

Pymont Bridge Road Mortgage Fund

ARSN 120 024 713

Annual Financial Statements

Year Ended 30 June 2023

Pymont Bridge Road Mortgage Fund

ARSN 120 024 713

Responsible Entity: BlackWall Fund Services Limited

ABN 39 079 608 825

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Pymont Bridge Road Mortgage Fund

ARSN 120 024 713

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Directors' Report

About the Fund

Pymont Bridge Road Mortgage Fund ("PBRMF" or "Fund") is a registered managed investment scheme. BlackWall Fund Services Limited is the Fund's Responsible Entity.

The Fund commenced new operations from 1 July 2022. A product disclosure statement ("PDS") was issued dated 23 May 2022 which sets out all the relevant disclosures required by the Australian Securities and Investments Commission ("ASIC"). The PDS is also available on the BlackWall website. The details of the new operations are briefly summarised below.

Pymont Bridge Road Mortgage Fund is a single asset unlisted mortgage scheme. The Fund receives income from the \$20 million lent to the property owner of 55 Pymont Bridge Road, Pymont, Pymont Bridge Property Pty Ltd. Investors in the Fund receive a quarterly distribution equating to 6.00% per annum of Fund Capital. The term of the Fund is 5 years, and a single fund management fee of 0.5% per annum on the gross asset value ("GAV") of the Fund, capped at \$100,00 per annum, is payable. PBRMF is secured by a second mortgage over the Pymont property which was independently valued at \$134.3 million in June 2023, and this will provide a \$54.3 million capital protection buffer to the Fund investors. The Fund remains open to new investors.

Property Update

Since the fund started there have been some tenancy changes in the property namely:

- Verizon - We have agreed terms with Verizon for a new 5 year lease from December 2023. The effective rent (after incentives) has dropped a little to \$580 per sqm but renewing Verizon who take close to 5,000 sqm of space in the building secures a good portion of the income stream for another 5 years.
- The vacancy that existed on level 2 has been filled by a production company called DNEG on a 5 year term.
- Our childcare centre has reduced from the 2 centres it was running to 1 which has created a 1,000 sqm vacancy that we are currently looking to release. We won't look to put another childcare in the space instead looking at other uses from traditional office to service related offerings or even business storage space.

We have also received a new independent property valuation as mentioned above. The value reduced from \$148 million to \$134.3 million. Values go up and down through cycles and we are not concerned by movements like this. The property and this fund are structured appropriately and the fund has around \$55 million of equity sitting below it as capital protection.

Capital Structure

You may recall that there were around \$14 million of notes that were subordinated to the Funds 2nd mortgage. \$0.4 million of the notes have been repaid during the year. The remainder will now form part of equity of the property which will reduce the interest cost to the capital structure.

The Senior debt facility with NAB for \$60 million was renewed for another 2 years in September 2023. \$30 million of this debt is hedged to 2027 at a base rate of 1.76%.

The Responsible Entity is a wholly owned subsidiary of ASX-listed BlackWall Limited (ASX:BWF). BWF is a fund manager and investment company that generates management, performance and transaction fees from real estate investment structures. BWF's portfolio under management currently comprises properties with a total value of over \$500 million. BWF and the Responsible Entity share the same board of directors and key management personnel.

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Fund Performance

The Fund has 20,000,000 units on issue and net tangible assets ("NTA") per unit of \$1.00 (2022: NTA \$nil). Interest was received by the fund of 6.5% and was distributed to unitholders net of the \$100,000 capped fees.

Distribution to Unitholders

During the year, the Fund paid a total of \$1,200,028 in distributions to unitholders which equates to 6% per annum on issue price at commencement of the Fund, being \$1.00 per unit. There were no distributions paid during the previous financial year.

Significant Changes in Affairs

Since the establishment of the new operations at the beginning of the financial year there were no other significant changes to the state of affairs of the Fund during the financial year.

Going Concern

These financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

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Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2023

| | Note | 2023 \$ | 2022 \$ |
|--|------|------------------|------------|
| Interest income | 2 | 1,300,028 | - |
| Gain on acquisition of subsidiary | 1 | 4,341 | - |
| Total Revenue | | 1,304,369 | - |
| Administration expenses | | 100,000 | - |
| Total Expenses | | 100,000 | - |
| Net Profit For the Year | | 1,204,369 | - |
| Other comprehensive income | | - | - |
| Total Comprehensive Income For the Year | | 1,204,369 | - |

The accompanying notes form part of these financial statements.

Pyrmont Bridge Road Mortgage Fund

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Statement of Financial Position

As at 30 June 2023

| | Note | 2023 \$ | 2022 \$ |
|---|------|--------------------------|-----------------|
| Assets | | | |
| Current Assets | | | |
| Cash and cash equivalents | 4 | 8,139 | - |
| Receivables | 5 | 344,797 | - |
| Total Current Assets | | <u>352,936</u> | <u>-</u> |
| Non-current Assets | | | |
| Financial assets | 6 | 20,000,000 | - |
| Total Non-current Assets | | <u>20,000,000</u> | <u>-</u> |
| Total Assets | | <u>20,352,936</u> | <u>-</u> |
| Liabilities | | | |
| Current Liabilities | | | |
| Payables | 7 | 348,595 | - |
| Total Current Liabilities | | <u>348,595</u> | <u>-</u> |
| Total Liabilities | | <u>348,595</u> | <u>-</u> |
| Net Assets | | <u>20,004,341</u> | <u>-</u> |
| Unitholders fund | | 20,000,000 | - |
| Retained earnings | | 4,341 | - |
| Net Assets attributable to Unitholders | | <u>20,004,341</u> | <u>-</u> |

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity

For the Year Ended 30 June 2023

| | Number of Units on Issue No. | Unitholders' Fund \$ | Retained Earnings \$ | Total \$ |
|--------------------------------|---------------------------------------|----------------------------|----------------------------|-------------------|
| Balance at 1 July 2022 | - | - | - | - |
| Issue of new units | 20,000,000 | 20,000,000 | - | 20,000,000 |
| Profit for the year | - | - | 1,204,369 | 1,204,369 |
| Distributions paid | - | - | (1,200,028) | (1,200,028) |
| Balance at 30 June 2023 | 20,000,000 | 20,000,000 | 4,341 | 20,004,341 |
| Balance at 1 July 2021 | - | - | - | - |
| Profit for the year | - | - | - | - |
| Balance at 30 June 2022 | - | - | - | - |

The accompanying notes form part of these financial statements.

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Statement of Cash Flows

For the Year Ended 30 June 2023

| | 2023 \$ | 2022 \$ |
|--|--------------------|------------|
| Cash Flows From Operating Activities | | |
| Interest received from mortgage | 955,232 | - |
| Payments to suppliers | (90,880) | - |
| Net Cash Flows From Operating Activities | 864,352 | - |
| Cash Flows From Investing Activities | | |
| Acquisition of Pyrmont Bridge Trust | (3,587,000) | - |
| Cash acquired on acquisition of subsidiary | 23,521 | - |
| Cash leaving group on disposal of subsidiary | (1,064) | - |
| Net Cash Flows Used in Investing Activities | (3,564,543) | - |
| Cash Flows From Financing Activities | | |
| Proceeds from issue of units | 3,587,000 | - |
| Distributions to unitholders | (878,670) | - |
| Net Cash Flows From Financing Activities | 2,708,330 | - |
| Net Increase in Cash Held | 8,139 | - |
| Cash and cash equivalents at the beginning of the year | - | - |
| Cash and Cash Equivalents at End of the Year | 8,139 | - |

The accompanying notes form part of these financial statements.

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Notes to the Financial Statements

For the Year Ended 30 June 2023

1. Acquisition and disposal of investments

On 1 July 2022 the Fund acquired 100% Pyrmont Bridge Trust. On 29 July 2022 the Fund acquired 100% of the issued units of Woods PIPES Fund, therefore obtaining control of both of these entities. The acquired entities are investment entities and are consolidated as per AASB 10. Both entities were acquired by PBRMF issuing new scrip to existing unit holders of those entities in a rollover scrip for scrip transaction.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are set out in the table below:

| | Pyrmont Bridge Trust | Woods PIPES | Total Acquisition |
|--|-------------------------------------|--------------------|------------------------------|
| | \$ | \$ | \$ |
| Cash and cash equivalents | 22,457 | 1,064 | 23,521 |
| Accounts receivable | - | 120 | 120 |
| Financial assets | 20,000,000 | 7,250,000 | 27,250,000 |
| Accounts payable | (18,116) | (1,184) | (19,300) |
| Total identifiable assets acquired and liabilities assumed | 20,004,341 | 7,250,000 | 27,254,341 |
| Excess of net assets acquired | (4,341) | - | (4,341) |
| Total Consideration | 20,000,000 | 7,250,000 | 27,250,000 |
| Satisfied by: | | | |
| Issue of new units | 16,413,000 | 7,250,000 | 23,663,000 |
| Cash consideration | 3,587,000 | - | 3,587,000 |
| Total Consideration | 20,000,000 | 7,250,000 | 27,250,000 |

On 30 July 2022 the Fund disposed of 100% of the units in the Woods PIPES Fund to WOTSO Limited for a consideration of \$7,250,000 resulting in nil net profit on disposal. On 1 August 2022 PBRMF redeemed sufficient units issued so as to reduce the units issued down to 20,000,000 units. The proceeds due on disposal of Woods PIPES were offset against amounts owing to the underwriter and non controlling interests.

2. Revenue

| | 2023 | 2022 |
|------------------------|------------------|-------------|
| | \$ | \$ |
| Interest from mortgage | 1,300,000 | - |
| Bank interest | 28 | - |
| Total | 1,300,028 | - |

3. Distributions Paid to Unitholders

| | 2023 | 2022 |
|--|------------------|-------------|
| | CPU | CPU |
| | \$ | \$ |
| Distributions paid for September quarter | 1.5 300,028 | - - |
| Distributions paid for December quarter | 1.5 300,000 | - - |
| Distributions paid for March quarter | 1.5 300,000 | - - |
| Distributions paid for June quarter | 1.5 300,000 | - - |
| Total | 1,200,028 | - |

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4. Cash and Cash Equivalents

| | 2023 | 2022 |
|--------------|--------------|----------|
| | \$ | \$ |
| Cash at bank | 8,139 | - |
| Total | 8,139 | - |

Cash at bank earns interest at floating rates based on daily bank deposit rates.

5. Receivables

| | 2023 | 2022 |
|---------------------|----------------|----------|
| | \$ | \$ |
| Interest receivable | 325,000 | - |
| Other receivables | 19,797 | - |
| Total | 344,797 | - |

6. Financial Assets

| | 2023 | 2022 |
|--------------|-------------------|----------|
| | \$ | \$ |
| Mortgage | 20,000,000 | - |
| Total | 20,000,000 | - |

The Fund has advanced monies secured by a registered second mortgage over property located at 55 Pyrmont Bridge Road, Pyrmont, NSW. The property was independently valued in June 2023 at \$134.3 million. The Fund's maximum exposure to credit risk comprises the mortgage of \$20 million together with any outstanding interest receivable. The property value of \$134.3 million less the first secured mortgage of \$60 million and the second secured mortgage of \$20 million results in a remaining capital protection buffer of \$54.3 million for PBRMF unitholders.

7. Payables

| | 2023 | 2022 |
|-----------------------|----------------|----------|
| | \$ | \$ |
| Distributions payable | 310,385 | - |
| Other payable | 38,210 | - |
| Total | 348,595 | - |

8. Auditor's Remuneration

| | 2023 | 2022 |
|--|--------------|------------|
| | \$ | \$ |
| Remuneration of the auditor of the Fund: | | |
| Audit or other audit related services | 6,500 | 500 |
| Taxation services | 1,100 | - |
| Total | 7,600 | 500 |

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9. Commitments and Contingencies

There are no commitments or contingencies as at 30 June 2023 (2022: nil).

10. Cash Flow Information

(a) Reconciliation of Profit After Income Tax to Operating Cash Flows

| | 2023 | 2022 |
|--|----------------|----------|
| | \$ | \$ |
| Profit for the year | 1,204,369 | - |
| Non-Cash Flows in Profit: | | |
| Gain on acquisition of subsidiary | (4,341) | - |
| Change in assets and liabilities: | | |
| Increase in receivables | (344,797) | - |
| Increase in payables | 9,121 | - |
| Net cash flows used in operating activities | 864,352 | - |

(b) Non-cash investing and financing activities

The acquisition of the financial asset (mortgage) of \$20.0 million was settled through the issue of units in the Fund for the same amount.

11. Subsequent Events

To the best of the Directors knowledge of the Responsible Entity, there have been no other matters or circumstances that have arisen since the end of the year that have materially affected or may materially affect the Fund's operations.

12. Related Party Transactions

(a) Related Parties

In these financial statements, related parties are parties as defined by *AASB 124 Related Party Disclosures*.

(b) Transactions with Related Parties

Total unit holdings held by related parties as at 30 June 2023 was 17,019,655 (2022: nil).

In accordance with the terms of the Fund Constitution, the Responsible Entity is entitled to a management fee of up to 0.50% per annum of the fund's value with the Fund's total expenses capped at \$100,000 per annum.

All transactions with related parties were made on normal commercial terms and conditions and at market rates.

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Related party transactions that occurred during the year are as follows:

| | 2023 | 2022 |
|--|-----------|------|
| | \$ | \$ |
| Interest received from related entity | 1,300,000 | - |
| Fund management fee paid to Responsible Entity | 100,000 | - |
| Distribution paid/payable to related unitholders | 967,449 | - |
| Receivables from related parties | 337,940 | - |
| Payables to related parties | 284,384 | - |

13. Financial Risk Management

(a) Financial risk management

The main risks the Fund is exposed to through its financial instruments are market risk and liquidity risk. The Fund's exposure to credit risk is to one party being the mortgagor Pyrmont Bridge Property Pty Ltd for which a second mortgage is held as collateral. The Fund's major financial instruments are financial mortgage assets and net assets attributable to unitholders.

The Board of Directors of the Responsible Entity has overall responsibility for the establishment and oversight of the risk management framework. They monitor the Fund's risk exposures by regularly reviewing finance and property markets. An analysis of major financial instruments held by the Fund, which are subject to financial risk, is as follows:

| | 2023 | 2022 |
|------------------|------------|------|
| | \$ | \$ |
| Financial assets | 20,000,000 | - |

There is no material difference between the carrying value and the fair value of the financial assets.

(b) Market risk

The Fund is exposed to market risk if insufficient cash flows are generated by the underlying property supporting the financial assets to enable mortgage interest to be received by unitholders via distributions. The interest rate for the mortgage is fixed at 6.5% for the life of the Fund. Distributions to investors may also be affected by fluctuations in the interest rate applicable to the senior debt facility secured on the property.

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(c) Liquidity risk

Units in the Fund are regarded as illiquid. This means that there is no active market in which to sell units except for off-market transfer. The Responsible Entity has no obligation to purchase or redeem units during the term of the Fund. There is no secondary market for units and transfers may only be effected in accordance with the Constitution and with the approval of the Responsible Entity. At the end of the year, the Fund had the following financial liabilities by maturity grouping:

| | Maturing within 1 year \$ | Maturing over 2 years \$ | Total \$ |
|------------------------------|------------------------------|-----------------------------|----------------|
| At 30 June 2023 | | | |
| Financial liabilities | | | |
| Other payables | 38,210 | - | 38,210 |
| Amounts due to unitholders | 310,385 | - | 310,385 |
| | 348,595 | - | 348,595 |
| At 30 June 2022 | | | |
| Financial liabilities | | | |
| Other payables | - | - | - |
| Amounts due to unitholders | - | - | - |
| | - | - | - |

14. Fund Details

The principal place of business of the Fund is:
50 Yeo Street
Neutral Bay, NSW 2089

15. Critical Accounting Estimates and Judgements

The Directors of the Responsible Entity evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Fund.

Key estimates – impairment

The Fund assesses impairment at each reporting date by evaluating conditions specific to the Fund that may lead to impairment of assets. The Directors of the Responsible Entity believed it appropriate to raise no impairment provisions for the current year.

16. Statement of Significant Accounting Policies

The Fund is a managed investment scheme registered in Australia. The financial statements for the Fund comprise the financial results of the Fund and its controlled entities, and were authorised for issue in accordance with the resolution of the Directors of the Responsible Entity on the date they were issued.

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Notes to the Financial Statements

For the Year Ended 30 June 2023

Basis of preparation

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. The financial statements of the Fund also comply with IFRS as issued by the International Accounting Standards Board.

The financial statements have been prepared on an accruals basis and are based on historical costs modified by the revaluation of selected non current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The following is a summary of the material accounting policies adopted by the Fund in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

Presentation of financial statements

Both the functional and presentation currency of the Fund is Australian dollars.

Going concern

These financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlements of liabilities in the ordinary course of business.

Principles of Consolidation

Controller Entities

The consolidated financial statements comprise the financial statements of the Fund and its controlled entities. The controlled entities each have June financial years end and use consistent accounting policies. Investments in controlled entities held by the parent entity are accounted for at cost less any impairment charges.

Subsidiaries are all those entities over which the parent entity has control. The parent entity controls an entity when the parent entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Inter-Entity Balances

All inter-entity balances and transactions between entities in the Fund, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of controlled entities have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

Financial Assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is

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determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Impairment of financial assets

The Fund recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

Financial Liabilities

Financial liabilities are recorded initially at fair value, net of transaction costs incurred. Financial liabilities are subsequently stated at amortised cost and interest is recognised over the period of the borrowing using the effective interest method.

Mortgage

Mortgage loans are measured initially at fair value plus transaction costs and subsequently amortised using the effective interest rate method, less impairment losses if any.

The Responsible Entity assesses at each reporting period date whether there is any objective evidence that mortgage loans are impaired. A mortgage loan is deemed to be impaired if there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the mortgage loan (an incurred "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the mortgage loan that can be reliably estimated.

Evidence of impairment may include indications that the borrower or a group of borrowers is experiencing other financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

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If any such indication of impairment exists, an impairment loss is recognised in the statement of comprehensive income as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting the loan loss provision account.

For the purpose of a collective evaluation of impairment the Fund considers credit risk characteristics such as asset type, industry, geographic location, collateral type, past due status and other relevant factors.

Loans and receivables/payables

Loans and receivables/payables are non-derivative financial assets/liabilities with fixed or determinable payments that are not quoted in an active market. This category includes short term receivables/payables.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Payables

Liabilities for creditors are carried at cost which is the fair value of the consideration to be paid in the future for goods or services received, whether or not billed to the Fund at balance date. The amounts are unsecured and are usually paid within 30 days of recognition.

Revenue

Interest income is recognised using the effective interest method when interest is received/receivable. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate. All revenue is stated net of the amount of GST.

Income Tax

Under current income tax legislation the Fund is not liable to Australian income tax provided the unitholders are presently entitled to the taxable income of the Fund and the Fund generally distributes its taxable income.

GST

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

Unit prices

Unit prices are determined in accordance with the Fund's Constitution and Product Disclosure Statement and are calculated as net assets attributable to unitholders of the Fund, less estimated costs, divided by the number of units on issue.

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Notes to the Financial Statements

For the Year Ended 30 June 2023

New Accounting Standards and Interpretations

None of the new standards and amendments to standards that are mandatory for the first time for the current financial year affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. Based on our preliminary assessment, we do not expect them to have a material impact on the Fund.

Directors' Report - Continued

Information on Officeholders

The names of the Officeholders of the Responsible Entity in office at any time during or since the end of the year are set out below.

Joseph (Seph) Glew Non-Executive Director and Chairman

Seph has worked in the commercial property industry in New Zealand, the USA and Australia and has driven large scale property development and financial structuring for real estate for over 40 years. In addition, since the early 1990s Seph has run many "turn around" processes in relation to distressed properties and property structures for both private and institutional property owners.

While working for the Housing Corporation of New Zealand and then AMP, Seph qualified as a registered valuer and holds a Bachelor of Commerce. In the 1980s he served as an Executive Director with New Zealand based property group Chase Corporation and as a Non-Executive Director with a number of other listed companies in New Zealand and Australia.

Timothy Brown Joint Managing Director and CFO

Tim is Joint Managing Director and Chief Financial Officer for the BlackWall Group and its funds ("Group"). Tim joined the Group in 2008 as Financial Controller and became Chief Financial Officer in 2009. He took on the Managing Director role along with Jessie in late 2019. He has a Bachelor of Commerce from the University of New South Wales and is a member of the Institute of Chartered Accountants of Australia and New Zealand. With over 20 years experience in the financial services and property industries, he started his career with Deloitte and joined Lend Lease Corporation in 2002. Tim is also on the board of Eastern Suburbs Cricket Club and Coogee Boy's Preparatory School.

Jessica Glew Joint Managing Director and COO

Jessie is Joint Managing Director and Chief Operating Officer (COO) for the BlackWall Group and its funds. Jessie has been with BlackWall since early 2011 and has a strong background in, and passion for, the property industry. For the past 13 years, Jessie has specialised in working with distressed properties and spaces, and the operations of the WOTSO business. Jessie holds a Bachelor's degree in International Communication from Macquarie University and NSW Real Estate License.

Jessie joined the Board of The Kids Cancer Project in 2021 and over the last 2 years has provided insights and operational knowledge to help support The Kids Cancer Project.

Richard Hill Non-Executive Director

Richard Hill has extensive investment banking experience and was the founding partner of the corporate advisory firm Hill Young and Associates. Richard has invested in the Group's projects since the early 1990s. Prior to forming Hill Young, Richard held a number of Senior Executive positions in Hong Kong and New York with HSBC. He was admitted as an attorney in New York State and was registered by the US Securities and Exchange Commission and the Ontario Securities Commission. Richard has served as a director (Chairman) of the Westmead Institute for Medical Research and director (Chairman) of Sirtex Medical Limited (Sirtex), formerly listed on ASX.

Robin Tedder
Non-Executive Director

Robin began his career on the dealing desk of a merchant bank in 1976. In 1981 he founded Hatmax Capital Markets which grew rapidly through organic development and merger with Australian Gilt Securities in 1988, such that by the time he departed after 14 years as CEO in 1995, over 80 people were employed across debt capital markets, both the Sydney Futures Exchange and ASX, in asset management and corporate finance. In 1995 Robin established Vintage Capital which became an active investor in funds management, commercial property, retailing, healthcare and logistics. He has been an investor in the Group's projects since 1997, is a former member of ASX, and has served on various boards of both listed and private companies since 1984. He is the Chairman of the Group's Board Audit Committee

Alex Whitelum (to 10 March 2023)
Company Secretary

Alex joined the BlackWall Group in 2020 and executed all aspects of the Group's corporate and fund transactions, was responsible for corporate governance functions and oversaw investor relations. Previously, Alex was a lawyer at Clayton Utz in their Corporate, M&A and Capital Markets team. Alex holds a Bachelor of Laws (Hons) and a Bachelor of Commerce (Economics) from Macquarie University. He is admitted as a solicitor to the Supreme Court of New South Wales and the High Court of Australia. Alex resigned from the Group effective 10 March 2023.

Agata Ryan (from 10 March 2023)
Company Secretary

Agata joined BlackWall in February 2023 and oversees all aspects of BlackWall's corporate and fund transactions, the corporate governance and regulatory functions and investor relations. Before joining BlackWall, Agata worked as a lawyer at a boutique property law firm and prior to that was legal counsel in the commercial property legal team at Stockland. Agata holds a Bachelor of Arts, Master of Commerce and Juris Doctor degree from UNSW. She is admitted as a solicitor of the Supreme Court of New South Wales and the High Court of Australia.

Meeting Attendances

| Director | Board Meetings Held | Board Meeting Attendance |
|-----------------|----------------------------|---------------------------------|
| Seph Glew | 6 | 6 |
| Timothy Brown | 6 | 6 |
| Jessie Glew | 6 | 6 |
| Richard Hill | 6 | 5 |
| Robin Tedder | 6 | 6 |

Events Subsequent to Reporting Date and Likely Developments

To the best of the Directors' knowledge, since the end of the financial year there have been no matters or circumstances that have materially affected the Fund's operations or may materially affect its operations, state of affairs or the results of operations in future financial years.

Remuneration

In accordance with the terms of the Constitution and Product Disclosure Statement, the Responsible Entity is entitled to receive an annual management fee based on 0.5% of the gross asset value of the Fund, capped at

\$100,000 per annum. The total fees paid to the Responsible Entity and its associates during the year are set out in the Related Party Transactions note.

There were no fees paid or payable from the Fund to the Directors of the Responsible Entity during the financial year.

The Fund does not provide any short term or post employment benefits to its KMP.

Interests in the Fund

The number of units on issue at 30 June 2023 was 20,000,000 (2022: nil). The Responsible Entity and its associates do not hold any units in the Fund as at 30 June 2023 (2022: nil). There were no withdrawals from the Fund during the year.

Value of Fund's Assets

The value of the Fund's assets is set out in the Statement of Financial Position in the Total Assets line. Refer to the Financial Assets note for valuation details.

Environmental Regulation

The Fund's operations are not regulated by any environmental regulation under a law of the Commonwealth or of a State or a Territory.

Indemnities of Officers

During the financial period the Responsible Entity has paid premiums to insure each of the Directors named in this report along with officers of that Responsible Entity against all liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director or officer of the Responsible Entity, other than conduct involving a wilful breach of duty. No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an auditor to the Fund.

Non-audit Services and Auditor

Amounts paid to the auditor during the year are detailed at the Auditor's Remuneration note of the financial statements.

A copy of the auditor's independence declaration as required under Section 307C of the Corporations Act 2001 is set out in these financial statements.

ESV Business Advice and Accounting continues in office in accordance with section 327 of the Corporations Act 2001.

Signed in accordance with a resolution of the Board of Directors of the Responsible Entity.



Tim Brown
Director
Sydney, 29 September 2023



Jessie Glew
Director
Sydney, 29 September 2023

Directors' Declaration

In the opinion of the Directors of BlackWall Fund Services Limited, the Responsible Entity of Pymont Bridge Road Mortgage Fund:

- (a) the financial statements and notes 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 Fund's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and
- (b) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

The Statement of Significant Accounting Policies confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

This declaration is made in accordance with a resolution of the Board of Directors of the Responsible Entity.



Tim Brown
Director
Sydney, 29 September 2023



Jessie Glew
Director
Sydney, 29 September 2023

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF BLACKWALL FUND SERVICES LIMITED ("THE RESPONSIBLE ENTITY")

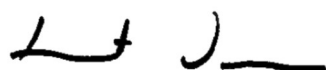
As auditor of the financial report of Pymont Bridge Road Mortgage Fund for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

- (i) no contraventions of the independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Dated at Sydney on the 29th of September 2023



ESV Business Advice and Accounting



Hemant Nisar
Client Director

INDEPENDENT AUDIT REPORT TO THE UNITHOLDERS OF PYRMONT BRIDGE ROAD MORTGAGE FUND

Opinion

We have audited the financial report of Pyrmont Bridge Road Mortgage Fund ("the Fund"), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of Pyrmont Bridge Road Mortgage Fund is in accordance with the *Corporations Act* 2001, including:

- giving a true and fair view of the Fund's financial position as at 30 June 2023 and of its performance for the year then ended; and
- complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Fund 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 our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors of the BlackWall Fund Services Limited ("the Responsible Entity") are responsible for the other information. The other information comprises the Directors' Report for the year ended 30 June 2023 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDIT REPORT TO THE UNITHOLDERS OF PYRMONT BRIDGE ROAD MORTGAGE FUND

Responsibilities of the directors for the financial report

The directors of BlackWall Fund Services Limited ("the Responsible Entity") are responsible for the preparation of the 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 a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

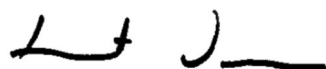
Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

Dated at Sydney on the 29th of September 2023



ESV Business Advice and Accounting



Hemant Nisar
Client Director