

25 July 2024

ASX ANNOUNCEMENT

ACTIVITIES REPORT AND APPENDIX 4C – QUARTERLY CASH FLOW REPORT JUNE 2024

Adelaide, Australia, Thursday 25 July 2024: Axiom Properties Limited (ASX:AXI) lodges the attached Appendix 4C Quarterly report for entities admitted on the basis of commitments for the quarter ended 30 June 2024.

The Company's cash reserves for the June quarter decreased by \$852,000 and the Company held cash reserves of \$966,000 as at 30 June 2024.

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

- o The Company has experienced increased leasing enquiry during the quarter on the balance of the unlet space in the previously developed Butler Large Format Retail Centre, which has remained stable at around 30%. As the unlet space is committed, the Company will be entitled to receive its share of the income guarantee of circa \$1.2m sitting in Trust.

In addition, the Company is working towards finalising all conditions precedent to facilitate settlement of the two remaining Butler pad sites. The net effect of these settlements with the Vendor and incoming purchasers is circa \$1.4m of net proceeds to the Company and is expected to be received in the following two quarters.

The Company continues to deploy growth capital into development projects currently in feasibility stage, the costs of which the Company will seek to recover through funding mechanisms once the feasibilities are complete and the projects progress to construction phase.

Payments for staff, administration and corporate costs were consistent with previous normalised quarters and is expected to remain at this level.

- o The Company refers to its previous announcement on 28 June 2024 advising of its acquisition of ListSure for \$2m, and notes that after adjusting for cash at bank of ListSure on acquisition, the net investing cash outflow was \$1.697m.

As part of the acquisition and to support the ongoing operations of the business, the Company inherited two wholesale credit facilities from sophisticated and professional investors, which are secured against the assets of ListSure. The Company is working with those investors, ListSure management and external advisers to refinance and increase the loan sizes to support the forecast growth expected on the back of the Company's involvement.

- o Sophisticated and Professional Investors provided a \$2m unsecured loan to the Company to support the acquisition of ListSure, the terms of which are set out in the Appendix 4C. After quarter end, Sophisticated and Professional Investors provided a further \$1m unsecured loan to support the Company whilst it works towards crystallising proceeds from Butler and other potential asset / investment sales, expected to occur in the coming two quarters.

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

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

The other financing cash outflows for the June quarter of \$59,000 relate to the right of use lease liability of the Adelaide and Sydney offices and a motor vehicle.

- o Aggregate amount of payments to related parties and their associates are for director fees and salaries and wages, as well as for costs incurred on behalf of the Company in the ordinary course of business, which were reimbursed at cost.

In the past 2 years, the Company has invested in a unique set of property technology companies, crystallised proceeds from various developments, as well as entered into several future development opportunities. The Board and its executives are conscious that the Company is now focussed on delivering stakeholder benefits from its technology investments and property developments under feasibility, both of which require support of ongoing capital. As such, the Company is taking steps to assess capital and debt opportunities to support this exciting period of growth. The Company expects to be able to share further detail on anticipated capital and debt opportunities in the coming months as a strategic plan is agreed and implemented.

There were no other substantive changes to business activities during the quarter.

Authorised for release by the Board.

About Axiom Properties Ltd

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

Forward-Looking Information

This announcement contains forward-looking information that is based on Axiom's expectations, estimates and projections as of the date on which the statements were made. This forward-looking information includes, among other things, statements with respect to Axiom's business strategy, plans, development, objectives, performance, outlook, growth, cash flow, projections, targets and expectations, negotiations, and product/service development. Generally, this forward-looking information can be identified by the use of terminology such as 'outlook', 'anticipate', 'project', 'target', 'potential', 'likely', 'believe', 'estimate', 'expect', 'intend', 'may', 'would', 'could', 'should', 'scheduled', 'will', 'plan', 'forecast', 'evolve' and similar expressions. Persons reading this announcement are cautioned that such statements are only predictions, and that Axiom's actual future results or performance may be materially different. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause Axiom's actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information.

For more information please contact:

Paul Santinon
Company Secretary
admin@axiompl.com.au

Appendix 4C

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

Name of entity

Axiom Properties Limited

ABN

40 009 063 834

Quarter ended ("current quarter")

30 June 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	432	3,175
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs		
(c) advertising and marketing		
(d) leased assets		
(e) staff costs	(503)	(2,220)
(f) administration and corporate costs	(821)	(3,727)
1.3 Dividends received (see note 3)		
1.4 Interest received	22	144
1.5 Interest and other costs of finance paid	(1)	(1)
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (Development Costs & Inventory)	(226)	(1,643)
1.9 Net cash from / (used in) operating activities	(1,097)	(4,272)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses	(1,697)	(1,697)
(c) property, plant and equipment		
(d) investments	-	(5,902)
(e) intellectual property		
(f) other non-current assets		

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
2.2 Proceeds from disposal of:		
(a) entities		
(b) businesses		
(c) property, plant and equipment		
(d) investments		
(e) intellectual property		
(f) other non-current assets		
2.3 Cash flows from loans to other entities		
2.4 Dividends received (see note 3)		
2.5 Other		
2.6 Net cash from / (used in) investing activities	(1,697)	(7,599)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2 Proceeds from issue of convertible debt securities		
3.3 Proceeds from exercise of options		
3.4 Transaction costs related to issues of equity securities or convertible debt securities		
3.5 Proceeds from borrowings	2,000	2,000
3.6 Repayment of borrowings		
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid / Return of Capital		
3.9 Other (Right of Use Lease Liability)	(59)	(274)
3.10 Net cash from / (used in) financing activities	1,941	1,726

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	1,819	11,111
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,097)	(4,272)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(1,697)	(7,599)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,941	1,726
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	966	966

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	882	1,735
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (Bank Guarantees)	84	84
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	966	1,819

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	231
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

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

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	7,200	5,350
7.2 Credit standby arrangements		
7.3 Other		
7.4 Total financing facilities	7,200	5,350
7.5 Unused financing facilities available at quarter end		1,850
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
<p><u>Sophisticated and Professional Investors (unsecured):</u> The material terms of the loan facilities are:</p> <p>Facility 1</p> <ul style="list-style-type: none"> • Amount: \$2,000,000 • Interest: 18% interest per annum payable at repayment date • Security: Unsecured • Repayment: 27 December 2024 <p>Facility 2 (entered into subsequent to the quarter end and fully drawn in July 2024)</p> <ul style="list-style-type: none"> • Amount: \$1,000,000 • Interest: 18% interest per annum payable at repayment date • Security: Unsecured • Repayment: 31 March 2025 <p><u>Sophisticated and Professional Investors (secured against the assets of ListSure):</u> The material terms of the loan facilities are:</p> <p>Facility 3</p> <ul style="list-style-type: none"> • Amount: \$4,000,000 • Interest: 7.5593% interest per annum plus the mid-point of the 1-month BBSW paid on the last business day of the calendar month • Security: Secured • Repayment: 20 December 2025 <p>Facility 4</p> <ul style="list-style-type: none"> • Amount: \$1,200,000 • Interest: 3.7255% interest per annum plus the mid-point of the 1-month BBSW paid on the last business day of the calendar month • Security: Secured • Repayment: 20 December 2025 		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(1,097)
8.2 Cash and cash equivalents at quarter end (item 4.6)	966
8.3 Unused finance facilities available at quarter end (item 7.5)	1,850
8.4 Total available funding (item 8.2 + item 8.3)	2,816
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	2.5
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer:	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer:	
8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer:	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

Compliance statement

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

Date: 25 July 2024.....

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

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

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

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.