

DomaCom Limited

Financial report for the
half-year ended 31 December 2021

ABN 69 604 384 885

DOMACOM LIMITED
ABN 69 604 384 885

DIRECTORS' REPORT
31 DECEMBER 2021

Your directors present their report on DomaCom Limited (the "Company") and its Controlled Entities (the "Group") for the half-year ended 31 December 2021.

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) (resigned 24 August 2021)
- Mr Peter C Church OAM (Non-Executive Director) (resigned 24 August 2021)
- Mr George D Paxton (Non-Executive Director)
- Mr Matthew Roberts (Non-Executive Director)
- Mr Hilal Yassine (Non-Executive Director) (appointed 17 March 2021)
- 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 2021 was a loss of \$2.9 million (2020: \$2.6 million loss).

DomaCom derives fee revenue based on the assets under management in the DomaCom Fund. The fee revenue increased to \$393,830 for the six months to 31 December 2021 compared to \$218,823 for the comparable six month period.

The total funds under management as at 31 December 2021 was \$99 million (\$83 million at 30 June 2021). This is represented by 46% held in Property assets, 32% held in loans backed by first registered mortgages and 22% 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 (2020: \$0.01 loss per share) has remained stable compared to the prior reporting period.

Capital raising activities undertaken during the period included a private placement of \$2.0 million on 10 November 2021. In addition a Rights Issue on 8 September 2021 with a Shortfall Offer on 2 December 2021 raised \$1.7 million. This additional funding allows DomaCom to continue to develop the DomaCom Platform and provides funding to meet ongoing working capital requirements. In addition, as part of the ongoing capital management strategy, the maturity date of the \$2,950,000 Secured Convertible Note was extended to 1 February 2023. DomaCom was suspended from the ASX in the prior period on 11 May 2021 to allow information to be provided on the ongoing AustAgri transaction. Subsequently the ASX asked that DomaCom remain suspended until the cash reserves had been increased through capital raising. On 1 December 2021 DomaCom made a submission to the ASX for reinstatement to quotation. On 28 January 2022, after a period of consultation, the ASX confirmed that a further capital raise was required before reinstatement can occur. DomaCom has therefore commenced a capital raise of up to \$2.3m at a price of \$0.066 through a placement to sophisticated and professional investors.

It is pleasing to report that throughout this difficult period of being suspended from the ASX DomaCom was still able to grow its Funds Under Management by just under 20% during the six month period to 31 December 2021. This demonstrates the strong belief in the fractional investment model amongst pro-active distribution partners and financial planners.

During this period DomaCom has created over 30 new sub-funds which each hold an individual property. A common theme over the last six months has been the interest in the National Disability Housing Insurance Scheme (NDIS). Our clients have been able to invest into House and Land packages that have been specifically designed for NDIS recipients wishing to move into independent living arrangements with on-site carers. Our

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investors have not only supported the increase in the supply of NDIS housing but also will benefit from the expected returns from the income yields generated by the properties.

Equity Mortgage

DomaCom has reported previously that it had 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. During the last six months the Equity Mortgage product was approved by the Trustee and is now included in our Product Disclosure Statement. The next step, which we are in the process of approving with the Trustee, is the creation of the Crescent Growth and Income Sub-Funds, which will allow our distribution partner Crescent Group to have a shariah compliant product that they can market to their Australian Islamic clients.

DomaCom continues to innovate and adapt its fractional investment model to meet the demands and needs of its clients. Today DomaCom already fractionalises residential properties, commercial properties, rural properties, and NDIS properties. It also has the ability to fractionalise not only the capital/equity side of the investment but can also fractionalise the debt component. It has also been able to adapt its platform for the growth in the renewable energy sector to provide exposure to this important and growing sector.

AustAgri

AustAgri subsidiary Global Meat Exports Pty Ltd ("GME") has completed its purchase of the business operations and assets of Cedar Meats. The Revenue Recognition Agreement, under which there was a conditional agreement to onboard AustAgri into a DomaCom Sub-Fund ("Scheme"), had provisions for a termination fee of \$8.5 million plus GST if the Scheme was not implemented within the 30 day deadline provided for in that agreement. The Scheme was not implemented within the 30 day deadline provided for in the Revenue Recognition Agreement. It was DomaCom's position that the termination fee was therefore payable under the Revenue Recognition Agreement and was a debt due and owing to DomaCom. It was on this basis that DomaCom issued an invoice and statutory demand to GME for \$8.5 million plus GST. GME disputed that there was a debt owing by it under the Revenue Recognition Agreement and filed an application in the Supreme Court of Victoria to set aside the statutory demand. The application to set aside the statutory demand was filed on 20 January 2022. The first return of the application was listed in Court for 2 March 2022. However, prior this hearing, DomaCom and GME agreed to mediation that took place on 21 March 2022. On 24 March 2022 DomaCom entered into a Deed of Settlement with GME confirming that it will withdraw the statutory demand and the Supreme Court proceeding brought by GME will be dismissed by consent. Under the Deed of Settlement GME will pay DomaCom \$2.5 million plus GST in installments to be completed by no later than December 2023 (which may be accelerated in certain circumstances). An initial payment to DomaCom of \$500,000 plus GST was received on 31 March 2022.

No revenue has currently been recognised as at 31 December 2021 in relation to the termination fee.

Board Renewal

As part of a process of Board renewal and as a product of the stage of DomaCom's development, non-Executive Directors Mr David Archbold and Mr Peter Church OAM retired from the Board of DomaCom Limited on 24 August 2021.

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.

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A copy of the Auditor's Independence Declaration as required under s307C of the Corporations Act 2001 is included on page 4 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
1 April 2022



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 2021, 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



D G NG
Partner – Audit & Assurance

Melbourne, 1 April 2022

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

	31 December 2021 \$	31 December 2020 \$
Revenue		
Management Fees	393,830	218,823
Interest Income	504	1,281
Government grant income	-	50,000
Other income	4,957	13,162
	<u>399,291</u>	<u>283,266</u>
Expenses		
Employee benefits expenses	(979,737)	(1,080,459)
Fund administration	(95,198)	(101,844)
Rent	(24,574)	(34,574)
Depreciation	(272,383)	(270,333)
Insurance	(174,223)	(135,074)
Advertising	(112,443)	(252,679)
Travel expenses	(2,439)	(5,039)
IT expenditure	(51,050)	(42,092)
Telephone expenditure	(14,523)	(14,814)
Professional fees	(271,478)	(196,655)
Finance costs	(670,383)	(499,012)
Cost of modifying convertible notes	(258,651)	-
Loss on derecognition of convertible notes	(83,826)	-
Director Fees	(117,382)	(121,535)
Other expenses	(145,556)	(173,881)
Total Expenses	<u>(3,273,846)</u>	<u>(2,927,991)</u>
Loss before income tax	<u>(2,874,555)</u>	<u>(2,644,725)</u>
Income tax expense	-	-
Loss for the period	<u>(2,874,555)</u>	<u>(2,644,725)</u>
Other comprehensive income		
<i>Items that may be reclassified subsequently to profit and loss</i>		
Exchange differences on translating foreign operations	4,546	(352)
Other comprehensive income for the period	<u>4,546</u>	<u>(352)</u>
Total comprehensive loss for the period	<u>(2,870,009)</u>	<u>(2,645,077)</u>
Earnings per share		
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.

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

		31 December 2021 \$	30 June 2021 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		903,340	353,204
Receivables	3	103,317	179,832
Prepayments and other assets		27,346	494,568
TOTAL CURRENT ASSETS		<u>1,034,003</u>	<u>1,027,604</u>
NON-CURRENT ASSETS			
Property, plant and equipment		4,953	6,671
Right-of-use asset	4	78,975	10,832
Intangible assets		1,736,492	1,709,164
Investments		32,727	32,978
TOTAL NON-CURRENT ASSETS		<u>1,853,147</u>	<u>1,759,645</u>
TOTAL ASSETS		<u>2,887,150</u>	<u>2,787,249</u>
LIABILITIES			
CURRENT LIABILITIES			
Payables		417,388	527,068
Provisions		344,854	214,756
Lease liabilities	4	79,752	11,622
Borrowings	5	2,965,029	3,224,648
TOTAL CURRENT LIABILITIES		<u>3,807,023</u>	<u>3,978,094</u>
NON-CURRENT LIABILITIES			
Provisions		187,120	169,784
TOTAL NON-CURRENT LIABILITIES		<u>187,120</u>	<u>169,784</u>
TOTAL LIABILITIES		<u>3,994,143</u>	<u>4,147,878</u>
NET ASSETS		<u>(1,106,993)</u>	<u>(1,360,629)</u>
EQUITY			
Issued Capital	6	40,539,606	37,562,168
Reserves	7	2,114,320	1,963,567
Accumulated Losses		(43,760,919)	(40,886,364)
TOTAL EQUITY		<u>(1,106,993)</u>	<u>(1,360,629)</u>

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

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STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

	Issued Capital	Reserves	Accumulated Losses	Total
For the half-year ended 31 December 2021	\$	\$	\$	\$
Opening balance at 1 July 2021	37,562,168	1,963,567	(40,886,364)	(1,360,629)
Issue of share capital after capital raising costs	2,977,438	-	-	2,977,438
Convertible Notes Extension of Maturity Date	-	146,207	-	146,207
Transactions with owners recorded directly in equity	2,977,438	146,207	-	3,123,645
Loss for the period to 31 December 2021	-	-	(2,874,555)	(2,874,555)
Other comprehensive income	-	4,546	-	4,546
Total comprehensive income for the period	-	4,546	(2,874,555)	(2,870,009)
Balance at 31 December 2021	40,539,606	2,114,320	(43,760,919)	(1,106,993)
	Issued Capital	Reserves	Accumulated Losses	Total
For the half-year ended 31 December 2020	\$	\$	\$	\$
Opening balance at 1 July 2020	33,556,078	2,031,363	(35,863,807)	(276,366)
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)	-	-
Transactions with owners recorded directly in equity	3,471,090	(67,452)	-	3,403,638
Loss for the period to 31 December 2020	-	-	(2,644,725)	(2,644,725)
Other comprehensive income	-	(352)	-	(352)
Total comprehensive income for the period	-	(352)	(2,644,725)	(2,645,077)
Balance at 31 December 2020	37,027,168	1,963,559	(38,508,532)	482,195

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

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CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

	31 December 2021	31 December 2020
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	399,038	218,823
Payments to suppliers and employees	(1,795,012)	(2,299,567)
Government Grant Received	-	100,000
Finance costs	(257,930)	(263,431)
Net cash used in operating activities	<u>(1,653,904)</u>	<u>(2,244,175)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for plant and equipment	-	(1,363)
Payments for intangible assets	(230,750)	(155,308)
Payment for investment	-	(3,503)
Amounts advanced to related parties	29,535	(5,204)
Interest Received	504	1,281
Net cash used in investing activities	<u>(200,711)</u>	<u>(164,097)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from share issue after capital raising costs	2,977,438	3,403,638
Repayment of convertible notes	(502,504)	-
Repayment of lease liabilities	(70,194)	(64,189)
Net cash provided by financing activities	<u>2,404,740</u>	<u>3,339,449</u>
Net increase/(decrease) in cash and cash equivalents	550,125	931,177
Cash and cash equivalents at the beginning of period	353,204	1,453,970
Net foreign exchange difference	11	(352)
Cash and cash equivalents at the end of period	<u>903,340</u>	<u>2,384,795</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 2021

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 2021 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 2021 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 \$2,874,555 for the half-year ended 31 December 2021. The Group had negative net working capital of \$2,773,020 at 31 December 2021 and a net liability position of \$1,106,993.

The Company is currently solvent as it is able to pay its liabilities as they fall due. The net liability position is largely driven by the Thundering Herd Secured Notes that have a maturity date of 1 February 2023. They are currently classified as current liabilities due to one of the conditions of extending their maturity date being readmission to quotation by the ASX. DomaCom has entered into an agreement on 31 January 2022 with the Secured Noteholders that has currently waived this condition until 30 April 2022. However, until readmission occurs, the waiver condition is extended beyond 12 months or the Secured Notes are renegotiated or repaid, the notes will continue to be classified as current liabilities.

The continuing viability of the Group and its ability to continue as a going concern and remain solvent is dependent upon the Group increasing fee revenue through growing Funds under Management ("FUM") within the DomaCom Fund and through undertaking additional capital raising activities as part of ongoing capital management.

DomaCom has a proven record of raising capital and believes it is reasonable to expect that further capital will be raised as required. Capital raising activities undertaken during the period included a private placement of \$2.0 million on 10 November 2021. In addition a Rights Issue on 8 September 2021 with a Shortfall Offer on 2 December 2021 raised \$1.7 million. DomaCom has commenced a capital raise of up to \$2.3m at a price of \$0.066 through a placement to sophisticated and professional investors.

DomaCom entered into a Deed of Settlement on 24 March 2022 with Global Meat Exports Pty Ltd ("GME") that sets out the settlement terms agreed as a result of AustAgri not being onboarded onto the DomaCom Platform. The terms include GME paying DomaCom \$2.5 million plus GST in instalments to be completed by no later than December 2023 (which may be accelerated in certain circumstances). An initial payment to DomaCom of \$500,000 plus GST was received on 31 March 2022.

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 remains solvent 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

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 2021.

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.

	31 December 2021	30 June 2021
	\$	\$
NOTE 3: RECEIVABLES		
CURRENT		
Amounts receivable from related party	85,652	115,187
Other debtors	17,665	64,645
	<u>103,317</u>	<u>179,832</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 \$85,652. These amounts will be reimbursed once the sub-Funds are fully established.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

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 2022. 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 \$24,574.

	31 December 2021	30 June 2021
	\$	\$

NOTE 5: BORROWINGS

CURRENT

Unsecured Convertible Notes	543,238	566,174
Secured Convertible Notes	2,421,791	2,658,474
	<u>2,965,029</u>	<u>3,224,648</u>

Six months to 31 December 2021	Unsecured Convertible Notes (\$)	Unsecured Convertible Notes (\$)	Secured Convertible Notes (\$)	Total (\$)
Opening balance at 1 July 2021	566,174	-	2,658,474	3,224,648
Derecognition of convertible security	(650,000)	-	-	(650,000)
Loss on derecognition of convertible notes	83,826	-	-	83,826
Issue of notes	-	650,000	-	650,000
Equity component of convertible notes issued	-	(146,207)	-	(146,207)
Payments made to modify convertible notes	-	-	(733,226)	(733,226)
Cost of modifying convertible notes	-	-	258,651	258,651
Interest expense and payments	-	39,445	237,892	277,337
Closing balance as at 31 December 2021	<u>-</u>	<u>543,238</u>	<u>2,421,791</u>	<u>2,965,029</u>

Six months to 31 December 2020	Unsecured Convertible Notes (\$)	Unsecured Convertible Notes (\$)	Secured Convertible Notes (\$)	Total (\$)
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	<u>506,509</u>	<u>-</u>	<u>2,434,022</u>	<u>2,940,531</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

NOTE 5: BORROWINGS (CONTINUED)

Unsecured Convertible Notes

650,000 Unsecured Convertible Notes were recognised on 18 May 2020 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 \$0.10 up to 25 January 2022. The notes were accounted for partly as debt and partly as equity.

Unsecured Convertible Notes (Dereognition)

The 650,000 Unsecured Convertible Notes were subject to a significant amendment and as a result were derecognised on 22 July 2021 resulting in a loss on derecognition of \$83,826. The Unsecured Noteholders have entered into a sub-ordination agreement such that they will not be repaid before the Secured Convertible Noteholders. As a result of the amendment to the maturity date of the Secure Convertible Notes, the effective maturity date of the Unsecured Convertible Notes was also extended to 1 February 2023.

650,000 Unsecured Convertible Notes were re-recognised on 22 July 2021 with the same annual coupon of 10% payable quarterly in arrears. The holder of each note has the right to convert into one share at the same conversion price of \$0.10 up 1 February 2023. The notes have been accounted for partly as debt and partly as equity.

Secured Convertible Notes

2,950,000 Secured Convertible Notes were recognised on 18 May 2020 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 \$0.10 up to 7 December 2021. The notes were accounted for partly as debt and partly as equity.

Secured Convertible Notes (Modifications)

Modifications were made on 22 July 2021 to the Secured Convertible Notes to extend the maturity date to 1 July 2022 and amend the exercise price to \$0.06551. An additional modification was made effective 22 December 2021 to further extend the maturity date to 1 February 2023.

The modifications are not considered substantial for accounting purposes. Payments have been made and amounts accrued for \$733,226 for the modifications. The revised future payments have been discounted at the existing effective interest rate and the change to the carrying value of the Secured Convertible Notes of \$258,651 has been recognised to Profit and Loss.

The Secured Convertible Notes are classified as Current at 31 December 2021. Although the revised maturity date is 1 February 2023, the condition precedent of the Company being relisted on the ASX has yet to be met meaning that unless waived the noteholders have the right to require repayment. Currently a waiver is in place until 30 April 2022 in respect of the condition precedent of being relisted.

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	31 December 2021 \$	31 December 2020 \$
NOTE 6: ISSUED CAPITAL		
Ordinary shares fully paid	40,539,606	37,027,168
	<u>40,539,606</u>	<u>37,027,168</u>
Ordinary shares		
	No.	\$
Six months to 31 December 2021		
Opening balance at 1 July 2021	305,793,814	37,562,168
Ordinary shares fully paid issued during the period	55,855,401	3,109,074
Share issue cost	-	(131,636)
Closing balance as at 31 December 2021	<u>361,649,215</u>	<u>40,539,606</u>
Six months to 31 December 2020		
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	<u>305,793,814</u>	<u>37,027,168</u>

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	31 December 2021 \$	31 December 2020 \$
NOTE 7: RESERVES		
Share based payment reserve	249,600	249,600
Foreign Currency Translation Reserve	13,344	8,790
Equity Convertible Note	1,369,081	1,222,874
Equity Option Reserve	482,295	482,295
	<u>2,114,320</u>	<u>1,963,559</u>

Six months to 31 December 2021	Share based payment reserve (\$)	Equity Compensation Reserve (\$)	Foreign Currency Translation Reserve (\$)	Equity Convertible Note (\$)	Equity Option Reserve (\$)
Opening balance at 1 July 2021	249,600	-	8,798	1,222,874	482,295
Recognition of convertible notes	-	-	-	146,207	-
Translation of foreign operation net assets and results	-	-	4,546	-	-
Closing balance as at 31 December 2021	<u>249,600</u>	<u>-</u>	<u>13,344</u>	<u>1,369,081</u>	<u>482,295</u>

Six months to 31 December 2020	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	<u>249,600</u>	<u>-</u>	<u>8,790</u>	<u>1,222,874</u>	<u>482,295</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

NOTE 8: CONTINGENT LIABILITY

There are no contingent liabilities that require disclosure.

NOTE 9: SUBSEQUENT EVENTS

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

AustAgri subsidiary Global Meat Exports Pty Ltd ("GME") has completed its purchase of the business operations and assets of Cedar Meats. The Revenue Recognition Agreement, under which there was a conditional agreement to onboard AustAgri into a DomaCom Sub-Fund ("Scheme"), had provisions for a termination fee of \$8.5 million plus GST if the Scheme was not implemented within the 30 day deadline provided for in that agreement. The Scheme was not implemented within the 30 day deadline provided for in the Revenue Recognition Agreement. It was DomaCom's position that the termination fee was therefore payable under the Revenue Recognition Agreement and was a debt due and owing to DomaCom. It was on this basis that DomaCom issued an invoice and statutory demand to GME for \$8.5 million plus GST. GME disputed that there was a debt owing by it under the Revenue Recognition Agreement and filed an application in the Supreme Court of Victoria to set aside the statutory demand. The application to set aside the statutory demand was filed on 20 January 2022. The first return of the application was listed in Court for 2 March 2022. However, prior this hearing, DomaCom and GME agreed to mediation that took place on 21 March 2022. On 24 March 2022 DomaCom entered into a Deed of Settlement with GME confirming that it will withdraw the statutory demand and the Supreme Court proceeding brought by GME will be dismissed by consent. Under the Deed of Settlement GME will pay DomaCom \$2.5 million plus GST in installments to be completed by no later than December 2023 (which may be accelerated in certain circumstances) An initial payment to DomaCom of \$500,000 plus GST was received on 31 March 2022.

On 1 December 2021 DomaCom made a submission to the ASX for reinstatement to quotation. On 28 January 2022, after a period of consultation, the ASX confirmed that a further capital raise was required before reinstatement can occur. DomaCom has therefore commenced a capital raise of up to \$2.3m at a price of \$0.066 through a placement to sophisticated and professional investors.

DomaCom entered into a Variation Deed with the Secured Noteholders prior to 31 December 2021 with a condition that the Company be readmitted for quotation by 1 February 2022. On 31 January 2022 the Secured Convertible Noteholders waived the Event of Default arising from the Company's Shares being suspended from trading prior to the date of the Variation Deed. In addition this condition has been waived until 30 April 2022.

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 2021 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
1 April 2022



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 2021, 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 2021 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 \$2,874,555 for the half year ended 31 December 2021 and, as of that date, the Group had a net working capital deficiency of \$2,773,020 and a net asset deficiency of \$1,106,993. 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 2021 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



D G NG
Partner – Audit & Assurance

Melbourne, 1 April 2022