

**DomaCom Limited and its controlled entities (“DCL”)**

**Appendix 4D – Half Year Report for the period ended 31 December 2020**

**Results for Announcement to the market**

	<b>Half year ended 31 December 2020 \$'000</b>	<b>Half year ended 31 December 2019 \$'000</b>	<b>%</b>
Revenue from ordinary activities	283	185	53% increase
Loss from ordinary activities after tax attributable to members	2,645	2,656	0.4% decrease
Net loss for period attributable to members	2,645	2,656	0.4% decrease
Net tangible (liabilities) / assets per share	(0.4 cents)	0.1 cents	

Refer to attached Directors’ Report for explanation of results.

**Dividends**

	<b>Amount per security</b>	<b>Franked amount per security</b>
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.

The financial report has been subject to independent review by the Company’s auditors. The review report is unqualified and contains an “emphasis of matter” paragraph in respect of “Material uncertainty related to going concern”. Note 1 to the financial report provides full disclosure of the factors considered by the Company and the auditors. The continuing viability of the Company and its ability to continue as a going concern is dependent upon being successful in continuing to grow Funds under Management, controlling costs and raising further capital in the short to medium term. Note 1 sets out the growth strategies in place and the cost control measures implemented. In addition it explains the recent successful capital raises undertaken as part of the ongoing capital management process.

Authorised for release to the market by Philip Chard, Company Secretary

26 February 2021

DomaCom Limited

Financial report for the  
half-year ended 31 December 2020

ABN 69 604 384 885

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**DOMACOM LIMITED**  
**ABN 69 604 384 885**

**DIRECTORS' REPORT**  
**31 DECEMBER 2020**

Your directors present their report on DomaCom Limited (the "Company") and its Controlled Entities (the "Group") for the half-year ended 31 December 2020.

**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 George D Paxton (Non-Executive Director)
- Mr Matthew Roberts (Non-Executive Director)
- Mr Arthur Naoumidis (CEO and Executive Director)
- Mr Ross A Laidlaw (COO and Executive Director)

**Review of operations and financial results**

The operating result of the Group for the half-year ended 31 December 2020 was a loss of \$2.6 million (2019: \$2.7 million loss).

DomaCom derives fee revenue based on the assets under management in the DomaCom Fund. The fee revenue increased to \$218,823 for the six months to 31 December 2020 compared to \$182,104 for the comparable six month period.

The total funds under management as at 31 December 2020 was \$75 million (\$71 million at 30 June 2020). This is represented by 49% held in Property assets, 34% held in loans backed by first registered mortgages and 16% held in cash.

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 channels. DomaCom continues to focus on tightly controlling costs.

The loss per share of \$0.01 (2019: \$0.01 loss per share) has remained stable compared to the prior reporting period.

Capital raising activities undertaken during the period included private placements of \$2.0 million on 4 September 2020 and \$1.6 million on 9 October 2020. This additional funding allows DomaCom to continue to develop the DomaCom Platform and provides funding to meet ongoing working capital requirements.

**Rental Property Accelerator**

During the period DomaCom has continued to develop the Rental Property Accelerator ("RPA"). The concept works in markets such as Melbourne and Sydney where there is an over supply of housing and developers are able to offer price discounts to the investors. DomaCom looks to attract long-term tenants through the gifting of equity in the form of units in a property over a period of time. The long-term tenant is more likely to look after the property as they also have part ownership and can look to increase their equity by buying further units on DomaCom's secondary market.

**Essential Worker**

DomaCom has entered an agreement with leading Australian Community Housing Provider BlueCHP Limited that will allow the Company to now move to the syndication phase for the Essential Worker pilot. This product aims to leverage the Government's affordable housing lending facility to deliver an RPA product for essential workers with a 25% discounted rent. This product is expected to be attractive due to low vacancy risk stemming from the security of the tenants' employment (nurses, firefighters, teachers, police) in addition to the emotional impact of supporting essential workers in the midst of a pandemic.

**DOMACOM LIMITED**  
**ABN 69 604 384 885**

**DIRECTORS' REPORT**  
**31 DECEMBER 2020**

**Equity Mortgage**

DomaCom has entered into an agreement with Crescent Group which will enable it to deliver a Shariah-compliant mortgage product. This will target the Australian Islamic communities who, in accordance with their religion, are prohibited from borrowing money. This product is believed to be less exposed to the current negative property environment as it is aiming to provide a method of obtaining leverage for those who wish to purchase a home but cannot borrow.

**Senior Equity Release Product Update**

The Senior Equity Release ("SER") Product adds another important piece of the puzzle to the retirement landscape and will allow Financial Planners increased choice and flexibility when dealing with Retirees and their decision with regards to their options concerning remaining in the family house, downsizing or moving into aged care accommodation.

In August 2020 DomaCom received a binding agreement from the Australian Taxation Office that confirms that retirees can use the DomaCom SER product to sell a fraction of their house and use up to \$600k to top up their super using the recently introduced Downsizer legislation.

**COVID-19**

DomaCom has not been significantly impacted operationally by COVID-19. As a cloud based business staff can work effectively from home. Our main target market is the financial planning industry which is generally well placed to interact using online services.

Although there was an initial flattening in FUM growth in March/April 2020, during the period from 31 March 2020 to 31 December 2020 DomaCom Funds Under Management grew by 14% to \$75.3m. Therefore there has continued to be demand for DomaCom products during the period of the pandemic.

The recent impact of COVID-19 on self-funded retirees' income has increased the market for Senior Equity Release. The Australian Taxation Office has confirmed the product meets the requirements of the recently introduced Downsizer legislation.

During the period ended 31 December 2020, the Group recognised income of \$50,000 for amounts received from the Australian Taxation Office from the COVID-19 Boosting Cash Flow for Employers program.

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:



**Grahame D Evans**  
Chairman  
26 February 2021



**Arthur Naoumidis**  
Director

## 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 2020, 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



M A Cunningham  
Partner – Audit & Assurance

Melbourne, 26 February 2021

**DOMACOM LIMITED**  
**ABN 69 604 384 885**

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2020**

	<b>31 December 2020</b>	<b>31 December 2019</b>
	<b>\$</b>	<b>\$</b>
<b>Revenue</b>		
Management Fees	218,823	182,104
Interest Income	1,281	3,102
Government grant income	50,000	-
Other income	13,162	-
	<u>283,266</u>	<u>185,206</u>
<b>Expenses</b>		
Employee benefits expenses	(1,080,459)	(817,116)
Fund administration	(101,844)	(108,876)
Rent	(34,574)	(24,641)
Depreciation	(270,333)	(447,812)
Insurance	(135,074)	(107,052)
Advertising	(252,679)	(258,947)
Travel expenses	(5,039)	(50,111)
IT expenditure	(42,092)	(36,839)
Telephone expenditure	(14,814)	(24,136)
Professional fees	(196,655)	(179,762)
Finance costs	(499,012)	(475,355)
Director Fees	(121,535)	(91,543)
Other expenses	(173,881)	(218,755)
<b>Total Expenses</b>	<u>(2,927,991)</u>	<u>(2,840,945)</u>
<b>Loss before income tax</b>	<u>(2,644,725)</u>	<u>(2,655,739)</u>
Income tax expense	-	-
<b>Loss for the period</b>	<u>(2,644,725)</u>	<u>(2,655,739)</u>
<b>Other comprehensive income</b>		
<i>Items that may be reclassified subsequently to profit and loss</i>		
Exchange differences on translating foreign operations	(352)	(22)
<b>Other comprehensive income for the period</b>	<u>(352)</u>	<u>(22)</u>
<b>Total comprehensive loss for the period</b>	<u>(2,645,077)</u>	<u>(2,655,761)</u>
<b>Earnings per share</b>		
Basic Loss per share	<u>(0.01)</u>	<u>(0.01)</u>
Diluted Loss per share	<u>(0.01)</u>	<u>(0.01)</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 FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2020**

		<b>31 December 2020</b>	<b>30 June 2020</b>
		\$	\$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		2,384,795	1,453,970
Receivables	3	79,814	141,309
Prepayments and other assets		262,529	117,436
<b>TOTAL CURRENT ASSETS</b>		<b>2,727,138</b>	<b>1,712,715</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		6,097	6,282
Right-of-use asset	4	75,826	11,202
Intangible assets		1,649,623	1,697,737
Investments		16,665	-
<b>TOTAL NON-CURRENT ASSETS</b>		<b>1,748,211</b>	<b>1,715,221</b>
<b>TOTAL ASSETS</b>		<b>4,475,349</b>	<b>3,427,936</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Payables		606,667	656,553
Provisions		215,651	194,241
Lease liabilities	4	79,752	11,622
Borrowings	5	2,434,022	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>3,336,092</b>	<b>862,416</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions		150,553	137,206
Borrowings	5	506,509	2,704,680
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>657,062</b>	<b>2,841,886</b>
<b>TOTAL LIABILITIES</b>		<b>3,993,154</b>	<b>3,704,302</b>
<b>NET ASSETS</b>		<b>482,195</b>	<b>(276,366)</b>
<b>EQUITY</b>			
Issued Capital	6	37,027,168	33,556,078
Reserves	7	1,963,559	2,031,363
Accumulated Losses		(38,508,532)	(35,863,807)
<b>TOTAL EQUITY</b>		<b>482,195</b>	<b>(276,366)</b>

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 2020**

	Issued Capital	Reserves	Accumulated Losses	Total
<b>For the half-year ended 31 December 2020</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Opening balance at 1 July 2020</b>	<b>33,556,078</b>	<b>2,031,363</b>	<b>(35,863,807)</b>	<b>(276,366)</b>
Issue of share capital after capital raising costs	3,403,638	-	-	3,403,638
Exercise of performance rights issued in prior periods	67,452	(67,452)	-	-
<b>Transactions with owners recorded directly in equity</b>	<b>3,471,090</b>	<b>(67,452)</b>	<b>-</b>	<b>3,403,638</b>
Loss for the period to 31 December 2020	-	-	(2,644,725)	(2,644,725)
Other comprehensive income	-	(352)	-	(352)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>(352)</b>	<b>(2,644,725)</b>	<b>(2,645,077)</b>
<b>Balance at 31 December 2020</b>	<b>37,027,168</b>	<b>1,963,559</b>	<b>(38,508,532)</b>	<b>482,195</b>
	<b>Issued Capital</b>	<b>Reserves</b>	<b>Accumulated Losses</b>	<b>Total</b>
<b>For the half-year ended 31 December 2019</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Opening balance at 1 July 2019</b>	<b>28,070,423</b>	<b>1,481,916</b>	<b>(30,085,136)</b>	<b>(532,797)</b>
Issue of share capital	5,506,994	-	-	5,506,994
Exercise of performance rights issued in prior periods	44,228	(44,228)	-	-
<b>Transactions with owners recorded directly in equity</b>	<b>5,551,222</b>	<b>(44,228)</b>	<b>-</b>	<b>5,506,994</b>
Loss for the period to 31 December 2019	-	-	(2,655,739)	(2,655,739)
Other comprehensive income	-	(22)	-	(22)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>(22)</b>	<b>(2,655,739)</b>	<b>(2,655,761)</b>
<b>Balance at 31 December 2019</b>	<b>33,621,645</b>	<b>1,437,666</b>	<b>(32,740,875)</b>	<b>2,318,436</b>

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 2020**

	<b>31 December 2020</b>	<b>31 December 2019</b>
	<b>\$</b>	<b>\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	218,823	182,104
Payments to suppliers and employees	(2,299,567)	(2,057,337)
Research and development tax offset received	-	394,237
Government Grant Received	100,000	-
Finance costs	(263,431)	(279,669)
Net cash used in operating activities	<u>(2,244,175)</u>	<u>(1,760,665)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of other assets	-	34,000
Payments for plant and equipment	(1,363)	(3,145)
Payments for intangible assets	(155,308)	(296,650)
Payment for investment	(3,503)	-
Amounts advanced to related parties	(5,204)	(695,600)
Interest Received	1,281	3,102
Net cash used in investing activities	<u>(164,097)</u>	<u>(958,293)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from share issue after capital raising costs	3,403,638	5,938,208
Repayment of lease liabilities	(64,189)	(58,495)
Repayment of short term loans	-	(200,000)
Net cash provided by financing activities	<u>3,339,449</u>	<u>5,679,713</u>
Net increase/(decrease) in cash and cash equivalents	931,177	2,960,755
Cash and cash equivalents at the beginning of period	1,453,970	769,210
Net foreign exchange difference	(352)	(22)
<b>Cash and cash equivalents at the end of period</b>	<u><b>2,384,795</b></u>	<u><b>3,729,943</b></u>

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

**DOMACOM LIMITED**  
**ABN 69 604 384 885**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2020**

**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 2020 and are presented in Australian Dollars (\$AUD), which is the functional currency of the Parent Company. These interim 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 2020 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.

**Going Concern basis of accounting**

As a developing business the Group has experienced a loss of \$2,644,725 for the half-year ended 31 December 2020. The Group had a net working capital deficiency of \$608,954 at 31 December 2020.

The continuing viability of the Group and its ability to continue as a going concern is dependent upon the Group being successful in growing Funds under Management ("FUM") within the DomaCom Fund. A detailed sales pipeline and forecast is updated and reported to the Board on a regular basis. The strategy for continued growth includes further expanding the newly introduced Rental Property Accelerator and Essential Worker products that use a combination of developer discounts and access to low interest rate government funding to provide attractive yields and affordable housing for investors and tenants. DomaCom has recently entered into an agreement with Australia's leading Islamic Finance group which will enable it to deliver a Shariah-compliant mortgage product. This will target the Australian Islamic communities who, in accordance with their religion, are prohibited from borrowing money. In addition the rollout of the Senior Equity Release product will provide further opportunities for FUM growth. This much-needed product allows retirees the opportunity to live well in retirement through the ability to sell a part of their home and receive cash in return from investors who undertake a fractional interest in their home. In addition, the Group is focused on providing investments within the themes of regional investment and renewable energy. These opportunities are constantly monitored within the sales pipeline review process.

Cash flow forecasts are presented and discussed by the Board on a monthly basis. The Board reviews the Group's ability to meet its ongoing commitments and considers sources of finance and cost control measures.

Capital raising activities undertaken during the period included private placements of \$2.0 million on 4 September 2020 and \$1.6 million on 9 October 2020. The Group will continue to raise further capital as required to meet ongoing operating expenses, to invest in the technology Platform and to further develop new and existing product offerings.

COVID-19 has had a minimum operational impact on DomaCom with staff successfully transitioning to remote working. Also our main target market is the financial planning industry which is generally well placed to interact using online services. Although there was an initial flattening in FUM growth in March/April 2020, during the period from 31 March 2020 to 31 December 2020 DomaCom Funds Under Management grew by 14% to \$75.4m, demonstrating the ability to continue to operate during COVID-19. The Group recognised income of \$50,000 for amounts received from the Australian Taxation Office from the COVID-19 Boosting Cash Flow for Employers program.

If these matters are not or had not been achieved, there may be material uncertainty as to whether the Group continues as a going concern and, therefore, whether it will realise its assets and settle its liabilities in the normal course of business and at the amounts stated in the financial report. The Directors believe that the Group will be able to continue to access sufficient sources of funds if required and will continue to implement cost control measures if required, and therefore are satisfied that the Group will continue as a going concern. Accordingly, the financial report has been prepared on a going concern basis. No adjustments have been made to the financial report relating to the recoverability and classification of the asset carrying amounts or the amount and classification of liabilities that might be necessary should the Group not continue as a going concern.

**DOMACOM LIMITED**  
**ABN 69 604 384 885**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2020**

**NOTE 1: GENERAL INFORMATION AND BASIS OF PREPARATION (CONTINUED)**

**New accounting standards adopted**

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current half-year. Their adoption has had no material impact on the disclosures and/or amounts reported in these financial statements.

**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 2020.

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.

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

	<b>31 December 2020</b>	<b>30 June 2020</b>
<b>NOTE 3: RECEIVABLES</b>	<b>\$</b>	<b>\$</b>
CURRENT		
Amount receivable from ATO	-	50,000
Amounts receivable from related party	11,927	6,723
Other debtors	67,887	84,586
	<u>79,814</u>	<u>141,309</u>

DomaCom Australia operates the DomaCom Fund. The DomaCom Fund is a separate legal entity with separate investors. It is designated a related party as DomaCom Australia is the Investment Manager. As part of setting up sub-Funds within the DomaCom Fund, DomaCom Australia has paid a limited number of supplier invoices totalling \$11,927. These amounts will be reimbursed once the sub-Funds are fully established.

**NOTE 4: LEASES**

The lease liability presented in the statement of financial position is for an office lease and is classified as current with an expiry date of 31 July 2021. The remaining minimum lease payments are \$81,893. After finance charges of \$2,141 the lease liability recognised is \$79,752.

The Group has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. The expense relating to payments not included in the measurement of a lease liability is \$34,574.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2020**

	<b>31 December 2020</b>	<b>30 June 2020</b>
<b>NOTE 5: BORROWINGS</b>	<b>\$</b>	<b>\$</b>
<b>CURRENT</b>		
3 Year Convertible Notes - Thundering Herd	2,434,022	-
	2,434,022	-
<b>NON-CURRENT</b>		
4 Year Convertible Notes	506,509	456,603
3 Year Convertible Notes - Thundering Herd	-	2,248,077
	506,509	2,704,680

<b>Six months to 31 December 2020</b>	<b>4 year unsecured convertible notes (\$)</b>	<b>3 year secured convertible notes (\$)</b>	<b>Total (\$)</b>
Opening balance at 1 July 2020	456,603	2,248,077	2,704,680
Interest expense and payments	49,906	185,945	235,851
Closing balance as at 31 December 2020	506,509	2,434,022	2,940,531

<b>Six months to 31 December 2019</b>	<b>3 year unsecured convertible notes (\$)</b>	<b>2 year secured convertible notes (\$)</b>	<b>Short Term Loans (\$)</b>	<b>Total (\$)</b>
Opening balance at 1 July 2019	583,811	2,397,421	200,000	3,181,232
Repayment of loans	-	-	(200,000)	(200,000)
Interest expense	19,824	168,470	-	188,294
Closing balance as at 31 December 2019	603,635	2,565,891	-	3,169,526

**DOMACOM LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2020**

**NOTE 5: BORROWINGS (CONTINUED)**

3 Year Unsecured Convertible Notes

\$650,000 was raised through the issue of 650,000 unsecured 3 Year Convertible Notes on 25 January 2018 with an annual coupon of 10% payable quarterly in arrears. The holder of each note had the right to convert into one share at a conversion price of \$0.20 up to 25 January 2021. The notes were accounted for partly as debt and partly as equity.

The 650,000 unsecured 3 Year Convertible Notes were subject to a significant amendment and as a result were derecognised on 18 May 2020.

4 Year Unsecured Convertible Notes

The significant amendments to the Unsecured Convertible Notes were to extend the maturity date by 12 months and amend the exercise price to \$0.10.

650,000 4 Year Unsecured Convertible Notes were recognised on 18 May 2020 with an annual coupon of 10% payable quarterly in arrears. The holder of each note has the right to convert into one share at a conversion price of \$0.10 up to 25 January 2022. The notes have been accounted for partly as debt and partly as equity.

2 Year Secured Convertible Notes

\$2,950,000 was raised through the issue of secured 2 Year Convertible Notes on 7 December 2018 to Thundering Herd Fund No.1 and Thundering Herd Pty Ltd with an annual coupon of 15% payable quarterly in arrears. The holder of each note had the right to convert into one share at a conversion price of \$0.15. The notes were accounted for partly as debt and partly as equity.

The 2,950,000 secured 3 Year Convertible Notes were subject to a significant amendment and as a result were derecognised on 18 May 2020.

3 Year Secured Convertible Notes

The significant amendments to the Secured Convertible Notes were to extend the maturity date by 12 months and amend the exercise price to \$0.10.

2,950,000 4 Year Secured Convertible Notes were recognised on 18 May 2020 with an annual coupon of 15% payable quarterly in arrears. The holder of each note has the right to convert into one share at a conversion price of \$0.10 up to 7 December 2021. The notes have been accounted for partly as debt and partly as equity.

The 3 Year Secured Convertible Notes have been classified as current borrowings at 31 December 2020 as they mature on 7 December 2021.

**DOMACOM LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2020**

	<b>31 December 2020</b>	<b>31 December 2019</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 6: ISSUED CAPITAL</b>		
Ordinary shares fully paid	37,027,168	33,621,645
	37,027,168	33,621,645
	37,027,168	33,621,645
 <b>Ordinary shares</b>		
	<b>No.</b>	<b>\$</b>
<b>Six months to 31 December 2020</b>		
Opening balance at 1 July 2020	245,068,527	33,556,078
Ordinary shares fully paid issued during the period	60,725,287	3,667,450
Share issue cost	-	(196,360)
Closing balance as at 31 December 2020	305,793,814	37,027,168
	305,793,814	37,027,168
 <b>Six months to 31 December 2019</b>		
Opening balance at 1 July 2019	161,317,536	28,070,423
Ordinary shares fully paid issued during the period	83,750,991	6,150,862
Share issue cost	-	(599,640)
Closing balance as at 31 December 2019	245,068,527	33,621,645
	245,068,527	33,621,645

**DOMACOM LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2020**

	<b>31 December 2020</b>	<b>31 December 2019</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 7: RESERVES</b>		
Share based payment reserve	249,600	249,600
Equity Compensation Reserve	-	67,452
Foreign Currency Translation Reserve	8,790	8,192
Equity Convertible Note	1,222,874	630,127
Equity Option Reserve	482,295	482,295
	1,963,559	1,437,666

<b>Six months to 31 December 2020</b>	Share based payment reserve (\$)	Equity Compensation Reserve (\$)	Foreign Currency Translation Reserve (\$)	Equity Convertible Note (\$)	Equity Option Reserve (\$)
Opening balance at 1 July 2020	249,600	67,452	9,142	1,222,874	482,295
Exercise of performance rights	-	(67,452)	-	-	-
Translation of foreign operation net assets and results	-	-	(352)	-	-
Closing balance as at 31 December 2020	249,600	-	8,790	1,222,874	482,295

<b>Six months to 31 December 2019</b>	Share based payment reserve (\$)	Equity Compensation Reserve (\$)	Foreign Currency Translation Reserve (\$)	Equity Convertible Note (\$)	Equity Option Reserve (\$)
Opening balance at 1 July 2019	249,600	111,680	8,214	630,127	482,295
Exercise of performance rights	-	(44,228)	-	-	-
Translation of foreign operation net assets and results	-	-	(22)	-	-
Closing balance as at 31 December 2019	249,600	67,452	8,192	630,127	482,295

**DOMACOM LIMITED**  
**ABN 69 604 384 885**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2020**

**NOTE 8: SUBSEQUENT EVENTS**

Subsequent to balance date and prior to the issuing of this report, the following events have occurred:

- 3,700,000 share options granted on 24 January 2018 to the Australian Special Opportunity Fund, LP, a New York-based institutional investor managed by The Lind Partners, LLC expired on 24 January 2021 without being exercised.

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

**NOTE 9: CONTINGENT LIABILITY**

There are no contingent liabilities that require disclosure.



**DOMACOM LIMITED**  
**ABN 69 604 384 885**

**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 2020 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:



**Grahame D Evans**  
Chairman  
26 February 2021



**Arthur Naoumidis**  
Director

# Independent Auditor's Review Report

## To the Members of DomaCom Limited

### Report on the review of the half year-financial report

#### Conclusion

We have reviewed the accompanying half-year financial report of DomaCom Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2020, and 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 half year ended on that date, a description of accounting policies, other selected explanatory notes, 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 DomaCom Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the DomaCom Limited financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- (b) 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 our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

#### Material uncertainty related to going concern

We draw attention to Note 1 in the financial report, which indicates that the Group incurred a net loss of \$2,644,725 for the half year ended 31 December 2020 and, as of that date, the Group had a net working capital deficiency of \$608,954. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

### Directors' responsibility for the half year financial report

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

### Auditor's responsibility

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with 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 Group's financial position as at 31 December 2020 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.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



M A Cunningham  
Partner – Audit & Assurance

Melbourne, 26 February 2021