

ASX CODE

AXI

ISSUED CAPITAL

Ordinary Shares
432.7 M

CONTACT

South Australia

Level 1, Leigh Chambers
20 Leigh Street
Adelaide SA 5000

GPO Box 1248
Adelaide SA 5001

Phone: (08) 8120 2400
Email: paul@axiompl.com.au

New South Wales

Suite 2007, Level 20
Australia Square
264-278 George Street
Sydney NSW 2000

Phone: (02) 8318 4700
Email: ben@axiompl.com.au

17 February 2022

ASX ANNOUNCEMENT

**APPENDIX 4D – HALF YEAR REPORT
31 DECEMBER 2021**

Adelaide, Australia, Thursday 17 February 2022: Axiom Properties Limited (ASX:AXI) is pleased to lodge the attached Appendix 4D and Half Yearly report.

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
+61 8 8120 2400

Appendix 4D

Half year report

Half-year ended 31 December 2021

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 2021

31 DECEMBER 2020

2. Results for announcement to the market

				\$A'000
2.1	Revenue from ordinary activities	up/down	63.56%	To 48,317
2.2	Profit from ordinary activities after tax attributable to members	up/down	8.4%	To 6,030
2.3	Profit for the period attributable to members	up/down	8.4%	To 6,030

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
-----	---	-----

- 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	4.43 cents	7.13 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	(59)	497
Income tax on ordinary activities	-	-
Profit (loss) from ordinary activities after tax	-	-
Extraordinary items net of tax	-	-
Net profit (loss)	(59)	497
Adjustments	-	-
Share of net profit (loss) of associates and joint venture entities	(59)	497

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	-	-

8. Foreign entities

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

9. All entities

A description of accounts subject to audit dispute or qualification:	N/A
--	-----



A.B.N. 40 009 063 834

**INTERIM FINANCIAL REPORT
31 December 2021**

CONTENTS	PAGE
Directors' Report	7
Auditor's Independence Declaration	10
Condensed Consolidated Statement of Comprehensive Income	11
Condensed Consolidated Statement of Financial Position	12
Condensed Consolidated Statement of Changes in Equity	13
Condensed Consolidated Statement of Cash Flows	14
Notes to the Condensed Consolidated Financial Statements	15
Directors' Declaration	22
Independent Auditor's Review Report	23

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 2021 ("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 profit after tax of \$6.030 million for the half-year ended 31 December 2021, which is an increase to the previous equivalent half-year's profit (31 December 2020: \$5.561 million profit after tax). This profit is largely attributable to practical completion and final development fee received from the sale of the Safecom development to Charter Hall as well as the sale of the Butler Central Homemaker Centre development under construction to Lester Group. Shareholders were rewarded in December with a return of capital, made possible from the proceeds of the Safecom and Butler sales. The Company continues to retain a strong cash balance to underwrite its existing pipeline of projects.

Review of Operations

World Park 01: SAFECOM, Keswick SA

As announced on 3 December 2021, the Company achieved Practical Completion on its Emergency Services State Control Centre and received the Final Development Fee Payable from Charter Hall of \$15.906 million. The Company continues to manage the defects liability period for 12 months from Practical Completion and is working with all stakeholders to unlock further development on the surplus land. The Company has a 5-year development right with Charter Hall to procure a tenancy proposal with a State Government Tenant on the surplus land.

Double Bay, Sydney NSW

The Company is still awaiting formal response since lodging a new expression of interest with the Woollahra Council after it decided to re-engage with the local community and commence a fresh expression of interest process. Council is now undertaking and awaiting the outcome of Council elections prior to progressing the submission review process.

Mt Barker

Since commencing construction of the project in 2017, the JV partners have completed construction of 118 lots and contracted 110 of those, majority of which have now settled. By conclusion of calendar year, the project is forecast to have constructed a further 51 lots with 28 already contracted prior to construction completion, bringing total lots constructed to 169. Combined with the sale of circa 10 hectares of land to Living Choice, which is expected to settle this year, 2022 will mark an effective halfway point in the project.

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

Market demand in the Mt Barker region continues from strength to strength, with an emphasis now on larger flat allotments driving majority of interest from purchasers. As such, the JV partners have sought and received approval on an amended masterplan with re-aligned larger allotments that reduces the allotment number forecast by circa 10% whilst still maintaining forecast net revenue. The original approval was for 600 lots, forecast total now being 338 (net of Living Choice land), hence a balance of 169 allotments for further construction. The JV partners are forecasting to be able to commence distribution of profits this calendar year in accordance with the JV Deed and to complete the balance of the construction by end of calendar year 2025.

During the half-year, the Company and its partner completed construction of stage 1c which consists of 14 allotments. As a result of selling and settling 100% of the stage 1b and 1c allotments, the Company and its partner immediately commenced construction of stage 2a to bring to market a further 12 allotments adjacent to stage 1c, which will be completed and ready for settlement in April 2022. Ten of these allotments have already been contracted.

The Company and its partner continue to sell the balance of allotments available in stage 1a which are ready for immediate settlement as well as continue to receive contracted allotment settlements on stage 1a, the proceeds of which are being used to progressively pay back the BankSA development finance facility.

As announced on 4 March 2021, the Company and its partner reached conditional agreement with Living Choice to sell circa 10 hectares of land for \$5.5m in its Glenlea Estate residential subdivision in Mt Barker, South Australia to develop an Over 55's Lifestyle Community. Contract settlement is conditional on the parties agreeing an infrastructure agreement and receiving development approval for the lifestyle village to the parties' satisfaction. During the half-year the Company and its partner received development approval from Mt Barker Council and has therefore commenced the civil construction works necessary to create the title in anticipation of settlement (stage 3), as well as bring to market a further 11 allotments (stage 4). Living Choice has lodged their development application with Mt Barker Council for assessment and approval.

Butler, WA

As announced on 13 December 2021, the Company settled the sale of its Butler Central Homemaker Centre and received \$16.120 million being for the land plus reimbursement of costs spent to date of settlement. Under the terms of the agreement, the Purchaser (The Lester Group) will continue to fund all development costs. Construction by national builder ADCO Constructions is well underway with a forecast practical completion date of June this year. The Lester Group will pay the Final Development Fee to the Company following practical completion certification. The Company is continuing with a marketing campaign to pre-lease the project, with terms now agreed on approximately 70% of the available space.

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.

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 2021.

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.

A handwritten signature in blue ink, appearing to be 'BL' followed by a long horizontal stroke.

Ben Laurance

Managing Director

Dated this 17th day of February 2022

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

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Axiom Properties Limited and the entities it controlled during the period.



Andrew Tickle
Director

BDO Audit Pty Ltd

Adelaide, 17 February 2022

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021**

	Notes	31 December 2021 \$'000	31 December 2020 \$'000
Continuing Operations			
Revenue from contracts with customers	2 (a)	48,317	29,540
Cost of sales		(40,543)	(22,629)
		7,774	6,911
Other income	2 (b)	4	150
Share of profit/(loss) from equity accounted investments	2 (c)	(59)	497
Employee benefits expense		(1,443)	(1,326)
Depreciation and amortisation expense		(110)	(115)
Finance costs		(26)	(25)
Other expenses		(378)	(531)
Profit before income tax		5,761	5,561
Income tax benefit		268	-
Net Profit for the period		6,030	5,561
Total comprehensive income for the period		6,030	5,561
Basic earnings per share (cents per share)		1.39 cents	1.29 cents
Diluted earnings per share (cents per share)		1.39 cents	1.29 cents

The accompanying notes form part of these financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021**

	Notes	31 December 2021 \$'000	30 June 2021 \$'000
Assets			
Current Assets			
Cash and cash equivalents		12,732	9,127
Trade and other receivables		473	1,392
Contract assets	6	11,043	13,882
Other financial assets		-	3,038
Other assets	7	137	53
Total Current Assets		24,385	27,492
Non-Current Assets			
Trade and other receivables		493	488
Right -of-use assets	9	505	607
Inventory	5	-	10,528
Other assets	7	385	359
Investments accounted for using the equity method	8	1,339	1,401
Deferred tax assets		1,108	840
Total Non-Current Assets		3,830	14,223
Total Assets		28,215	41,715
Liabilities			
Current Liabilities			
Trade and other payables		7,604	9,786
Lease Liabilities	10	234	220
Provisions		385	323
Total Current Liabilities		8,223	10,329
Non-Current Liabilities			
Lease Liabilities	10	325	441
Total Non-Current Liabilities		325	441
Total Liabilities		8,548	10,770
Net Assets		19,667	30,945
Equity			
Issued capital	3	30,641	47,949
Accumulated losses		(10,974)	(17,004)
Total Equity		19,667	30,945

The accompanying notes form part of these financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021**

	Issued Capital	Accumulated Losses	Reserves	Total Equity
	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2020	54,440	(29,165)	-	25,275
Profit for the period	-	5,561	-	5,561
Total comprehensive income for the period	-	5,561	-	5,561
Balance at 31 December 2020	54,440	(23,604)	-	30,836
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

The accompanying notes form part of these financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021**

	Notes	31 December 2021 \$'000	31 December 2020 \$'000
Cash flows from operating activities			
Receipts from customers		57,210	23,579
Payments to suppliers and employees		(1,413)	(1,535)
Payment of project development costs		(37,878)	(9,791)
Interest received		4	10
Finance costs		-	(25)
Net cash outflow from operating activities		17,923	12,238
Cash flows from investing activities			
Loans with related entities		88	(457)
Distributions Received		-	44
Proceeds from reimbursement of investment property costs		-	176
Proceeds from sale of units in investment trust		-	750
Proceeds from fixed interest securities		3,038	3,572
Net cash (outflow)/inflow from investing activities		3,126	4,085
Cash flows from financing activities			
Repayment of lease liability		(136)	(92)
Proceeds from borrowings		-	5,168
Repayments of borrowings		-	(5,168)
Return of capital		(17,308)	-
Net cash outflow from financing activities		(17,444)	(92)
Net increase/(decrease) in cash held		3,605	16,231
Cash and cash equivalents at the beginning of the period		9,127	3,646
Cash and cash equivalents at the end of the period		12,732	19,877

The accompanying notes form part of these financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

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 2021 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 2021 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 2021

NOTE 2: PROFIT BEFORE INCOME TAX

	31 December 2021 \$'000	31 December 2020 \$'000
(a) Revenue from contracts with customers		
Rental Income	80	44
Sales Income	48,234	29,312
Development fee income	3	184
	<u>48,317</u>	<u>29,540</u>
Disaggregation of revenue		
Goods transferred at a point of time	17,127	25,789
Goods transferred over time	31,107	3,523
Services transferred over time	83	228
	<u>48,317</u>	<u>29,540</u>
Geographical regions		
All revenue is derived from Australia.		
Revenue recognition		
As per prior periods, the development of the Worldpark facility is recognised over time based on the input method.		
As outlined in the market announcement on 24 th September 2021, Axiom agreed to sell the Butler Central Homemaker Centre in Perth WA land plus works completed to the date of settlement (tranche 1) as well as develop the facility, with completion expected in June 2022 (tranche 2).		
The initial sale is considered a separate performance obligation, with revenue recognised at the point of settlement. The development of the facility is recognised over time based on the input method.		
Revenue - estimates		
Judgement is exercised in determining the proportion of the Butler development completed at the end of the reporting period. A degree of variability exists in the total expected cost of the development which has a direct bearing on the amount of revenue recognised in the period.		
(b) Other income		
Interest received	4	10
Government Subsidies	-	124
Distributions received	-	16
	<u>4</u>	<u>150</u>
(c) Share of loss from equity accounted investments		
Share of profit/(loss) from MB Estate Pty Ltd	(59)	497

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

NOTE 3: ISSUED CAPITAL

	31 December 2021 \$'000	30 June 2021 \$'000
<i>Ordinary shares</i>		
Issued and fully paid	30,641	47,949

	6 months to 31 Dec 2021		12 months to 30 June 2021	
<i>Movements in ordinary shares on issue</i>	No.	\$'000	No.	\$'000
At start of period	432,713,658	47,949	432,713,658	54,440
Return of capital	-	(17,308)	-	(6,491)
At end of period	432,713,658	30,641	432,713,658	47,949

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 2021 and 31 December 2020.

Continuing operations				
	Investment Property \$'000	Development \$'000	Corporate \$'000	Consolidated \$'000
31 December 2021				
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	(1,891)	5,761
Results from continuing operations	-	7,652	(1,891)	5,761
Segment assets	-	16,036	12,179	28,215
Segment liabilities	-	6,995	1,553	8,548

Continuing operations				
	Investment Property \$'000	Development \$'000	Corporate \$'000	Consolidated \$'000
31 December 2020				
Segment revenue	-	29,512	28	29,540
Other income	16	1	133	150
Share of net profit/(loss) of equity accounted investments	-	497	-	497
Segment result	(80)	7,225	(1,584)	5,561
Results from continuing operations	(80)	7,225	(1,584)	5,561
Segment assets	1,180	25,692	5,545	32,417
Segment liabilities	-	58	1,523	1,581

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

NOTE 5: INVENTORIES

	31 December	30 June
	2021	2021
	\$'000	\$'000
<i>Non-Current</i>		
Land (development)	-	9,420
Built Form homes at cost	-	1,108
	-	10,528

NOTE 6: CONTRACT ASSETS

	31 December	30 June
	2021	2021
	\$'000	\$'000
<i>Current</i>		
Contract Assets	11,043	13,882

Contract Assets recognised at December 2021 represents a proportion of revenue earned but not yet invoiced on the Butler development and \$2.5 million of revenue earned but not yet invoiced on the SAFECOM development, and is based on the percentage of construction completed to date. Prior period was for the SAFECOM development only. The SAFECOM Contract Asset is expected to be paid on the completion of the first anniversary of the completed building being December 2022.

NOTE 7: OTHER ASSETS

	31 December	30 June
	2021	2021
	\$'000	\$'000
<i>Current</i>		
Prepayments	137	53
<i>Non-Current</i>		
Land (development) at cost	299	279
Refundable deposits	86	80
	385	359

NOTE 8: INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investment Summary

		31 December	30 June
		2021	2021
Name of entity	Type of Investment	\$'000	\$'000
MB Estate Pty Ltd	Joint Venture	723	785
Currie St Pty Ltd	Joint Venture	616	616
Total		1,339	1,401

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

NOTE 8: 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 2021 %	June 2021 %
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 2021 \$'000	30 June 2021 \$'000
Opening carrying amount	785	518
Contributions to joint venture	-	-
Share of profit/(loss) of investment	(59)	267
Less: downstream development fees	(3)	-
Carrying value of the Company's interest in the joint venture	723	785

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 2021 \$'000	30 June 2021 \$'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	616	616

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 2021

NOTE 9: RIGHT-OF-USE ASSETS

	31 December 2021 \$'000	30 June 2021 \$'000
Office Space – right-of-use	1,037	1,037
Less: Accumulated depreciation	(540)	(433)
	497	604
Motor Vehicle – right-of-use	37	29
Less: Accumulated depreciation	(29)	(26)
	8	3
Total right-of-use assets	505	607

Additions to the right-of-use assets during the half-year were \$8,018.

The Company leases offices located in Adelaide and Sydney 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 has a motor vehicle operating lease under a one 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

NOTE 10 LEASE LIABILITIES

	31 December 2021 \$'000	30 June 2021 \$'000
<i>Current</i>		
Lease liabilities	234	220
<i>Non-Current</i>		
Lease liabilities	325	441

NOTE 11: 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 12 COMMITMENTS

As announced on 27 October 2021, the Company achieved financial close on its Butler Central Homemaker Centre project which included achievement of conditions precedent to enter into a construction contract with ADCO Constructions.

As per the announcement on 13 December 2021, the Company subsequently sold and settled the land and improvements to The Lester Group and paid out the finance development facility with BankSA. The Lester Group is funding all construction drawdowns and will pay the Company its final development fee once Practical Completion occurs, the Company remains responsible for the delivery of the development.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021****NOTE 13: 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.

NOTE 14: CONTINGENT LIABILITIES

The Company had no contingent liabilities as at 31 December 2021.

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 20, 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 2021 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 2022

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 2021, 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 2021 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

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

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

Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.



Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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

BDO Audit Pty Ltd

A handwritten signature in blue ink that appears to read 'Andrew Tickle'.

Andrew Tickle

Director

Adelaide, 17 February 2022