

## Appendix 4E

### Preliminary Final Report – Results for Announcement to the Market

#### Name of entity

DomaCom Limited and its controlled entities (“DCL”)
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#### 1. Reporting period

Report for the financial year ended:	30 June 2021
Previous corresponding period is the financial year ended:	30 June 2020

#### 2. Results for Announcement to the market

	2021 \$'000	2020 \$'000	%
Revenue from ordinary activities	438	395	11% increase
Loss from ordinary activities after tax attributable to members	5,023	5,779	13% decrease
Net loss for period attributable to members	5,023	5,779	13% decrease

#### 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

#### 3. Statement of comprehensive income

Refer attached unaudited financial report

#### 4. Statement of financial position

Refer attached unaudited financial report

**5. Statement of cash flows**

Refer attached unaudited financial report

**6. Statement of changes in equity**

Refer attached unaudited financial report

**7. Dividends**

	Date of payment	Total amount of dividend
Interim dividend – year ended 30 June 2020	N/A	\$0.00
Final dividend – year ended 30 June 2020	N/A	\$0.00

**8. Details of dividend or distribution reinvestment plans in operation are described below:**

Not applicable

**9. Net tangible assets per security**

	Current Period	Previous corresponding period
Net tangible asset (liability) backing per ordinary security	(1.0 cents)	(0.8 cents)

**10. Details of entities over which control has been gained or lost during the period**

Name of entities	Date of change in control
N/A	N/A

**11. Details of associates and joint venture entities**

Name of associate or joint venture	% securities held
N/A	N/A

**12. Details of significant information relating to the entity's financial performance and financial position**

Refer attached unaudited financial report

**13. For foreign entities which set of accounting standards is used in compiling this report**

N/A

**14. Commentary on the results for the period**

Refer to attached unaudited financial report for detailed commentary on the results for the period

**15. Audit of the financial report**

The report is based on accounts which are in the process of being audited.

**16. Audit Report**

The attached accounts have not yet been audited. DomaCom is currently undertaking a series of capital raisings. Whether the audit report contains an emphasis of matter relating to whether material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern will depend on the success of the capital raisings. Please refer to Note 1 (a) for details of the basis of preparing the unaudited financial statements on a going concern basis.

This announcement is authorised by the Board of DomaCom Limited.

For further information please contact Philip Chard, Company secretary 03 8609 7077

27 August 2021

DomaCom Limited and its controlled entities  
ABN 69 604 384 885

Unaudited Financial Report

30 June 2021

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

**COMMENTARY ON THE RESULTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**Operating results**

The Group has incurred an operating loss of \$5,022,557 (2020: \$5,778,671). No distributions were declared or paid in the current year.

The Group is a participant in the financial services market in Australia. DomaCom Limited is the holding company and DomaCom Australia Limited, DomaCom Platform Services Pty Ltd and DomaCom Singapore Private Limited are 100% owned subsidiaries of the DomaCom Group.

DomaCom Australia Limited is the investment manager of the DomaCom Fund (“the Fund”) (Managed Investment Scheme). The Fund allows investors to hold fractional interests in underlying assets, that they themselves have selected or their advisers on their behalf.

During the last 12 months the assets under management in the DomaCom Fund have increased from \$71 million to \$83 million which represents a 16% increase. DomaCom continues to fractionalise assets in the following areas residential housing, residential developments, commercial property, Land banking and in the renewable energy sector. With the continued product development of the last few years DomaCom is now able to crowdfund both the debt and equity funding for the specific property assets, which has increased the attractiveness of the DomaCom model and also allowed assets to be onboarded more quickly.

**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. Funds Under Management have grown during the period from March 2020 demonstrating the ability to continue to operate during COVID-19. The Group received \$200,110 from the Australian Taxation Office from the COVID-19 Boosting Cash Flow for Employers program.

**New Developments since last year**

DomaCom continues the development of key products which are expected to drive future revenue growth. The Company currently has 4 products in development or just recently released: Rental Property Accelerator (released), Essential Worker (released), Equity Mortgage (close to finalisation), and Senior Equity Release (released).

**Rental Property Accelerator (RPA):** This innovative product uses the developer discounts to “accelerate” property investment for both tenants and investors. The Company has completed a number of these transactions, which support long term tenants and allowing tenants to take their first steps onto the property ownership ladder while providing the investors the opportunity to take advantage of the property discounts available from Property developers.

**Essential Worker:** DomaCom has entered into an agreement with a Tier 1 Community Housing Provider (CHP) that will allow the Company to move on to the syndication phase for the exciting 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 appeal of supporting essential workers and increasing the supply of affordable housing. The targeted launch period for this product is the second half of 2021.

**Equity Mortgage:** DomaCom has entered into an agreement with a leading Australian Islamic Finance group which it is expected will enable it to deliver a Shariah-compliant mortgage product. This product is aimed at the Australian Islamic communities to provide a method of obtaining leverage for those who wish to purchase a home but cannot borrow due to their religious beliefs. The documentation is close to finalisation and the targeted launch period for this product is in the second half of 2021.

**Senior Equity Release (SER):** DomaCom has received an administrative binding advice from the ATO that confirms that retirees can use the DomaCom SER product to sell a fraction of their house and use up to \$600k per couple to top up their super using the Downsizer legislation. This product is available in the market place and DomaCom continues to increase the number of financial advisers that are being accredited in the Senior Equity release product.

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

**UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE  
INCOME  
FOR THE YEAR ENDED 30 JUNE 2021**

		30 June 2021	30 June 2020
		\$	\$
<b>Revenue</b>			
Management Fees		438,118	394,759
Interest Income		2,574	7,364
Government grant income		150,110	50,000
Other income		57,671	-
	2	648,473	452,123
<b>Expenses</b>			
Employee benefits expenses	11	(1,974,782)	(1,736,251)
Fund administration		(184,871)	(237,122)
Short-term lease expense	6	(62,028)	(46,432)
Depreciation		(540,462)	(1,011,720)
Insurance		(279,997)	(230,000)
Advertising		(430,991)	(492,449)
Travel expenses		(17,848)	(74,139)
IT expenditure		(97,399)	(74,453)
Telephone expenditure		(29,412)	(38,995)
Professional fees		(429,329)	(495,076)
Finance costs		(1,041,659)	(938,960)
Loss on derecognition of convertible notes		-	(253,436)
Director Fees		(230,442)	(213,078)
Other expenses		(351,810)	(388,683)
<b>Total Expenses</b>		(5,671,030)	(6,230,794)
<b>Loss before income tax</b>		(5,022,557)	(5,778,671)
Income tax expense	3	-	-
<b>Loss for the period</b>		(5,022,557)	(5,778,671)
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit and loss</i>			
Exchange differences on translating foreign operations		(344)	928
<b>Other comprehensive income for the period</b>		(344)	928
<b>Total comprehensive loss for the period</b>		(5,022,901)	(5,777,743)

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

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

**UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2021**

		30 June 2021 \$	30 June 2020 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	353,204	1,453,970
Receivables	5	179,832	141,309
Prepayments and other assets		494,568	117,436
<b>TOTAL CURRENT ASSETS</b>		<b>1,027,604</b>	<b>1,712,715</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	6	6,671	6,282
Right-of-use asset	7	10,832	11,202
Intangible assets	8	1,709,164	1,697,737
Investments		32,978	-
<b>TOTAL NON-CURRENT ASSETS</b>		<b>1,759,645</b>	<b>1,715,221</b>
<b>TOTAL ASSETS</b>		<b>2,787,249</b>	<b>3,427,936</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Payables	9	527,068	656,553
Provisions	10	214,756	194,241
Lease liabilities	7	11,622	11,622
Borrowings	12	3,224,648	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>3,978,094</b>	<b>862,416</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	10	169,784	137,206
Borrowings	12	-	2,704,680
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>169,784</b>	<b>2,841,886</b>
<b>TOTAL LIABILITIES</b>		<b>4,147,878</b>	<b>3,704,302</b>
<b>NET ASSETS</b>		<b>(1,360,629)</b>	<b>(276,366)</b>
<b>EQUITY</b>			
Issued Capital	13	37,562,168	33,556,078
Reserves	14	1,963,567	2,031,363
Accumulated Losses		(40,886,364)	(35,863,807)
<b>TOTAL EQUITY</b>		<b>(1,360,629)</b>	<b>(276,366)</b>

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



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

**UNAUDITED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2021**

	<b>Issued Capital</b>	<b>Reserves</b>	<b>Accumulated Losses</b>	<b>Total</b>
<b>2021</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	3,938,638	-	-	3,938,638
Exercise of performance rights issued in prior periods	67,452	(67,452)	-	-
<b>Transactions with owners recorded directly in equity</b>	<b>4,006,090</b>	<b>(67,452)</b>	<b>-</b>	<b>3,938,638</b>
Loss for the period to 30 June 2021	-	-	(5,022,557)	(5,022,557)
Other comprehensive income	-	(344)	-	(344)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>(344)</b>	<b>(5,022,557)</b>	<b>(5,022,901)</b>
<b>Balance at 30 June 2021</b>	<b>37,562,168</b>	<b>1,963,567</b>	<b>(40,886,364)</b>	<b>(1,360,629)</b>
	<b>Issued Capital</b>	<b>Reserves</b>	<b>Accumulated Losses</b>	<b>Total</b>
<b>2020</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)	-	-
Convertible Notes Extension of Maturity Date	(65,567)	592,747	-	527,180
<b>Transactions with owners recorded directly in equity</b>	<b>5,485,655</b>	<b>548,519</b>	<b>-</b>	<b>6,034,174</b>
Loss for the period to 30 June 2020	-	-	(5,778,671)	(5,778,671)
Other comprehensive income	-	928	-	928
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>928</b>	<b>(5,778,671)</b>	<b>(5,777,743)</b>
<b>Balance at 30 June 2020</b>	<b>33,556,078</b>	<b>2,031,363</b>	<b>(35,863,807)</b>	<b>(276,366)</b>

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

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

**UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

	<b>30 June 2021</b>	<b>30 June 2020</b>
	<b>\$</b>	<b>\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	438,118	394,759
Payments to suppliers and employees	(4,132,251)	(3,844,131)
Research and development tax offset received	-	394,237
Government Grant Received	200,110	-
Finance costs	(521,131)	(537,293)
Net cash used in operating activities	15 (4,015,154)	(3,592,428)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of other assets	-	34,000
Payments for plant and equipment	(3,650)	(7,041)
Payments for intangible assets	(418,271)	(530,354)
Payment for investment	(3,684)	-
Amounts advanced to related parties	(555,911)	(1,332,980)
Amounts repaid by related parties	447,448	1,332,478
Interest Received	2,574	7,364
Net cash used in investing activities	(531,494)	(496,533)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from share issue after capital raising costs	3,581,138	5,506,994
Repayment of convertible notes	-	(393,115)
Repayment of lease liabilities	(134,912)	(139,831)
Repayment of short term loans	-	(200,000)
Net cash provided by financing activities	3,446,226	4,774,048
Net increase/(decrease) in cash and cash equivalents	(1,100,422)	685,087
Cash and cash equivalents at the beginning of period	1,453,970	769,210
Net foreign exchange difference	(344)	(327)
<b>Cash and cash equivalents at the end of period</b>	4 353,204	1,453,970

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

**DOMACOM LIMITED**  
**ABN 69 604 384 885**  
**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**NOTE 1: SIGNIFICANT ACCOUNTING POLICIES**

**(a) Going Concern**

As a developing business the Group has experienced a loss of \$5,022,557 and negative operating cash flows as set out in the Consolidated Statement of Cash Flows. The Group has negative net working capital of \$2,950,490 and a net liability position of \$1,360,629.

The continuing viability of the Group and its ability to continue as a going concern is dependent upon the Group being successful in continuing to grow Funds under Management (“FUM”) within the DomaCom Fund and the ability to raise capital. A detailed sales pipeline and forecast is continuously updated and reported to the Board on a regular basis.

The Group has demonstrated an ability to adapt to changing market conditions and develop various product offerings to meet investor needs. The strategy for continued growth includes further expanding the direct to consumer distribution channel that will work alongside DomaCom’s established financial adviser network. Further significant product developments are also expected to grow FUM, including the recently introduced Rental Property Accelerator product that enables tenants to take an equity interest in their rental properties. Also a unique Shariah compliant product has been developed targeting the Australian Islamic community and other communities that are prohibited from borrowing money. In addition DomaCom is focused on providing investment opportunities within the themes of regional investment, affordable housing and renewable energy. The success of these opportunities is constantly monitored within the sales pipeline review process.

Cash flow forecasts are presented and discussed at each Board Meeting. The need to raise additional funds is carefully monitored. Subsequent to the balance date, DomaCom has initiated the process to raise additional capital through a Private Placement and separate Entitlement Offer to meet its short to medium term operating requirements. Also subsequent to the balance date, DomaCom has entered into an agreement to vary the terms of the 2,950,000 Secured Convertible Notes. Subject to conditions precedent being met, the amendments include extending the maturity date to 1 July 2022 which will reduce the amount of short term capital required. As an ASX listed entity DomaCom has been able to successfully complete 2 Private Placements during the year ended 30 June 2021.

The COVID-19 has had a minimum operational impact on DomaCom with staff successfully adapting to remote working. Also our main target market is the financial planning industry which is generally well placed to interact using online services. Funds Under Management grew by 16% during the year ended 30 June 2021, demonstrating the ability to continue to operate during COVID-19. The Group recognised income of \$150,110 for amounts received from the Australian Taxation Office from the COVID-19 Boosting Cash Flow for Employers program.

If these matters are not achieved, there may be significant uncertainty as to whether the Group will continue 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 access sufficient sources of funds and implement cost control measures if required and are satisfied that the Group will continue as a going concern. The Group has shown the ability to raise capital during the current year. 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 UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(b) Significant management judgement in applying accounting policies and estimation uncertainty**

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

**Significant management judgements**

The following are significant management judgements in applying the accounting policies of the Group that have the most significant effect on the unaudited financial statements.

**Capitalisation of internally developed software platform and impairment indicators**

Distinguishing the research and development phases of the internally developed software platform and determining whether the recognition requirements for the capitalisation of development costs are met requires judgement. After capitalisation, management monitors whether the recognition requirements continue to be met and whether there are any indicators that capitalised costs may be impaired.

**Useful economic life of internally developed software platform**

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of software. During the year management determined that the useful life of the internally developed software remains unchanged from the prior year.

**Recognition of deferred tax assets**

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the Group's future taxable income against which the deferred tax assets can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions. No deferred tax assets were recognized due to uncertainty of recoverability.

**DOMACOM LIMITED**  
**ABN 69 604 384 885**  
**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**NOTE 2: REVENUE & OTHER INCOME**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Management fees	438,118	394,759
Interest income	2,574	7,364
Government grant income	150,110	50,000
Other Income	57,671	-
	<u>648,473</u>	<u>452,123</u>

Fees earned for investment management services provided to the DomaCom Fund are calculated based on fixed percentages applied to the Funds Under Management.

The Group recognised income of \$150,110 for amounts received from the Australian Taxation Office from the COVID-19 Boosting Cash Flow for Employers program.

**NOTE 3: INCOME TAX EXPENSE**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<b>Prima facie tax on loss before income tax</b>	(5,022,557)	(5,778,671)
Prima facie tax on loss before income tax at 26% (2020: 27.5%)	1,305,865	1,589,135
	<u>                    </u>	<u>                    </u>
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Non-deductible research and development expenses	108,751	145,847
Other non-deductible expenses	(7,030)	(16,752)
Effect of different tax rate of subsidiaries operating in other jurisdiction (17%)	(1,000)	(1,362)
Unused tax losses not recognised as DTAs	(1,532,464)	(1,906,151)
Tax offsets not recognised for deferred tax	125,878	189,283
	<u>                    </u>	<u>                    </u>
Income tax expense	-	-
	<u>                    </u>	<u>                    </u>
<b>Components of tax expense</b>		
Temporary differences	-	-
	<u>                    </u>	<u>                    </u>
	<u>                    </u>	<u>                    </u>

**DOMACOM LIMITED**  
**ABN 69 604 384 885**  
**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**NOTE 3: INCOME TAX EXPENSE (CONTINUED)**

Deferred taxes arising from temporary differences and unused tax losses calculated at a tax rate of 26% (2020: 27.5%) disclosed in the table below have not been recognised due to uncertainty over future taxable profits in the consolidated tax group.

	<b>2021</b>	<b>2020</b>
	\$	\$
<b>Deferred tax assets not recognised at the reporting date:</b>		
Unused tax losses at 26% (2020: 27.5%)	8,589,805	8,097,008
Equity raising and company restructure costs	193,744	349,917
Accruals & Provisions	108,224	110,940
	8,891,773	8,557,865

**Tax Losses and deductible temporary differences for which no deferred tax asset has been recognised**

Unused tax losses	32,409,388	28,569,305
Equity raising and company restructure costs	745,169	1,272,424
Accruals & Provisions	416,247	403,417
	33,570,804	30,245,146

**NOTE 4: CASH AND CASH EQUIVALENTS**

Cash at bank	313,204	1,413,970
Cash on deposit	40,000	40,000
	353,204	1,453,970

Cash and cash equivalents carries a weighted average effective interest rate of 0.01% (2020: 0.41%).

**NOTE 5: RECEIVABLES**

**CURRENT**

Amount receivable from Australian Taxation Office	-	50,000
Amount receivable from related party	115,187	6,723
Other debtors	64,645	84,586
	179,832	141,309

Receivables are non-interest bearing. There are no receivables where the fair value would be materially different from the current carrying value.

The amount receivable from the Australian Taxation Office of \$50,000 at 30 June 2020 was for the Boosting Cash Flow For Employers legislation introduced in response to the COVID-19 pandemic.

The Group reviews all receivables for impairment. Any receivables which are doubtful are provided for based on the expected credit loss. There are no receivables past due at the reporting date. No receivables have been provided for at the reporting date.

**DOMACOM LIMITED**  
**ABN 69 604 384 885**  
**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**NOTE 6: PLANT AND EQUIPMENT**

	Furniture & fittings	Plant and office equipment	Computer Equipment	Total
	\$	\$	\$	\$
<b>Year ended 30 June 2021</b>				
Opening net book amount	-	-	6,282	6,282
Additions	-	-	3,650	3,650
Depreciation charge	-	-	(3,261)	(3,261)
Closing net book value	-	-	6,671	6,671
<b>At 30 June 2021</b>				
Cost	9,677	3,633	77,485	90,795
Accumulated depreciation	(9,677)	(3,633)	(70,814)	(84,124)
Net book value	-	-	6,671	6,671
<b>Year ended 30 June 2020</b>				
Opening net book amount	-	30	2,148	2,178
Additions	-	-	7,041	7,041
Depreciation charge	-	(30)	(2,907)	(2,937)
Closing net book value	-	-	6,282	6,282
<b>At 30 June 2020</b>				
Cost	9,677	3,633	76,031	89,341
Accumulated depreciation	(9,677)	(3,633)	(69,749)	(83,059)
Net book value	-	-	6,282	6,282

	2021	2020
	\$	\$
<b>NOTE 7: LEASES</b>		

**Right of Use Asset – Property Lease**

<b>Year ended 30 June</b>		
Opening net book amount	11,202	-
Additions	129,987	145,631
Amortisation	(130,357)	(134,429)
Closing net book value	10,832	11,202
<b>At 30 June</b>		
Cost	129,987	145,631
Accumulated depreciation of Right of Use Assets	(119,155)	(134,429)
Net book value	10,832	11,202

**DOMACOM LIMITED**  
**ABN 69 604 384 885**  
**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**NOTE 7: LEASES (CONTINUED)**

With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. The Right of Use Assets relate to the non-cancellable Melbourne office leases. The Group is prohibited from selling or pledging the underlying leased assets as security. The Group must keep the property in a good state of repair. The depreciation of Right of Use Assets is expensed to profit and loss each year.

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<b>Lease Liability</b>		
Opening lease liability	11,622	-
Recognition of lease liability	129,987	145,631
Interest charge	5,002	5,822
Repayment of lease	(134,989)	(139,831)
Closing lease liability	<u>11,622</u>	<u>11,622</u>
<b>At 30 June</b>		
Current	11,622	11,622
Non-Current	-	-

Future minimum lease payments at 30 June 2021 were as follows:

	<b>Within 1 year</b>	<b>1-5 years</b>	<b>After 5 years</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>30 June 2021</b>				
Lease payments	11,699	-	-	11,699
Finance Charges	(77)	-	-	(77)
Net present value	<u>11,622</u>	<u>-</u>	<u>-</u>	<u>11,622</u>

	<b>Within 1 year</b>	<b>1-5 years</b>	<b>After 5 years</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>30 June 2020</b>				
Lease payments	11,699	-	-	11,699
Finance Charges	(77)	-	-	(77)
Net present value	<u>11,622</u>	<u>-</u>	<u>-</u>	<u>11,622</u>

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 \$59,948 (2020: 44,311) for the Sydney Office and \$2,080 (2020: \$2,121) for the Singapore virtual office.

At 30 June 2021 the Group had signed a new 12 month lease for the Melbourne office with a start date of 1 August 2021.



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<b>NOTE 8: INTANGIBLE ASSETS</b>	<b>Software platform</b>	<b>Computer software</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Year ended 30 June 2021</b>			
Opening net book amount at 1 July 2020	1,673,737	24,000	1,697,737
Amounts capitalised and additions	418,271	-	418,271
Amortisation	(406,094)	(750)	(406,844)
Closing net book value at 30 June 2021	<u>1,685,914</u>	<u>23,250</u>	<u>1,709,164</u>
<b>At 30 June 2021</b>			
Cost	5,196,031	130,057	5,326,088
Accumulated depreciation	(3,510,117)	(106,807)	(3,616,924)
Net book value	<u>1,685,914</u>	<u>23,250</u>	<u>1,709,164</u>
<b>Year ended 30 June 2020</b>			
Opening net book amount at 1 July 2019	2,016,986	24,750	2,041,736
Amounts capitalised and additions	530,354	-	530,354
Amortisation	(873,603)	(750)	(874,353)
Closing net book value at 30 June 2020	<u>1,673,737</u>	<u>24,000</u>	<u>1,697,737</u>
<b>At 30 June 2020</b>			
Cost	4,777,760	130,057	4,907,817
Accumulated depreciation	(3,104,023)	(106,057)	(3,210,080)
Net book value	<u>1,673,737</u>	<u>24,000</u>	<u>1,697,737</u>

**Amortisation methods and useful lives**

The Group amortises intangible assets with a limited useful life using the straight-line method over the following periods:

- Software platform costs (all internally generated): 5 years
- Computer software 5 years

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 9: PAYABLES</b>		
<b>CURRENT</b>		
Trade creditors	495,361	563,801
Sundry creditors and other accruals	31,707	92,752
	<u>527,068</u>	<u>656,553</u>

Payables are non-interest bearing.

There are no payables where the fair value would be materially different from the current carrying value.

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	<b>2021</b>	<b>2020</b>
	\$	\$
<b>NOTE 10: PROVISIONS</b>		
CURRENT:		
Employee entitlements	214,756	179,504
Other	-	14,737
	214,756	194,241
NON-CURRENT		
Employee entitlements	169,784	137,206
	169,784	137,206
<b>NOTE 11: EMPLOYEE REMUNERATION</b>		
Wages, salaries	1,678,472	1,510,907
Pensions - defined contribution plans	163,510	140,508
Other employment benefits	132,800	84,836
	1,974,782	1,736,251
<b>NOTE 12: BORROWINGS</b>		
CURRENT		
4 Year Convertible Notes	566,174	-
3 Year Convertible Notes - Thundering Herd	2,658,474	-
	3,224,648.00	-
NON-CURRENT		
4 Year Convertible Notes	-	456,603
3 Year Convertible Notes - Thundering Herd	-	2,248,077
	-	2,704,680

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**NOTE 12: BORROWINGS (CONTINUED)**

	4 year unsecured convertible notes (\$)	3 year secured convertible notes (\$)	3 year unsecured convertible notes (\$)	2 year secured convertible notes (\$)	Short Term Loans (\$)	Total (\$)
<b>Opening balance at 1 July 2020</b>	456,603	2,248,077	-	-	-	2,704,680
Interest expense and payments	109,571	410,397	-	-	-	519,968
<b>Closing balance as at 30 June 2021</b>	566,174	2,658,474	-	-	-	3,224,648

	4 year unsecured convertible notes (\$)	3 year secured convertible notes (\$)	3 year unsecured convertible notes (\$)	2 year secured convertible notes (\$)	Short Term Loans (\$)	Total (\$)
<b>Opening balance at 1 July 2019</b>	-	-	583,811	2,397,421	200,000	3,181,232
Repayment of loans	-	-	-	-	(200,000)	(200,000)
Derecognition of convertible security	-	-	(650,000)	(2,950,000)	-	(3,600,000)
Issue of notes	650,000	2,950,000	-	-	-	3,600,000
Equity component of convertible notes issued	(153,703)	(439,044)	-	-	-	(592,747)
Cost of issuing notes	(49,400)	(283,148)	-	-	-	(332,548)
Interest expense and payments	9,706	20,269	30,594	334,738	-	395,307
Loss on derecognition of convertible notes	-	-	35,595	217,841	-	253,436
<b>Closing balance as at 30 June 2020</b>	456,603	2,248,077	-	-	-	2,704,680

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**NOTE 12: BORROWINGS (CONTINUED)**

Convertible Securities issued to The Australian Special Opportunity Fund

During the year ended 30 June 2019 DomaCom Limited entered into a Convertible Security Funding Agreements through The Lind Partners, LLC with an execution date of 15 January 2018. On 12 December 2018 the Company repaid Lind to settle the remaining balance of the Convertible Securities. As part of the transaction 3,700,000 options were issued with an exercise price of \$0.114 and an expiry date of 24 January 2021 and 1,850,000 options were issued with an exercise price of \$0.065 and an expiry date of 15 June 2021. The options expired during the year ended 30 June 2021 without being exercised.

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 in the prior financial year and as a result were derecognised on 18 May 2020 resulting in a loss on derecognition of \$35,595 in the prior financial year.

4 Year Unsecured Convertible Notes

The significant amendments to the Unsecured Convertible Notes in the prior financial year were to extend the maturity date by 12 months and amend the exercise price to \$0.10. Amounts totalling \$65,000 were paid to note holders in the form of an application fee.

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 issue costs were allocated to debt and equity.

The 2,950,000 secured 3 Year Convertible Notes were subject to a significant amendment in the prior financial year and as a result were derecognised on 18 May 2020 resulting in a loss on derecognition of \$217,841 in the prior financial year.

3 Year Secured Convertible Notes

The significant amendments to the Secured Convertible Notes in the prior financial year were to extend the maturity date by 12 months and amend the exercise price to \$0.10. Amounts totalling \$330,000 were paid to note holder in the form of an application fee.

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.

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<b>NOTE 13: ISSUED CAPITAL</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Ordinary shares fully paid	37,562,168	33,556,078
<b>Ordinary shares</b>	<b>No.</b>	<b>\$</b>
<b>2021</b>		
Opening balance	245,068,527	33,556,078
Ordinary shares fully paid issued during the period	60,725,287	4,229,950
Share issue cost	-	(223,860)
Closing balance as at 30 June 2021	305,793,814	37,562,168
<b>2020</b>		
Opening balance	161,317,536	28,070,423
Ordinary shares fully paid issued during the period	83,750,991	6,150,861
Share issue cost	-	(665,206)
Closing balance as at 30 June 2020	245,068,527	33,556,078

<b>NOTE 14: RESERVES</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Share based payment reserve	249,600	249,600
Equity Compensation Reserve	-	67,452
Convertible Note Reserve	1,222,874	1,222,874
Equity Option Reserve	482,295	482,295
Foreign Currency Translation Reserve	8,798	9,142
	1,963,567	2,031,363

<b>2021</b>	Share based payment reserve (\$)	Equity Compensation Reserve (\$)	Convertible Note Equity Reserve (\$)	Equity Option Reserve (\$)	Foreign Currency Translation Reserve (\$)
Opening balance	249,600	67,452	1,222,874	482,295	9,142
Exercise of performance rights	-	(67,452)	-	-	-
Translation of foreign operation net assets and results	-	-	-	-	(344)
Closing balance	249,600	-	1,222,874	482,295	8,798
<b>2020</b>	Share based payment reserve (\$)	Equity Compensation Reserve (\$)	Convertible Note Equity Reserve (\$)	Equity Option Reserve (\$)	Foreign Currency Translation Reserve (\$)
Opening balance	249,600	111,680	630,127	482,295	8,214
Exercise of performance rights	-	(44,228)	-	-	-
Recognition of convertible notes	-	-	592,747	-	-
Translation of foreign operation net assets and results	-	-	-	-	928
Closing balance	249,600	67,452	1,222,874	482,295	9,142

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**NOTE 14: RESERVES (CONTINUED)**

Share based payment reserve is used to recognise the grant date fair value of shares issued to employees by the Group or Shareholders. The equity compensation reserve represents amounts expensed over the vesting period for performance rights issues to staff and directors. The convertible note equity reserve is used to recognise the equity portion of compound instruments as set out in Note 3(j). The equity option reserve is used to record the equity element of options issued. Exchange differences relating to the translation of results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency are recognised in other comprehensive income and accumulated in the foreign currency reserve.

**NOTE 15: RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Loss for the period	(5,022,557)	(5,778,671)
Adjustments for:		
Depreciation and amortisation	540,462	1,011,719
Loss on sale of asset	-	10,264
Gain on recognition of investment in DomaCom Fund	(29,294)	-
Net interest received included in investing and financing	2,351	(1,543)
Net foreign exchange (gain)/loss		1,255
Changes in assets and liabilities:		
Decrease/(increase) in trade and other receivables	50,309	309,814
Increase/(decrease) in trade payable and accruals	390,482	779,047
Increase/(decrease) in employee provisions	53,093	75,687
Net cash used by operating activities	<u>(4,015,154)</u>	<u>(3,592,428)</u>

**NOTE 16: SUBSEQUENT EVENTS**

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

- The Group entered into a new 12 month lease agreement for the Melbourne offices effective 1 August 2021.
- The Company is undertaking a Private Placement (ASX Announcement 13 July 2021) to issue up to 30,506,852 Shares to sophisticated and institutional investors at a price of \$0.06551 to raise up to \$2.0m (before costs). The revised proposed issue date is 13 September 2021 (ASX Announcement 27 August 2021).
- The Company has renegotiated the Terms of the Secured Convertible Notes (ASX Announcement 23 July 2021). The Variation Deed and Amended Convertible Note Deed were signed on 22 July 2021. Subject to a number of Conditions Precedent, the Maturity Date of the 2,950,000 Secured Convertible Notes has been extended to 1 July 2022.

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**NOTE 16: SUBSEQUENT EVENTS (CONTINUED)**

- The Company is undertaking a non-underwritten non-renounceable 1 for 5 Entitlement Offer (ASX Announcement 30 July 2021) to issue up to 61,158,762 Shares at a price of \$0.066 to raise up to \$4.0m (before costs). The revised Entitlement Offer Closing Date is 2 September 2021 (ASX Announcement 16 August 2021). The Prospectus was included as an ASX Announcement on 30 July 2021 and sets out an associated Shortfall Offer that allows both existing DomaCom Shareholders and investors who are not currently DomaCom Shareholders to apply for the shortfall of any shares not taken up under the Entitlement Offer. The Shortfall Offer will remain open for up to 3 months following the Closing Date of the Entitlement Offer.
- On 4 September 2020 the Company announced entering into an Agreement with AustAgri Group Limited to bring a planned series of agricultural businesses (Cedar Meats and other related businesses) into a sub-Fund on the DomaCom Platform (**AustAgri Transaction**). If the transaction completes and the sub-Fund is established, DomaCom will act as the investment manager of the sub-Fund and will be entitled to earn fees as a result. The AustAgri Transaction is subject to a number of conditions precedent (including DomaCom completing the necessary due diligence to its satisfaction and DomaCom Shareholder approval) which may or may not be fulfilled. No assurance can be given that the AustAgri Transaction and establishment of the sub-Fund will complete. At the date of this report the financing required by AustAgri to complete the acquisition of Cedar Meats has not been finalised. However, both AustAgri and Cedar Meats are actively engaged with several financing groups to complete the transaction.
- On 24 August 2021 as part of a process of Board renewal but importantly as a product of the stage of DomaCom's development, two of our longstanding non-executive directors Peter Church and David Archbold retired from the Board (ASX Announcement 24 August 2021).

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