Avenue to the Freeway. Axiom acquired this parcel of land in December 2022 and contracted it for sale in 2023, with settlement of the circa net \$1.4 million sale occurring subsequent to reporting date (expected in Q3, FY24).

Lots 2815 and 2817

Land parcels of 1,219 sqm and 4,125 sqm respectively are still the subject of the Woolworths sub-division which is expected to be completed (title issued and subsequently settled) by the end of FY2024. Axiom has agreed to on-sell these land parcels subject to the sub-division on favourable terms. Settlement and receipt of sale proceeds is also expected to be completed by end of FY2024.

Mt Gambier

Axiom agreed to conditionally purchase an opportunity from Woolworths in Mt Gambier, South Australia to develop a multi-million-dollar large format retail and mixed-use precinct. The two separate sites are adjacent to a thriving Shopping Centre (Mt Gambier Marketplace) which is anchored by a Woolworths Supermarket, Big W Discount Department Store and a Bunnings Warehouse. The Company continues to work towards obtaining all statutory approvals and achieving the pre-lease conditions prior to entering into a construction contract and settling the purchase of the site. Current leasing enquiry has been extremely encouraging, with pre-lease commitments nearing 50% already.

Darwin

Axiom continues to work with its Joint Venture Partner (a local Northern Territory family) whilst pressing ahead with preliminary site design and securing leasing pre-commitments from several major retailing groups to anchor the major retail power centre. Given the significant scale of the project (\$140+ million), the Company is also in discussions with various capital partners and financiers to ensure the project can commence as soon as approvals are achieved, and the Partners are comfortable with leasing and construction risk.

Glenlea Estate, Mt Barker

Glenlea Estate is Axiom's residential subdivision estate in Mt Barker, South Australia at the foot of the beautiful Adelaide Hills. Axiom's interest is by way of a 50% Joint Venture with the landowners and Axiom has the development management responsibility. With 60% of the land development effectively complete or under construction, the Glenlea community is thriving. The Partners are now working towards bringing to market the balance of the stages as well as the 12 hectares of green space amenity, including open natural reserves, walking trails and activity spaces. The Company expects the development to continue to contribute to earnings in the medium term.

Safecom Development Site

Axiom sold its purpose-built specialised State critical infrastructure, the South Australian Fire and Emergency Services Command Centre (SAFECOM) to Charter Hall's Social Infrastructure Fund for \$80m in November 2020. As part of the sale, Axiom retained the right to develop an additional vacant parcel of land within the Emergency Services compound. The Company continues to champion the site with Government, which can accommodate up to another 10,000 sq.m NLA of bespoke office/infrastructure, delivered to the same Importance Level as the SAFECOM complex.

DIRECTORS' REPORT (continued)

Property Technology and Investment

As outlined previously, the Company's relatively new PropTech Investment Division has a growing portfolio of exciting investments and opportunities which constitute the basis of its core focus on this sector.

Point Data

PointData is a property data and analytics business that is disrupting the Australian property technology ecosystem through its innovative data software and machine learning network utilising Artificial Intelligence and multi-variant algorithms. Axiom has now invested \$4m in the business for a circa one third ownership of Point Data.

During the period, Point Data made advancements to its technology and its national data coverage, and is now well placed to capture recurrent revenue streams and potentially secure high profile strategic enterprise groups to licence its unique product offerings.

Openn Negotiation Limited (ASX: OPN)

Openn is a real estate transaction management and workflow management platform which seeks to bring transparency and clarity to the real estate sector. Openn has gained significant traction in the Australian market having transacted more than \$8.5 billion worth of residential property sales since launch. Axiom agreed to underwrite a \$3.2 million placement and rights issue in Openn Negotiation Ltd in June 2023, which resulted in Axiom owning a 19.77% interest in the ASX listed company.

In November 2023, OPN announced that Mr Ben Laurance had joined the OPN board as Chairman and appointed Mr Andrew McCulloch, Director of Network Growth at Ray White as a Non-Executive Director. OPN also recently announced that it had entered into discussions for the acquisition of a technology platform that substantially enhances and expands their capability and reach. The key board appointments along with the potential transaction align with OPN's corporate strategy and is set to amplify the advantages for its customers and offers significant impact on future cashflows for the business.

Realty Assist

Realty Assist is a market leading invoicing and payments platform for the Real Estate industry delivering unique cash flow solutions to vendors and agents in the process of selling property. Since launch, Realty Assist has onboarded over 11,000 agents to its platform and currently manages the payments for thousands of residential sales per month generating revenue by enabling vendors and agents to defer and advance funds throughout the sale and settlement process.

Subsequent to reporting date, Realty Assist advised Axiom that its net \$1.5 million Convertible Note along with the attributable capitalised coupon interest, had been converted into equity at a discount to the issue price of Shares under a New Equity Raising and in accordance with the terms of the Convertible Note.

DIRECTORS' REPORT (continued)*Fletch Capital*

The core objective of Fletch Capital is to provide strategic direction, human resources and financial capital to develop fintech business opportunities consistent with Axiom's recent employment of Rob Towey as CEO of Axiom's prop tech business.

Since establishing Fletch Capital during last year, the subsidiary has acquired a technology stack that is capable of providing payments, credit and card issuance capabilities to various entities requiring these services. Initially, Fletch Capital is providing these payment services to another Axiom subsidiary, AXIPay, which is currently finalising a long term Services Agreement with a leading property management and agency network to provide many and varied payments services and financial system support to its extensive customer base. This platform represents ~11,000 properties and approximately \$500m of rental payments per annum, placing them amongst the highest processors of aggregated rent rolls in Australia.

The Company has also confidentially agreed, subject to final contract documentation, to purchase an existing business whose primary operation is to provide credit solutions to home owners and investors across multiple stages of the real estate lifecycle. This business will be integrated with the Fletch Capital offering to deliver a unique and holistic payments and lending proposition to the Real Estate industry. This group, together with Axiom's executives, have been working collaboratively with a market leading property management workflow software organisation to enhance and expand their operations through the utilisation of the Fletch Capital technology.

Additionally, Fletch Capital is working with various other industry groups to provide its bespoke offerings in payments and invoice processing to support the counterparties' operations across multiple sectors.

Proffer

Axiom has established a 50/50 Joint Venture with start-up business "Proffer" and has agreed to provide initial capital and advisory services in order to bring the concept to fruition by leveraging its experience and network throughout Axiom's wider proptech eco-system, including data sharing and alike opportunities with Point Data. The Proffer team continue to work on the "proof of concept".

Digital Classifieds Group

During the reporting period Axiom subscribed for 960 shares and paid \$500k USD (\$776k AUD) in Digital Classifieds Group (DCG), an established real estate media business in the emerging markets of Southeast Asia. As well as DCG owning and operating the leading established real estate portals in Bangladesh, Cambodia and Papua New Guinea, it recently acquired Lamudi, transforming its existing market leadership position into the additional jurisdictions of Indonesia and the Philippines.

Subsequent to Half-Year End, Axiom has agreed to subscribe for an additional \$100,000 of equity in DCG by way of a SAFE note. The funds raised under this SAFE note are to be used to accelerate the DCG foothold in these emerging South East Asian markets and to establish the DCG operations as the major real estate portal in the region.

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 2023.

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 22nd day of February 2024

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 2023, 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, 22 February 2024

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023**

	Notes	31 December 2023 \$'000	31 December 2022 \$'000
Continuing Operations			
Revenue from contracts with customers	2 (a)	115	1,038
Cost of sales		(553)	(1,563)
		(438)	(525)
Other income	2 (b)	1,483	15
Share of profit/(loss) from equity accounted investments	2 (c)	522	1,093
Employee benefits expense		(1,273)	(1,567)
Depreciation and amortisation expense		(131)	(110)
Finance costs		(31)	(9)
Legal and consulting costs		(601)	(133)
Other expenses		(320)	(427)
Profit/(loss) before income tax		(789)	(1,663)
Income tax benefit		-	-
Net Profit/(loss) for the period		(789)	(1,663)
Total comprehensive income for the period		(789)	(1,663)
Profit for the half-year is attributable to:			
Non-controlling interest		(68)	-
Owners of Axiom Properties Limited		(721)	(1,663)
		(789)	(1,663)
Basic (loss)/earnings per share (cents per share)		(0.17) cents	(0.38) cents
Diluted (loss)/earnings per share (cents per share)		(0.17) cents	(0.38) cents

The accompanying notes form part of these financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023**

	Notes	31 December 2023 \$'000	30 June 2023 \$'000
Assets			
Current Assets			
Cash and cash equivalents		1,882	11,111
Trade and other receivables		867	848
Inventory	5	1,084	-
Other financial assets	9	2,637	374
Other assets	6	137	-
Total Current Assets		6,607	12,333
Non-Current Assets			
Trade and other receivables		1,277	1,536
Other financial assets	9	776	-
Right -of-use assets	10	650	174
Inventory	5	-	1,145
Other assets	6	643	90
Intangible assets	7	682	-
Investments accounted for using the equity method	8	6,799	2,492
Total Non-Current Assets		10,827	5,437
Total Assets		17,434	17,770
Liabilities			
Current Liabilities			
Trade and other payables		877	1,446
Lease Liabilities	11	108	204
Provisions		418	414
Financial liabilities at fair value	12	568	-
Total Current Liabilities		1,971	2,064
Non-Current Liabilities			
Lease Liabilities	11	546	-
Total Non-Current Liabilities		546	-
Total Liabilities		2,517	2,064
Net Assets		14,917	15,706
Equity			
Issued capital	3	30,641	30,641
Accumulated losses		(15,656)	(14,935)
Equity attributable to the owners of Axiom Properties Limited		14,985	15,706
Non-controlling interest		(68)	-
Total Equity		14,917	15,706

The accompanying notes form part of these financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023**

	Issued Capital	Accumulated Losses	Non Controlling Interest	Total Equity
	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2022	30,641	(11,502)	-	19,139
Profit/(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
Balance at 1 July 2023	30,641	(14,935)	-	15,706
Profit/(Loss) for the period	-	(721)	(68)	(789)
Total comprehensive income for the period	-	(721)	(68)	(789)
Balance at 31 December 2023	30,641	(15,656)	(68)	14,917

The accompanying notes form part of these financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023**

	Notes	31 December 2023 \$'000	31 December 2022 \$'000
Cash flows from operating activities			
Receipts from customers		679	1,771
Payments to suppliers and employees		(3,002)	(2,825)
Payment of project development costs		(969)	(3,421)
Interest received		97	15
Finance costs		(1)	-
Net cash (outflow)/inflow from operating activities		(3,196)	(4,460)
Cash flows from investing activities			
Loans with related entities		-	90
Payments for investments		(5,102)	(2,000)
Payments for intangibles		(700)	-
Payments (for)/from fixed interest securities		(84)	2,371
Net cash (outflow)/inflow from investing activities		(5,886)	461
Cash flows from financing activities			
Repayment of lease liability		(147)	(130)
Net cash (outflow) from financing activities		(147)	(130)
Net increase/(decrease) in cash held		(9,229)	(4,129)
Cash and cash equivalents at the beginning of the period		11,111	5,828
Cash and cash equivalents at the end of the period		1,882	1,699

The accompanying notes form part of these financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying notes form part of these financial statements.

Statement of compliance

These general purpose financial statements for the interim half-year reporting period ended 31 December 2023 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard 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"). These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2023 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 2023 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 2023**

NOTE 2: PROFIT/(LOSS) BEFORE INCOME TAX

	31 December 2023 \$'000	31 December 2022 \$'000
(a) Revenue from contracts with customers		
Sales Income	-	728
Rental Income	37	115
Management fees	78	-
Development fee income	-	195
	115	1,038
Disaggregation of revenue		
Goods transferred at a point of time	-	728
Services transferred over time	115	310
	115	1,038

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 were two types of sales income received last financial year from the sale of Worldpark to Charter Hall and Butler to The Lester Group.

Management fees

As stated in the Company's Operational and Strategic updated during the period, the Group provides advisory services to external and portfolio companies. The Group recognises revenue as services are delivered. Payments are typically received within 30 days.

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 2023**

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

(b) Other income

	31 December 2023	31 December 2022
	\$'000	\$'000
Interest received	199	15
Sundry income	191	-
Net fair value gain on financial assets	1,093	-
	<u>1,483</u>	<u>15</u>

(c) Share of profit/(loss) from equity accounted investments

Share of profit from MB Estate Pty Ltd	1,062	1,210
Share of loss from PointData Holdings Ltd	(425)	(117)
Share of loss from Openn Negotiations Ltd	(115)	-
	<u>522</u>	<u>1,093</u>

NOTE 3: ISSUED CAPITAL

	31 December 2023	30 June 2023
	\$'000	\$'000
<i>Ordinary shares</i>		
Issued and fully paid	<u>30,641</u>	<u>30,641</u>

	6 months to 31 Dec 2023		12 months to 30 June 2023	
	No.	\$'000	No.	\$'000
<i>Movements in ordinary shares on issue</i>				
At start of period	432,713,658	30,641	432,713,658	30,641
At end of period	<u>432,713,658</u>	<u>30,641</u>	<u>432,713,658</u>	<u>30,641</u>

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023**

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 2023 and 31 December 2022.

Continuing operations				
31 December 2023	Investment \$'000	Development \$'000	Corporate \$'000	Consolidated \$'000
Segment revenue	43	-	72	115
Other income	1,145	45	293	1,483
Share of net profit/(loss) of equity accounted investments	(540)	1,062	-	522
Segment result	298	554	(1,573)	(721)
Results from continuing operations	298	554	(1,573)	(721)
Segment assets	9,160	5,211	3,063	17,434
Segment liabilities	807	121	1,589	2,517
Continuing operations				
31 December 2022	Investment \$'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

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023**

NOTE 5: INVENTORIES

	31 December	30 June
	2023	2023
	\$'000	\$'000
<i>Current</i>		
Land (development)	1,084	-
<i>Non-Current</i>		
Land (development)	-	1,145

NOTE 6: OTHER ASSETS

	31 December	30 June
	2023	2023
	\$'000	\$'000
<i>Current</i>		
Prepayments	137	-
<i>Non-Current</i>		
Refundable deposits	643	90

NOTE 7: INTANGIBLE ASSETS

	31 December	30 June
	2023	2023
	\$'000	\$'000
<i>Non-Current</i>		
Intangible Assets	700	-
Less: Accumulated Amortisation	(18)	-
Total Intangible Assets	682	-

During the period, the Group acquired a technology stack that is capable of providing payments, credit and card issuance capabilities to various entities requiring these services. The expected useful life of these assets is 10 years.

NOTE 8: INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investment Summary

		31 December	30 June
		2023	2023
		\$'000	\$'000
Name of entity	Type of Investment		
MB Estate Pty Ltd	Joint Venture	1,963	901
PointData Holdings Ltd	Associate	3,165	1,591
Openn Negotiations Ltd	Associate	1,671	-
Total		6,799	2,492

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023**

NOTE 8: INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (continued)

Joint venture

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 2023	June 2023
			%	%
MB Estate Pty Ltd	Land subdivision	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 2023 \$'000	30 June 2023 \$'000
Opening carrying amount	901	-
Contributions to joint venture	-	471
Elimination of upstream development fee	-	(195)
Share of profit of investment	1,062	625
Carrying value of the Company's interest in the joint venture	1,963	901

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.

Associates

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 2023	June 2023
			%	%
PointData Holdings Ltd	Property data and analytics	Australia	33.33	22
Openn Negotiations Ltd	Online communication	Australia	19.77 ¹	19.99 ¹

¹ Effective 17 November 2023, Axiom has obtained significant influence as a result of Mr Ben Laurance's appointment as non-executive chairman.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023**

NOTE 8: INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (continued)

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

PointData Holdings Ltd

	31 December	30 June
	2023	2023
	\$'000	\$'000
Opening carrying amount	1,591	-
Contributions to associate	1,999	2,000
Share of net loss of associates	(425)	(409)
Carrying value of the Company's interest in the associate	<u>3,165</u>	<u>1,591</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 paid in December 2022, with the second tranche now having been paid in December 2023 giving Axiom a circa one third ownership of Point Data.

Openn Negotiations Ltd

	31 December	30 June
	2023	2023
	\$'000	\$'000
Opening carrying amount	-	-
Recognition at date of gaining significant influence ¹	1,786	-
Share of net loss of associates	(115)	-
Carrying value of the Company's interest in the associate	<u>1,671</u>	<u>-</u>

¹Openn is a real estate transaction management and workflow management platform which seeks to bring transparency and clarity to the real estate sector. Axiom agreed to underwrite a \$3.2 million placement and rights issue in Openn Negotiation Ltd in June 2023, which resulted in Axiom owning a 19.77% interest in the ASX listed company.

Openn announced that as part of their Board succession and rejuvenation process, they appointed Mr Ben Laurance as non-executive Chairman. As a result and effective from date of appointment on 17 November 2023, the Openn investment was changed to be recognised as an Associate. The fair value of the investment at the date of this change is reflected above.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023**

NOTE 9: OTHER FINANCIAL ASSETS

	31 December	30 June
	2023	2023
	\$'000	\$'000
<i>Current</i>		
Shares in listed companies at fair value through profit or loss	-	374
Investments in convertible note at fair value through profit or loss	2,553	-
Fixed interest securities	84	-
	<u>2,637</u>	<u>374</u>
<i>Non-Current</i>		
Investments in unlisted companies at fair value through profit or loss	<u>776</u>	<u>-</u>

NOTE 10: RIGHT-OF-USE ASSETS

	31 December	30 June
	2023	2023
	\$'000	\$'000
Office Space – right-of-use	1,570	1,037
Less: Accumulated depreciation	(971)	(865)
	<u>599</u>	<u>172</u>
Motor Vehicle – right-of-use	54	46
Less: Accumulated depreciation	(3)	(44)
	<u>51</u>	<u>2</u>
Total right-of-use assets	<u>650</u>	<u>174</u>

Additions and modifications to the right-of-use assets during the half-year were \$586,192.

The Company leases offices located in Adelaide and Sydney (renewed during the period) under agreements of between five to six years. The leases have annual fixed escalation clauses. On renewal, the terms of the leases are renegotiated. The company also entered into a motor vehicle operating lease under a three-year agreement.

The Company leases office equipment under agreements. These leases are either short-term or low-value, so have been expensed as incurred and not capitalised as right-of-use assets.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023**

NOTE 11 LEASE LIABILITIES

	31 December	30 June
	2023	2023
	\$'000	\$'000
<i>Current</i>		
Lease liabilities	108	204
<i>Non-Current</i>		
Lease liabilities	546	-

NOTE 12: FINANCIAL LIABILITIES AT FAIR VALUE

	31 December	30 June
	2023	2023
	\$'000	\$'000
<i>Current</i>		
Liabilities at fair value	568	-
	568	-

Liabilities at fair value consists of an arrangement whereby a portion of the group's investment in convertible notes at fair value is funded by a third party. On conversion the funded proportion of proceeds will be distributed to the funding party.

NOTE 13: FAIR VALUE MEASUREMENT

Fair value hierarchy

The following tables detail the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

Consolidated - 31 Dec 2023	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<i>Assets</i>				
Investments at fair value through profit or loss	-	-	3,329	3,329
Total assets	-	-	3,329	3,329
<i>Liabilities</i>				
Liabilities at fair value through profit or loss	-	-	568	568
Total liabilities	-	-	568	568

Consolidated – 30 June 2023	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<i>Assets</i>				
Investments at fair value through profit or loss	374	-	-	374
Total assets	374	-	-	374
<i>Liabilities</i>				
Liabilities at fair value through profit or loss	-	-	-	-
Total liabilities	-	-	-	-

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

Valuation techniques for fair value measurements categorised within level 2 and level 3

Unquoted investments have been valued based on investment activity near reporting date. In the case of unquoted convertible notes, the valuation is based on the expected value of the most probable conversion outcome, incorporating the nature of the converted investment, the indicative value of the converted securities and the timing of expected conversion. The fair value of investments with a conversion feature incorporates the likelihood and expected timing of conversion, and the value of expected benefit. As detailed in note 15, a conversion event occurred subsequent to the end of the reporting period.

Level 3 assets and liabilities

Movements in level 3 assets and liabilities during the current financial half-year are set out below:

Consolidated	Shares in listed Companies	Investments in Unlisted companies	Liabilities at Fair value	Total
	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2023	374	-	-	374
Additions	727	2,701	-	3,428
Advances received	-	-	(429)	(429)
Gains recognised in profit or loss	685	525	(117)	1,093
Interest accrued	-	103	(22)	81
Reclassification as investment in associate	(1,786)	-	-	(1,786)
Balance at 31 December 2023	-	3,329	(568)	2,761

NOTE 14 COMMITMENTS

The company had no capital commitments for property, plant and equipment as at 31 December 2023.

NOTE 15: EVENTS SUBSEQUENT TO REPORTING DATE

No 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 other than the following matters noted below;

The Company previously announced it had contracted Lot 2814 (being a 2,200 sq.m approx. high-profile pad site located on Butler Boulevard, Butler WA). Settlement of the net circa \$1.400 million occurred subsequent to reporting date in February 2024.

Subsequent to reporting date, Realty Assist advised Axiom that a conversion event occurred in relation to its net \$1.5 million Convertible Note and that it, along with the attributable capitalised coupon interest, had been converted into equity at a 20% discount to the issue price of Shares under a New Equity Raising.

Subsequent to reporting date, Axiom entered into a Simple Agreement for Future Equity (SAFE) note with Digital Classified Group for a purchase consideration for \$100,000, paid in February 2024.

NOTE 16: CONTINGENT LIABILITIES

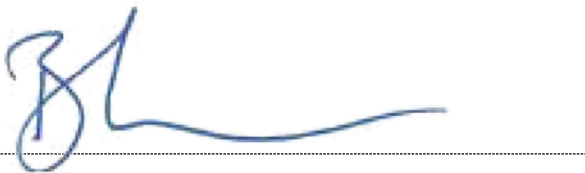
The Company had no contingent liabilities as at 31 December 2023.

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 2023 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 22nd day of February 2024

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 2023, 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 2023 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 2023 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, 22 February 2024