

DomaCom Limited and its controlled entities ("DCL")

Appendix 4D – Half Year Report for the period ended 31 December 2016

Results for Announcement to the market

	Half year ended 31 December 2016 \$'000	Half year ended 31 December 2015 \$'000	%
Revenue from ordinary activities	24	5	380% increase
Loss from ordinary activities after tax attributable to members	3,434	2,619	31% increase
Net loss for period attributable to members	3,434	2,619	31% increase
Net tangible assets per share	4.7 cents	4.6 cents	

Refer to attached Directors' Report for explanation of results.

Dividends

	Amount per security	Franked amount per security
Interim	Nil	Nil
Final	Nil	Nil
Record date for determining entitlements to dividends		N/A
Date dividend is payable		N/A

There is no dividend reinvestment plan in place.

There are no entities over which control has been gained or lost during the period. There were no associates or joint ventures during the period.

A copy of the review report is included in the interim financial accounts attached.

Philip Chard
Company Secretary
16 February 2017

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DomaCom Limited

Financial report for the
half-year ended 31 December 2016

ABN 69 604 384 885

DOMACOM LIMITED
ABN 69 604 384 885

DIRECTORS' REPORT
31 DECEMBER 2016

Your directors present their report on DomaCom Limited (the "Company") and its Controlled Entities (the "Group") for the half-year ended 31 December 2016.

Director Details

The following persons were Directors of DomaCom Limited during and since the end of the financial half-year:

- Mr Grahame D Evans (Chairman and Non-Executive Director)
- Mr David H Archbold (Non-Executive Director)
- Mr Graeme A Billings (Non-Executive Director)
- Mr Peter C Church OAM (Non-Executive Director)
- Mr Arthur Naoumidis (CEO and Executive Director)
- Mr Ross A Laidlaw (COO/CFO and Executive Director)

Review of operations and financial results

The operating result of the Group for the half-year ended 31 December 2016 was a loss of \$3.4m (2015: \$2.6m loss).

DomaCom derives fee revenue based on the assets under management on the DomaCom Fund. The revenue increased to \$23,926 for the six months to 31 December 2016 compared to \$5,140 for the comparable six month period.

The number of properties that have been acquired by the DomaCom Fund on behalf of investors is now 24 properties as at 31 December 2016 (17 Properties 30 June 2016). The total funds under management as at 31 December was \$22.6 million (\$13.7 million Funds under Management as at 30 June 2016). As at 31 January 2017 the DomaCom Fund now holds 33 individual properties, with a further 13 book builds underway representing potentially a further 20 properties available for settlement.

Where DomaCom is entitled to claim a refundable tax credit for eligible research and development expenditure, the claim is recognized as an offset against eligible capitalised R&D expenditure. To the extent the claim relates to costs that were expensed as they did not meet the capitalisation criteria, this amount is recognised as Other Income. The half-year ended 31 December 2015 included the recognition of Other Income. The half-year ended 31 December 2016 did not recognize Other Income as claim was not made during this period. It is expected a claim will be made for the financial year ending 30 June 2017.

The operating costs include the costs of developing the DomaCom Platform, general staff costs and costs incurred in distributing and marketing the DomaCom products into our distribution channel, as well as additional costs incurred as part of the Initial Public Offering during the half-year ended 31 December 2016. The company completed a restructure of the proposed cost base of the company in line with the revised Supplementary Prospectus's issued prior to our listing in November 2016. The proposed cost base was reduced by \$1.7 million annually from the original plans and included several redundancies and closure of Singapore and Adelaide offices. The benefits of these costs savings will flow through in the second half of this financial year.

The loss per share of \$0.03 (2015: \$0.03 loss per share) reflects the increased operating loss offset by the increased number of shareholders resulting from the Initial Public Offering.

Capital raising activities were undertaken during the period with the listing of the company on the Australian Securities Exchange on the 7th of November 2016, which resulted in the company raising \$7.3m to allow for the continued commercialization of current products and product development.

Subsequent to balance date and prior to issuing this report DomaCom Australia Limited received approval by the Australian Securities & Investments Commission (ASIC) to vary its Australian Financial Services Licence to allow the company to "deal in securities" that will allow the expansion in the range of available client investment opportunities.

DOMACOM LIMITED
ABN 69 604 384 885

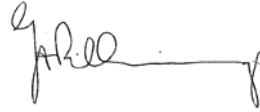
DIRECTORS' REPORT
31 DECEMBER 2016

A copy of the Auditor's Independence Declaration as required under s307C of the Corporations Act 2001 is included on page 3 of this financial report and forms part of this Directors' Report.

Signed in accordance with a resolution of the Board of Directors:



Arthur Naoumidis
Director
16 February 2017



Graeme A Billings
Director

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**Auditor's Independence Declaration
To The Directors of DomaCom Limited**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of DomaCom Limited for the half-year ended 31 December 2016, I declare that, to the best of my knowledge and belief, there have been:

- a No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b No contraventions of any applicable code of professional conduct in relation to the review.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



Brad Taylor
Partner - Audit & Assurance

Melbourne, 16 February 2017

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DOMACOM LIMITED
ABN 69 604 384 885

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

	31 December 2016	31 December 2015
	\$	\$
Revenue	23,926	5,140
Other Income	-	294,255
Interest Income	29,051	7,882
	<hr/>	<hr/>
	52,977	307,277
Expenses		
Employee benefits expenses	(1,640,868)	(1,564,541)
Fund administration	(145,407)	(137,003)
Rent	(119,067)	(121,864)
Depreciation	(200,200)	(145,508)
Insurance	(222,334)	(43,045)
Advertising	(393,743)	(318,008)
Travel expenses	(63,683)	(99,505)
IT expenditure	(34,895)	(35,700)
Telephone expenditure	(29,807)	(23,554)
Professional fees	(338,054)	(198,178)
Finance costs	(75,064)	(63,519)
Other expenses	(223,593)	(175,942)
Total Expenses	<hr/>	<hr/>
	(3,486,715)	(2,926,367)
Loss before income tax	<hr/>	<hr/>
	(3,433,738)	(2,619,090)
Income tax expense	-	-
Loss for the period	<hr/>	<hr/>
	(3,433,738)	(2,619,090)
Other comprehensive income		
<i>Items that may be reclassified subsequently to profit and loss</i>		
Exchange differences on translating foreign operations	9,953	3,572
Other comprehensive income for the period	<hr/>	<hr/>
	9,953	3,572
Total comprehensive loss for the period	<hr/>	<hr/>
	(3,423,785)	(2,615,518)
Earnings per share		
Basic Loss per share	<hr/>	<hr/>
	(0.03)	(0.03)
Diluted Loss per share	<hr/>	<hr/>
	(0.03)	(0.03)

This statement should be read in conjunction with the notes to the financial statements.

DOMACOM LIMITED
ABN 69 604 384 885

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Note	31 December 2016 \$	30 June 2016 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		5,694,076	1,746,197
Receivables		101,273	1,417,403
Prepayments and other assets		89,713	92,803
TOTAL CURRENT ASSETS		<u>5,885,062</u>	<u>3,256,403</u>
NON-CURRENT ASSETS			
Property, plant and equipment		41,474	51,456
Intangible assets		3,369,972	2,795,341
TOTAL NON-CURRENT ASSETS		<u>3,411,446</u>	<u>2,846,797</u>
TOTAL ASSETS		<u>9,296,508</u>	<u>6,103,200</u>
LIABILITIES			
CURRENT LIABILITIES			
Payables		492,017	645,464
Provisions		167,860	176,315
TOTAL CURRENT LIABILITIES		<u>659,877</u>	<u>821,779</u>
NON-CURRENT LIABILITIES			
Provisions		57,376	59,688
TOTAL NON-CURRENT LIABILITIES		<u>57,376</u>	<u>59,688</u>
TOTAL LIABILITIES		<u>717,253</u>	<u>881,467</u>
NET ASSETS		<u>8,579,255</u>	<u>5,221,733</u>
EQUITY			
Issued Capital	3	23,552,455	16,791,037
Reserves	4	974,962	945,120
Accumulated Losses		(15,948,162)	(12,514,424)
TOTAL EQUITY		<u>8,579,255</u>	<u>5,221,733</u>

This statement should be read in conjunction with the notes to the financial statements.

DOMACOM LIMITED
ABN 69 604 384 885

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

	31 December 2016	31 December 2015
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	23,926	5,140
Payments to suppliers and employees	(2,815,784)	(2,425,798)
Research and development tax offset received	1,276,823	891,942
Finance costs	(75,064)	(101,218)
Net cash used in operating activities	(1,590,099)	(1,629,934)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for plant and equipment	(4,007)	(48,078)
Payments for intangible assets	(762,796)	(658,837)
Interest Received	29,051	7,882
Net cash used in investing activities	(737,752)	(699,033)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from share issue	6,280,090	7,209,322
Proceeds from short term loans	700,000	-
Repayment of short term loans	(700,000)	(800,000)
Net cash provided by financing activities	6,280,090	6,409,322
Net increase in cash and cash equivalents	3,952,239	4,080,255
Cash and cash equivalents at the beginning of period	1,746,197	720,935
Net foreign exchange difference	(4,360)	(2,124)
Cash and cash equivalents at the end of period	5,694,076	4,799,066

This statement should be read in conjunction with the notes to the financial statements.

DOMACOM LIMITED
ABN 69 604 384 885

STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

	Issued Capital	Reserves	Accumulated Losses	Total
	\$	\$	\$	\$
For the half-year ended 31 December 2016				
Opening balance at 1 July 2016	16,791,037	945,120	(12,514,424)	5,221,733
Issue of share capital	6,761,418	-	-	6,761,418
Share based payments	-	19,889	-	19,889
	<u>23,552,455</u>	<u>965,009</u>	<u>(12,514,424)</u>	<u>12,003,040</u>
Transactions with owners recorded directly in equity:				
Loss for the period to 30 June 2016	-	-	(3,433,738)	(3,433,738)
Other comprehensive income	-	9,953	-	9,953
Balance at 31 December 2016	<u>23,552,455</u>	<u>974,962</u>	<u>(15,948,162)</u>	<u>8,579,255</u>

	Issued Capital	Reserves	Accumulated Losses	Total
	\$	\$	\$	\$
For the half-year ended 31 December 2015				
Opening balance at 1 July 2015	8,838,435	250,663	(6,453,866)	2,635,232
Issue of share capital	7,209,223	-	-	7,209,223
Share based payments	-	99,254	-	99,254
	<u>16,047,658</u>	<u>349,917</u>	<u>(6,453,866)</u>	<u>9,943,709</u>
Transactions with owners recorded directly in equity:				
Loss for the period to 31 December 2015	-	-	(2,619,090)	(2,619,090)
Other comprehensive income	-	3,572	-	3,572
Balance at 31 December 2015	<u>16,047,658</u>	<u>353,489</u>	<u>(9,072,956)</u>	<u>7,328,191</u>

This statement should be read in conjunction with the notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

NOTE 1: GENERAL INFORMATION AND BASIS OF PREPARATION

The condensed interim consolidated financial statements ('the interim financial statements') of the Group are for the six (6) months ended 31 December 2016 and are presented in Australian Dollar (\$AUD), which is the functional currency of the Parent Company. These condensed interim consolidated financial statements have been prepared in accordance with the requirements of the Corporations Act 2001 and AASB 134 Interim Financial Reporting. They do not include all of the information required in annual financial statements in accordance with Australian Accounting Standards, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 30 June 2016 and any public announcements made by the Group during the half-year in accordance with continuous disclosure requirements arising under the Australian Securities Exchange Listing Rules and the Corporations Act 2001.

Significant Event

Capital raising activities were undertaken during the period with the listing of the company on the Australian Securities Exchange on the 7th of November 2016, which resulted in the company raising \$7.3m to allow for the continued commercialization of current products and product development.

The interim financial statements have been approved and authorised for issue by the Board of Directors on 15 February 2017.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

The interim financial statements have been prepared in accordance with the same accounting policies adopted in the Group's last annual financial statements for the year ended 30 June 2016.

The accounting policies have been applied consistently throughout the Group for the purposes of preparation of these interim financial statements.

Segmental Reporting

Financial information reported internally used for the allocation of resources and assessing performance is currently presented without reference to segments. Therefore profit and loss, revenues and expenses and assets and liabilities have been presented without segmentation.

DOMACOM LIMITED
ABN 69 604 384 885

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

		31 December 2016	31 December 2015
		\$	\$
NOTE 3: ISSUED CAPITAL			
Ordinary shares fully paid	(a)	23,552,455	16,047,658
K shares fully paid	(b)	-	-
		23,552,455	16,047,658
		23,552,455	16,047,658

(a) Ordinary shares

		No.	\$
Six months to 31 December 2016			
Opening balance at 1 July 2016		100,795,641	16,791,037
Ordinary shares fully paid issued during the period		10,508,374	7,508,061
Share issue cost		-	(746,643)
Closing balance as at 31 December 2016		111,304,015	23,552,455
		111,304,015	23,552,455

Six months to 31 December 2015

Opening balance 1 July 2015		25,000,000	50
Ordinary Shares converted from K-class during the period		66,605,641	12,560,052
Ordinary shares fully paid issued during the period		7,280,000	3,659,615
Share issue cost		-	(172,059)
Closing balance as at 31 December 2015		98,885,641	16,047,658
		98,885,641	16,047,658

(b) K shares

		No.	\$
Six Months to 31 December 2015			
Opening balance 1 July 2015		58,667,862	8,838,385
K-class shares fully paid issued during the period		7,937,779	3,721,667
K-class shares converted to Ordinary Shares		(66,605,641)	(12,560,052)
Closing balance as at 31 December 2015		-	-
		-	-

DOMACOM LIMITED
ABN 69 604 384 885

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

	31 December 2016	31 December 2015
	\$	\$
NOTE 4: RESERVES		
Share based payment reserve	249,600	249,600
Equity Compensation Reserve	714,666	99,254
Foreign Currency Translation Reserve	10,696	4,635
	974,962	353,489

Six months to 31 December 2016

	Share based payment reserve	Equity Compensation Reserve	Foreign Currency Translation Reserve
	\$	\$	\$
Opening balance at 1 July 2016	249,600	694,777	743
Recognition of performance rights issued	-	200,409	-
Exercise of performance rights	-	(180,520)	-
Translation of foreign operation net assets and results	-	-	9,953
Closing balance as at 31 December 2016	249,600	714,666	10,696

Six Months to 31 December 2015

	Share based payment reserve	Equity Compensation Reserve	Foreign Currency Translation Reserve
	\$	\$	\$
Opening balance 1 July 2015	249,600	-	1,063
Recognition of performance rights issued	-	99,254	-
Translation of foreign operation net assets and results	-	-	3,572
Closing balance as at 31 December 2015	249,600	99,254	4,635

NOTE 5: SUBSEQUENT EVENTS

Subsequent to balance date and prior to issuing this report DomaCom Australia Limited received approval by the Australian Securities & Investments Commission (ASIC) to vary its Australian Financial Services Licence to allow the company to “deal in securities” that will allow the expansion in the range of available client investment opportunities.

There have been no other events subsequent to period end that require disclosure.

DIRECTORS' DECLARATION

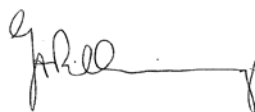
In the opinion of the directors of DomaCom Limited

- a the consolidated financial statements and notes of DomaCom Limited are in accordance with the *Corporations Act 2001*, including:
- i giving a true and fair view of its financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and
 - ii complying with Accounting Standard AASB 134 Interim Financial Reporting; and
- b there are reasonable grounds to believe that DomaCom Limited will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:



Arthur Naoumidis
Director
Dated the 16th of February 2017



Graeme A Billings
Director

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF DOMACOM LIMITED

We have reviewed the accompanying half-year financial report of DomaCom Limited (the Company), which comprises the consolidated financial statements being the statement of financial position as at 31 December 2016, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement or description of accounting policies, other explanatory information and the directors' declaration of the consolidated entity, comprising both the Company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-year Financial Report

The Directors of DomaCom Limited 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 controls 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

Our responsibility is to express a conclusion on the consolidated half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, 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 DomaCom Limited consolidated entity's financial position as at 31 December 2016 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*. As the auditor of DomaCom Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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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.

Independence

In conducting our review, we complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of DomaCom Limited is not in accordance with the *Corporations Act 2001*, including:

- a giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and
- b complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



Brad Taylor
Partner - Audit & Assurance

Melbourne, 16 February 2017