

ASX ANNOUNCEMENT

HALF-YEAR FINANCIAL RESULTS

29 FEBRUARY 2024

ASX CODE: MPX

DIRECTORS

Mr Nicholas Zborowski
Executive Director

Mr Anthony Ho
Non-Executive Director

Mr Jack Spencer-Cotton
Non-Executive Director

COMPANY SECRETARY

Ms Natalie Teo

CAPITAL STRUCTURE

Ordinary Shares: 146.2M

COMPANY ENQUIRIES

Nicholas Zborowski
Executive Director

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In accordance with Listing Rule 4.2A.3, Mustera Property Group Ltd (**Mustera** or the **Company**) (ASX: **MPX**) is pleased to present its Interim Financial Report and Appendix 4D for the six months ended 31 December 2023.

This information is to be read in conjunction with the annual report for the year ended 30 June 2023.

AUTHORISED BY

THE BOARD OF DIRECTORS

Appendix 4D
Half Year Report to the Australian Securities Exchange
Mustera Property Group Ltd and Controlled Entities – ABN 13 142 375 522
Period ending 31 December 2023

The following information is provided to the ASX under listing rule 4.2A.3

1. Details of the reporting period and the previous corresponding period.

Reporting Period	6 Months ending 31 December 2023
Previous Corresponding Reporting Period	6 Months ending 31 December 2022

2. Results for announcement to the market

2.1 The amount and percentage change up or down from the previous corresponding period of revenue from ordinary activities.

\$ Revenue from Ordinary Activities - current period	\$'000	1,106
\$ Revenue from Ordinary Activities - previous period	\$'000	1,149
\$ change in Revenue from Ordinary Activities	\$'000	(43)
% change from previous corresponding reporting period	% DOWN	4%

2.2 The amount and percentage change up or down from the previous corresponding period of profit (loss) from ordinary activities after tax attributable to members.

\$ Profit (loss) from ordinary activities after tax - current period	\$'000	(2,725)
\$ Profit (loss) from ordinary activities after tax - previous period	\$'000	(2,119)
\$ change in profit (loss) from ordinary activities after tax	\$'000	(606)
% change from previous corresponding reporting period	% UP	29%

2.3 The amount and percentage change up or down from the previous corresponding period of net profit (loss) for the period attributable to members.

\$ Net profit (loss) attributable to members - current period	\$'000	(2,725)
\$ Net profit (loss) attributable to members - previous period	\$'000	(2,119)
\$ change in net profit (loss) attributable to members	\$'000	(606)
% change from previous corresponding reporting period	% UP	29%

2.4 The amount per security and franked amount per security of final and interim dividends or a statement that it is not proposed to pay dividends.

It is not proposed to pay a dividend.

2.5 The record date for determining entitlements to the dividends (if any).

Not applicable

2.6 A brief explanation of any of the figures in 2.1 to 2.4 necessary to enable the figures to be understood.

Please refer to the Interim Financial Report lodged with this Appendix 4D.

3. Net tangible assets per security with the comparative figure for the previous corresponding period.

Net tangible assets per security	Cents	6.81
Previous corresponding period	Cents	10.9

Appendix 4D
Half Year Report to the Australian Securities Exchange
Mustera Property Group Ltd and Controlled Entities – ABN 13 142 375 522
Period ending 31 December 2021

4. Details of entities over which control has been gained or lost during the period, including the following.

4.1 Name of the entity.

Not applicable

4.2 The date of the gain or loss of control.

Not applicable

4.3 Where material to an understanding of the report - the contribution of such entities to the reporting entity's profit from ordinary activities during the period and the profit or loss of such entities during the whole of the previous corresponding period.

Not applicable

5. Details of individual and total dividends or distributions and dividend or distribution payments. The details must include the date on which each dividend or distribution is payable and (if known) the amount per security of foreign sourced dividend or distribution.

Not applicable

6. Details of any dividend or distribution reinvestment plans in operation and the last date for the receipt of an election notice for participation in any dividend or distribution reinvestment plan.

Not applicable

7. Details of associates and joint venture entities including the following.

None

7.1 Name of the associate or joint venture entity.

Not applicable

7.2 Details of the reporting entity's percentage holding in each of these entities.

Not applicable

7.3 Where material to an understanding of the report – aggregate share of profits (losses) of these entities, details of contributions to net profit for each of these entities, and with comparative figures for each of these disclosures for the previous corresponding period.

Not applicable

8 For foreign entities, which set of accounting standards is used in compiling the report (e.g. International Financial Reporting Standards).

Not applicable

9. For all entities, if the accounts contain an independent audit report or review that is subject to a modified opinion, emphasis of matter or other matter paragraph, a description of the modified opinion, emphasis of matter or other matter paragraph.

The accounts are subject to an emphasis of matter paragraph relating to the Group's ability to continue as a going concern.

For further details on this subject matter, please refer to Note 1 on page 9 of the Interim Financial Report, which confirms the Directors' belief that there are sufficient funds to meet the Group's working capital requirements as at the date of the report.



MUSTERA
PROPERTY GROUP

MUSTERA PROPERTY GROUP LTD
ABN 13 142 375 522

INTERIM FINANCIAL REPORT
31 December 2023

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DIRECTORS' REPORT

The Directors present their report on the consolidated entity consisting of Mustera Property Group Ltd (**Mustera** or **Company**) and its subsidiaries (**Group** or **Consolidated Entity**) for the half-year ended 31 December 2023 and the Auditor's Review Report thereon.

DIRECTORS

The Directors of the Company at any time during or since the end of the interim period and until the date of this report are noted below.

Mr Nicholas Zborowski
Executive Director

Mr Anthony Ho
Non-Executive Director

Mr Jack Spencer-Cotton
Non-Executive Director

REVIEW OF OPERATIONS

The Group recorded a loss of \$2,725,275 for the half year (2022 HY: loss of \$2,118,863). This loss comprised largely of property development (such as design and planning approval costs) and holding costs, including financing costs. The loss reflects the property development cycle that is an integral aspect of the Company's core activities.

Mustera continued with its core business during the period including the development of residential apartments and funds management. Revenue of \$1.1m (2022 HY: \$1.15m) was recorded during the period received from rental income and fund management fees.

During the period, the Company progressed with the completion of its flagship project, Forbes Residences in Applecross. The project is forecast to reach practical completion in Q2 2024. The Company continued to market the project for sale during the period and at 31 December 2023 the Company had \$74.2m in apartment sales under contract. This represents approximately 91% of the total apartments under contract. Further details of the Forbes Residences project are set out below.

Mustera continued to focus on progressing its portfolio of development assets, with a focus on its North Fremantle property, and delivering rental revenue and management fees through its investments during the period.

Further details of the Group's operating activities during the period are outlined below.

PROJECTS UNDER CONSTRUCTION

10 Forbes Road, Applecross WA

During the period the Company progressed the completion of its flagship project. At 31 December 2023 the project was close to practical completion with the final finishing trades working on the common amenity areas, final landscaping works and external finishes on the lower levels. The commissioning of services are underway. Survey work have commenced on site in preparation for title application, ahead of the settlement of contracted sales. At 31 December 2023, 52 apartments were under contract reflecting a gross sales value of approximately \$74.2m. This represents approximately 91% of the total apartments under contract.

The Company is pleased with the excellent sales traction on the project to date and is currently in discussion with several interested parties for the lease or sale of the commercial lots in the project.

FUTURE PROJECTS

15 McCabe Street, North Fremantle WA – The project received development approval in March 2023 for 42 apartments over 8 levels.

The Company continued to work through the marketing procurement for the project during the period and anticipated it will commence with preparation of the marketing collateral in Q2 2024.

Consistent with the Group's strategy, rental income is being generated from the leased property whilst development planning is being undertaken.

DIRECTORS' REPORT

75 Haig Park Circle, East Perth WA - The property comprises a 2,233m² site and is situated near the corner of Plain and Royal Street, 1.5 km from the Perth Central Business District. Improvements include an open air at-grade car park. The property is currently leased for public parking.

During the period the Company continued to investigate alternate development themes and feasibility studies for the property, in conjunction with its architectural advisors.

Consistent with the Group's strategy, rental income is being generated from the leased property whilst development planning and approvals are being undertaken.

Grace Quarter, Lot 801 Helena Street, Midland WA – The 2,390m² site is located on the corner of Helena Street and Yelverton Drive and forms a part of the Midland Railway Workshops precinct.

The Group continues to assess the market conditions in anticipation of reinstating the expired development approval. In addition, the Company is continuing to consider alternative development options for this property.

CORPORATE UPDATE

On 30 November 2023, 2,500,000 free attaching options with an exercise price of \$0.46 expired unexercised. (Refer to ASX announcement dated 1 December 2023)

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than what has been disclosed in the accounts, no matters or events have arisen since 31 December 2023 which have significantly affected, or may significantly affect, the operations of the Group, the results of the operations, or the state of affairs of the Group in future financial years.

EVENTS SUBSEQUENT TO REPORTING DATE

On 30 January 2024, the Company issued 2,000,000 fully paid ordinary shares following the conversion of vested performance rights.

Other than what has been disclosed in the accounts, no matters or events have arisen since 31 December 2023 which have significantly affected, or may significantly affect, the operations of the Group, the results of the operations, or the state of affairs of the Group in future financial periods.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 19 and forms part of the Directors' Report.

This Report is made in accordance with a resolution of the Directors.



Nicholas Zborowski
Executive Director

Dated at Perth this 29th day of February 2024.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the half-year ended 31 December 2023

	Note	31 December 2023 \$	31 December 2022 \$
Revenue	6	1,105,704	1,148,562
Gross Profit		1,105,704	1,148,562
Property expenses and outgoings		(739,426)	(739,599)
Property development costs		(149,447)	(636,736)
Employee benefits expenses		278,972	(380,734)
Administration and overhead costs		(262,201)	(228,973)
Amortisation and depreciation		(65,884)	(18,471)
Other Income and Expenses		(937,986)	(2,004,513)
Finance income	6	59,637	26,950
Finance costs		(3,003,708)	(1,278,296)
Less profit / (loss) attributable to property fund unitholders	13	51,078	(11,566)
Net Finance Costs		(2,892,993)	(1,262,912)
Loss before income tax		(2,725,275)	(2,118,863)
Income tax expense		-	-
Total comprehensive loss for the period		(2,725,275)	(2,118,863)
Total comprehensive loss for the period is attributable to:			
Ordinary equity holders of the parent		(2,725,275)	(2,118,863)
		(2,725,275)	(2,118,863)
Loss per share (cents)			
Loss per share for the period (cents)		(1.89)	(1.47)
Diluted earnings per share for the period (cents)		N/A*	N/A*

*Diluted loss per share is not shown as all potential ordinary shares on issue would decrease the loss per share and are thus not considered dilutive.

The Consolidated Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 December 2023

	Note	31 December 2023 \$	30 June 2023 \$
CURRENT ASSETS			
Cash and cash equivalents		481,749	1,085,121
Trade and other receivables	7	682,193	685,668
Inventories	8	58,331,390	46,360,360
Other current assets		251,026	31,814
Total Current Assets		59,746,358	48,162,963
NON-CURRENT ASSETS			
Trade and other receivables	7	725,000	725,000
Inventories	8	12,122,181	12,122,181
Investment property	9	20,050,473	19,919,793
Financial assets		300,000	300,000
Property, plant & equipment		171,344	20,655
Total Non-Current Assets		33,368,998	33,087,629
TOTAL ASSETS		93,115,356	81,250,592
CURRENT LIABILITIES			
Trade and other payables		1,042,001	3,784,691
Employee benefits		10,483	2,831
Borrowings	10	75,926,014	54,545,402
Net assets attributable to Fund unitholders	13	6,278,556	6,329,634
Total Current Liabilities		83,257,054	64,662,558
NON-CURRENT LIABILITIES			
Employee benefits		40,680	29,029
Borrowings	10	-	3,500,000
Total Non-Current Liabilities		40,680	3,529,029
TOTAL LIABILITIES		83,297,734	68,191,587
NET ASSETS		9,817,622	13,059,005
EQUITY			
Contributed equity	11	22,965,710	22,965,710
Other reserves	12	1,551,188	1,784,995
Accumulated losses		(14,699,276)	(11,691,700)
TOTAL EQUITY		9,817,622	13,059,005

The Consolidated Statement of Financial Position is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the half-year ended 31 December 2023

Attributable to owners of Mustera Property Group Limited

	Contributed Equity \$	Other Reserves \$	Accumulated losses \$	Total Equity \$
Balance at 1 July 2023	22,965,710	1,784,995	(11,691,700)	13,059,005
Loss for the half-year	-	-	(2,725,275)	(2,725,275)
Total comprehensive loss for the half-year	-	-	(2,725,275)	(2,725,275)
Transactions with equity holders in their capacity as equity holders:				
Share based payments reversal	-	(516,108)	-	(516,108)
Transactions with non controlling interests	-	282,301	(282,301)	-
Balance at 31 December 2023	22,965,710	1,551,188	(14,699,276)	9,817,622
Balance at 1 July 2022	22,965,710	671,188	(5,939,726)	17,697,172
Loss for the half-year	-	-	(2,118,863)	(2,118,863)
Total comprehensive loss for the half-year	-	-	(2,118,863)	(2,118,863)
Transactions with equity holders in their capacity as equity holders:				
Recognition of share based payments	-	188,146	-	188,146
Balance at 31 December 2022	22,965,710	859,334	(8,058,589)	15,766,455

The Consolidated Statement of Changes in Equity is to be read in conjunction with accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS
for the half-year ended 31 December 2023

	Note	2023 \$	2022 \$
Cash flows from operating activities			
Receipts in the course of operations		1,055,481	1,115,656
Payments in the course of operations		(1,763,104)	(1,778,578)
Payments for property held for development		(14,604,473)	(9,717,714)
Interest received		37,584	13,475
Finance costs / interest paid		(2,659,498)	(1,236,137)
Net cash outflow from operating activities		(17,934,010)	(11,603,298)
Cash flows from investing activities			
Payments for property, plant and equipment		(216,573)	-
Proceeds from repayment of vendor finance loan		-	25,000
Payments for leasehold improvements		(130,680)	(86,044)
Payments for investment in unit trusts		-	(300,000)
Proceeds from sale of units in the Fund		-	435,000
Net cash (outflow)/inflow from investing activities		(347,253)	73,956
Cash flows from financing activities			
Proceeds from borrowings		23,192,891	13,404,608
Repayment of borrowings		(5,515,000)	(2,331,000)
Distributions paid to unitholders of the Fund		-	(159,964)
Cash allocated from term deposits		-	10,000
Payment of lease liabilities		-	(5,150)
Net cash inflow from financing activities		17,677,891	10,918,494
Net (decrease)/increase in cash and cash equivalents		(603,372)	(610,848)
Cash and cash equivalents at the beginning of the half-year		1,085,121	894,673
Cash and cash equivalents at the end of the half-year		481,749	283,825

The Consolidated Statement of Cash Flows is to be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the half-year ended 31 December 2023

1. BASIS OF PREPARATION OF INTERIM FINANCIAL REPORT

Mustera Property Group Ltd (**Mustera** or **Company**) is a public company limited by shares incorporated in Australia whose shares are quoted on the Australian Securities Exchange (**ASX**).

These consolidated financial statements comprise the Company and its subsidiaries (collectively the “**Group**” and individually “**Group companies**”). They were authorised for issue by the Board of Directors on 29 February 2024.

This interim financial report for the half-year period ended 31 December 2023 has been prepared in accordance with accounting standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 ‘Interim Financial Reporting’.

This interim 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 Group as in the full financial report.

It is recommended that this interim financial report be read in conjunction with the annual financial report for the financial period ended 30 June 2023 and considered together with any public announcements made by Mustera during the half-year ended 31 December 2023 in accordance with the continuous disclosure requirements arising under the *Corporations Act 2001* and the ASX Listing Rules.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the impact of the new or amended standards became applicable for the current reporting period. The Group did not have to make retrospective adjustments as a result of adopting these standards.

Going concern

For the period ended 31 December 2023 the Group recorded a loss of \$2,725,275 and had net cash outflows from operating activities of \$17,934,010. The Group had cash and cash equivalent of \$481,749 and net working capital deficiency of \$23,510,696 as at 31 December 2023. The working capital deficiency includes current borrowings of \$75,926,014 (largely related to drawdown on the primary development financing facility for the Forbes Project).

The Directors believe there are sufficient funds to meet the Group’s working capital requirements as at the date of this report.

The financial statements have been prepared on the basis that the Group is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business for the following reasons:

- The Group has renewed all its current existing loan facilities as disclosed in note 10 of the financial report, which provides funding for its ongoing development activities;
- The Group has the ability to extend on its current existing loan facilities when they fall due;
- the Group’s flagship Forbes project anticipated for completion in Q4 FY24 will generate cash inflow from settlement of contracted presales to date to provide funds which will allow the Group to retire the senior debt of that project;
- further sales of apartments in the Forbes project are expected to be achieved between now and the date of completion of the Forbes project to contribute to additional working capital for the Group on completion;
- the Group continues to generate rental income from several of its properties;
- the quality of the Group’s diverse development portfolio is such that it will attract appropriate equity and debt financing for its successful development; and
- the Group is able to divest its property inventory as and when required to augment its working capital.

Should the Group not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differs from those stated in the financial statements. The financial report does not include any adjustments relating to the recoverability and classification of recorded assets or liabilities that may be necessary if the Group is unable to continue as a going concern.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the half-year ended 31 December 2023

2. CRITICAL ACCOUNTING ESTIMATES

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

In preparing the interim financial report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial report as at and for the year ended 30 June 2023.

3. CHANGES IN ACCOUNTING STANDARDS

The accounting policies adopted in the preparation of the interim financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 30 June 2023, except for the adoption of new and revised standards effective as of 1 July 2023. The adoption of the following new and revised standards and interpretations has not resulted in a significant or material change to the Group's accounting policies. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

4. FINANCIAL RISK MANAGEMENT

The Group's financial risk management objectives and policies are consistent with that disclosed in the financial statements as at and for the financial year ended 30 June 2023.

5. DIVIDENDS

Dividend Reinvestment Plan ("DRP")

The Company's DRP is currently active and available to all eligible shareholders. No dividends have been declared nor paid during the period.

6. REVENUE	31 Dec 2023	31 Dec 2022
	\$	\$
Disaggregation of revenue		
The disaggregation of revenue from customers is as follows:		
Revenue from customers		
Rental income and recovery of outgoings	1,105,704	1,148,562
	<u>1,105,704</u>	<u>1,148,562</u>
Other revenue		
Interest income	59,637	26,950
	<u>1,165,341</u>	<u>1,175,512</u>
	31 Dec 2023	30 June 2023
	\$	\$
7. TRADE & OTHER RECEIVABLES		
Current		
Trade debtors (a)	213,708	133,440
Sundry debtors	115,032	92,978
Net GST receivable	201,365	282,070
Vendor finance loan (b)	175,000	175,000
Security deposits	(22,912)	2,180
	<u>682,193</u>	<u>685,668</u>
Non-current		
Vendor finance loan (b)	725,000	725,000
	<u>725,000</u>	<u>725,000</u>

(a) No receivables were past due and none were impaired.

(b) Spectra (WA) Pty Ltd ("**Spectra**") acquired a number of apartments from the Victoria Quarter project with the consideration partly funded by this vendor finance loan. Interest and principal repayments will be made in accordance to a loan repayment schedule over a period of 6 years with the loan expected to be fully repaid by December 2027.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the half-year ended 31 December 2023

	31 Dec 2023	30 Jun 2023
	\$	\$
8. INVENTORIES		
<i>Current</i>		
Land and property held for development and resale (at cost)	58,331,390	46,360,360
<i>Non-current</i>		
Land and property held for development and resale (at cost)	12,122,181	12,122,181
Total	70,453,571	58,482,541
	31 Dec 2023	31 Dec 2022
	\$	\$
Movement in inventories for the half-year		
Balance at 1 July	58,482,541	33,723,656
Capitalised development costs	11,971,030	9,763,254
Balance at 31 December	70,453,571	43,486,910
	31 Dec 2023	30 Jun 2023
	\$	\$
9. INVESTMENT PROPERTY		
Investment property at fair value	20,050,473	19,919,793
	31 Dec 2023	31 Dec 2022
	\$	\$
(a) Movement in investment property		
Balance at 1 July	19,919,793	17,484,631
Additions	130,680	86,044
Balance at 31 December	20,050,473	17,570,675
(i) Amounts recognised in profit and loss for investment properties		
Rental income	845,693	81,233
Direct operating expenses from property that generated rental income	506,518	475,775
(ii) Investment property, principally land and buildings, is held for long-term rental yields and are not occupied by the entity. They are carried at fair value. Changes in fair value are presented in the profit or loss as part of other income.		
(iii) Assets pledged as security		
Some of the Group's borrowings (refer Note 10) are secured by registered mortgage over properties classified as investment property plus fixed and floating charges over all the assets and undertakings held by the Group.		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the half-year ended 31 December 2023

		31 Dec 2023	30 Jun 2023
		\$	\$
10. BORROWINGS			
Current			
Loans from financial institutions	(a)	19,112,068	17,088,225
Loans from non financial institutions	(a)	56,611,225	37,656,475
Less capitalised loan transaction costs		-	(199,298)
Insurance premium funding		202,721	-
		75,926,014	54,545,402
Non-current			
Loans from non financial institutions	(a)	-	3,500,000
		-	3,500,000

(a) Loans

			Facility limit 31 Dec 2023	Utilised 31 Dec 2023	Facility limit 30 Jun 2023	Utilised 30 Jun 2023
Facility	Secured	Maturity Date	\$	\$	\$	\$
Current						
McCabe St Facility	Yes	February 2024	-	-	2,700,000	2,700,000
Haig Park Cir Facility	Yes	February 2024	-	-	2,331,000	2,331,000
Helena St Facility	Yes	February 2024	-	-	484,000	484,000
Forbes Facility ³	Yes	March 2024	59,315,000	52,908,505	51,300,000	37,457,177
Shoalwater Facility ²	Yes	February 2024 ⁷	9,900,000	9,900,000	9,900,000	9,900,000
Shoalwater Facility ⁴	Yes	February 2024 ⁷	2,150,000	2,150,000	2,150,000	1,630,718
Shoalwater Facility ⁵	Yes	N/A	150,000	99,131	150,000	42,507
Harvis Facility ⁶	Yes	July 2024	7,165,657	7,165,657	-	-
Anrinza private loan ¹	No	October 2024	3,500,000	3,500,000	-	-
			82,180,657	75,723,293	69,015,000	54,545,402
Non-current						
Anrinza private loan ¹	No	October 2024	-	-	3,500,000	3,500,000
			-	-	3,500,000	3,500,000

- 1) This facility is provided by a substantial shareholder of the Company and is unsecured and interest free.
- 2) This facility expires in February 2024. The facility is secured by first registered mortgages over the investment property (Shoalwater Shopping Centre) held by Mustera Property Fund (Trust) and first ranking charge over all assets and undertakings of the Trust. Interest is payable quarterly in arrears at variable rates based on a fixed commitment fee plus a variable yield.
- 3) This facility expires in March 2024. The facility is secured by first registered mortgages over the project. The facility has an interest rate of 4.90% per annum and line fee of 1.90% per annum. The amount utilised is less capitalised loan transaction costs of \$1.096m.
- 4) This facility expires in February 2024. Relates to development funding for construction of a new service station to the Shoalwater Shopping Centre. The facility is secured by first registered mortgages over the investment property (Shoalwater Shopping Centre) held by Trust and first ranking charge over all assets and undertakings of the Trust. Interest is payable quarterly in arrears at variable rates based on a fixed commitment fee plus a variable yield.

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

- 5) This facility relates to GST payments relating to construction of the new service station. The facility is secured by first registered mortgages over the investment property (Shoalwater Shopping Centre) held by Trust and first ranking charge over all assets and undertakings of the Trust. Interest is payable quarterly in arrears at variable rates based on a fixed commitment fee plus a variable yield.
- 6) This facility is secured by first registered mortgage over the McCabe St, East Perth and Helena St Midland property held by the Company's 100% owned subsidiaries Riversea Property Holdings Pty Ltd (**Riversea**), Claisebrook Holdings Pty Ltd (**Claisebrook**) and Grace Property Holdings Pty Ltd (**Grace**) and first ranking charge over all present and after acquired properties of the subsidiaries. Interest is payable quarterly in arrears at variable rates based on a fixed commitment fee plus a variable yield.
- 7) On 16 February 2024, the Company received a letter informing of a breach in one of its clauses of the facility agreement. The Company was able to remedy the breach quickly and as the facilities were close to expiry, an extension of 90 days has been granted to May 2024.

(b) Fair Value

The fair values of the Group's borrowings are not materially different to their carrying amounts since the interest rates attributable to those borrowings are close to current market rates.

	31 Dec 2023	30 Jun 2023
	\$	\$
11. EQUITY – ISSUED CAPITAL		
144,235,132 (30 June 2023: 144,235,132) fully paid ordinary shares	22,965,710	22,965,710

Ordinary shares

The following movements in ordinary share capital occurred during the half-year:

	31 Dec 2023	30 Jun 2023	31 Dec 2023	30 Jun 2023
	Number	Number	\$	\$
Balance at beginning of the half-year	144,235,132	144,235,132	22,965,710	22,965,710
Balance at the end of the half-year net of costs	<u>144,235,132</u>	<u>144,235,132</u>	<u>22,965,710</u>	<u>22,965,710</u>

	31 Dec 2023	30 Jun 2023
	\$	\$
12. OTHER RESERVES		
Options Reserve	94,188	94,188
Performance Rights	1,457,000	1,973,108
Current year distributions from Fund	-	(282,301)
	<u>1,551,188</u>	<u>1,784,995</u>

(a) Performance rights

	2023	2023
	Number	\$
Balance at 1 July	8,400,000	1,973,108
Reversal of previous performance rights expensed	<u>(3,200,000)</u>	<u>(516,108)</u>
Balance at 31 December	<u>6,200,000</u>	<u>1,457,000</u>

(b) The following changes to options issue and attributed value during the periods

Balance at 1 July	16,504,449	94,188
Options expired (30 Nov 2023)	<u>(2,500,000)</u>	<u>-</u>
Balance at 31 December	<u>14,004,449</u>	<u>94,188</u>

On 30 November 2023 2,500,000 free attaching options with an exercise price of \$0.46 expired.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the half-year ended 31 December 2023

13. NET ASSETS ATTRIBUTABLE TO FUND UNITHOLDERS

	31 Dec 2023	30 Jun 2023
	\$	\$
Opening balance	6,329,634	4,150,911
Net (Acquisition)/disposal of units in the Fund by Mustera Property Group	-	2,240,175
Distributions paid and payable to non-controlling interest	-	(159,964)
Profit/(loss) for the period attributable to non-controlling interest	(51,078)	222,752
(Gain)/loss for the period attributable acquisition/disposal of units in the fund	-	(124,240)
	6,278,556	6,329,634

14. COMMITMENTS AND CONTINGENCIES

Commitments and contingencies remain consistent with those disclosed in the 2023 annual report.

Contingencies

The Consolidated Entity does not have any contingent liabilities at balance and reporting dates.

15. RELATED PARTY TRANSACTIONS

The Company had no related party transactions during the period.

16. SEGMENT INFORMATION

Identification of reportable operating segments

The Consolidated Entity has identified two reportable segments, being property investment and property development. The identification of reportable segments is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers) in assessing performance and in determining the allocation of resources.

Segment information

	Property Investment \$	Property Development \$	Other ¹ \$	Group \$
<i>Half-year ended 31 December 2023</i>				
Segment revenue and other income	845,693	319,648	-	1,165,341
Segment result	(26,503)	(2,636,721)	(62,051)	(2,725,275)
<i>As at 31 December 2023</i>				
Segment assets	17,359,827	71,527,299	4,228,230	93,115,356
Segment liabilities	16,235,848	11,088,713	55,973,176	83,297,737
<i>Half-year ended 31 December 2022</i>				
Segment revenue and other income	813,233	362,279	-	1,175,512
Segment result	124,278	(1,813,189)	(429,952)	(2,118,863)
<i>As at 30 June 2023</i>				
Segment assets	17,359,827	59,476,000	4,414,765	81,250,592
Segment liabilities	16,292,531	9,370,274	42,528,782	68,191,587

1. This column includes head office and group services which are not allocated to any reportable segment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the half-year ended 31 December 2023

17. EVENTS SUBSEQUENT TO REPORTING DATE

On 30 January 2024, the Company issued 2,000,000 fully paid ordinary shares following the conversion of vested performance rights.

Other than what has been disclosed in the accounts, no matters or events have arisen since 31 December 2023 which have significantly affected, or may significantly affect, the operations of the Group, the results of the operations, or the state of affairs of the Group in future financial periods.

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DIRECTORS' DECLARATION

In the Directors' opinion:

- (a) the financial statements and notes set out on pages 5 to 15 are in accordance with the Corporations Act 2001, including:
 - i. complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and
 - ii. giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date, and
- (b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.



Nicholas Zborowski
Executive Director

Perth, Western Australia
29th February 2024

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Mustera Property Group Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Mustera Property Group Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the 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.

Material uncertainty relating to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

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 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 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.

BDO Audit (WA) Pty Ltd

BDO
A handwritten signature in black ink, appearing to read 'P. Murdoch', is written over a horizontal line.

Phillip Murdoch

Director

Perth, 29 February 2024



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DECLARATION OF INDEPENDENCE BY PHILLIP MURDOCH TO THE DIRECTORS OF MUSTERA PROPERTY GROUP LIMITED

As lead auditor for the review of Mustera Property Group 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 Mustera Property Group Limited and the entities it controlled during the period.

Phillip Murdoch
Director

BDO Audit (WA) Pty Ltd

Perth

29 February 2024

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