Domain

Annual Report 2021

Domain Holdings Australia Limited
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domain.com.au

Inspiring confidence for all of life's property decisions

We are a leading property technology and services business that is home to one of the largest portfolios of property brands in Australia.

Domain helps agents and consumers at every step in the property lifecycle – renting, buying, selling, investing, financing, insurance and utilities.

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Business Performance Overview

Core Digital
$265.5m*
FY21 Revenue

Core Digital
$130.0m*
FY21 EBITDA

Core Digital

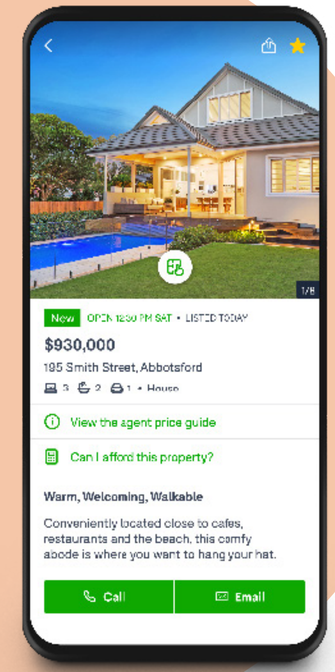
Core Digital includes subscription and premium listings products across Residential; Media, Developers & Commercial; Agent & Property Data Solutions. Domain connects its quality, engaged audiences with properties and agents, and provides data and solutions to help agents grow their businesses.

Residential

Residential revenues are generated from 'for sale' and rental property listings across web, mobile and social products. The largest proportion of revenue comes from premium (depth) listings, with the remainder from monthly subscriptions.

Residential revenue increased 20.8% from the financial year ended 30 June 2020 (**FY20**), with a significant acceleration in the second half as the property environment recovered, and volumes cycled the COVID-19 depressed lows of FY20. While price increases were delayed as a result of the pandemic, Domain continued to deliver strong growth in depth listings, reaching the highest level in the Company's history. Depth growth underpinned significant expansion in revenue per listing, reflecting the value Domain provides to agents and consumers at every stage of the property journey.

* excluding significant items and disposals (no disposals in FY21)



Despite the challenging backdrop, Domain's proportion of depth listings was at the highest level in the Company's history. Together with an innovative new flexible pricing model, the business delivered continued growth in controllable yield.

Media, Developers & Commercial

Media delivers digital display solutions for advertisers to access Domain's quality consumer audiences. The Developers business generates revenue from listings and advertising related to residential property developments. Commercial Real Estate (**CRE**) services a range of sectors including office, retail and industrial, with revenue from three verticals: digital subscription, property listings and display advertising.

Revenue increased 7% year-on-year, with improving second half performance from all three verticals. Media was the strongest performing business of the three, accelerating its first half growth into the second half, and substantially outperforming an improving digital advertising market. Domain's quality audiences and content, together with growth in property related advertising categories, were the key drivers. Developers' performance improved significantly in the second half to deliver solid growth for the full year. Victoria experienced the largest turnaround in the second half of the financial year ended 30 June 2021 (**FY21**) as the state emerged from lockdown.

CRE saw a significant turnaround in second half performance reflecting the COVID-impacted base in FY20. Revenues were modestly down year-on-year as strong growth in depth penetration largely offset the weak listings environment. The introduction of a flexible value based pricing model saw second half revenue per listing exceed pre-COVID-19 levels, with particular strength in leasing.

Agent & Property Data Solutions

Agent & Property Data Solutions provides a suite of innovative workflow and property data solutions to help agents build profitable and sustainable businesses. Pricefinder and Australian Property Monitors (**APM**) deliver property data, insights and reporting tools to agents, financial institutions and other non-real estate businesses. Real Time Agent (**RTA**) digitises key steps in the property journey, including agency agreements, auctions and contracts. Homepass provides a registration tool and database for property open-for-inspections. During FY21, MarketNow was launched in a joint venture with Limepay to provide flexible payment options to support vendor marketing campaigns.

Revenue increased 8.1% from FY20 as COVID-19-related support initiatives to agents were wound back, supporting a strong second half recovery of Pricefinder and Homepass. RTA benefited from accelerating digital adoption, with ongoing momentum in new customer growth, expanded product uptake by existing customers, and a full year earnings contribution.

Consumer Solutions

Consumer Solutions incorporates Domain's consumer facing businesses in home loans, insurance and utilities connections. Domain partners with providers with specialist expertise to operate Domain Home Loans and Domain Insure. Domain Connections generates leads for residential utilities connections.

Consumer Solutions' reported revenue was stable year-on-year due to the conclusion of a lead generation arrangement at Domain Connections. Domain Home Loans' underlying revenue growth was 12%, with continued strength in new account creation with 33% year-on-year growth. The business finished the year with improving conversion metrics, which together with a new management team, are delivering improving performance in the early part of the financial year ended 30 June 2022 (**FY22**).

EBITDA losses increased, reflecting a scaling up of headcount to address operating constraints. Consumer Solutions' businesses are well placed to leverage Domain's quality audience with high purchase intent, and deliver to Domain's purpose to inspire confidence for all of life's property decisions.

* excluding significant items and disposals (no disposals in FY21)

Consumer Solutions
$5.5m*
FY21 Revenue

Consumer Solutions
$(6.2)m*
FY21 EBITDA

Print

Domain delivers property listings and editorial to print audiences through the Domain, Domain Prestige, Allhomes and Domain Review magazines. The Domain and Domain Prestige magazines are distributed through Nine's leading publications *The Sydney Morning Herald*, *The Age* and *The Australian Financial Review*. The Allhomes magazine is distributed through the *Canberra Times*. Free premium lifestyle and property listings magazine, Domain Review, is distributed in affluent Melbourne suburbs.

Print revenue declined around 33% from FY20 with significant first half declines as publications were paused to respond to the COVID-19 impact. The resumption of publishing activities in the second half underpinned a substantial revenue recovery. Ongoing cost initiatives and lower print volumes maintained print profitability through the print pause. While print is impacted by an ongoing shift to digital, it continues to deliver strategic value to agents in premium markets by attracting valuable and passive audiences and building agent profile and brand.

* excluding significant items and disposals (no disposals in FY21)

Print
$17.8m*
FY21 Revenue

Print
$2.8m*
FY21 EBITDA

Chairman's Report

Nick Falloon

"Domain's pleasing FY21 performance benefited from the strategies implemented during the COVID-19 pandemic in FY20, positioning the company to fully capitalise on the improving property market conditions. Our Marketplace strategy is designed to make the most of the accelerating digital adoption that has accompanied COVID-19, and support agents and consumers at more points of their property journeys. Domain's cohesive and expanding ecosystem of solutions delivers to our purpose of inspiring confidence for all of life's property decisions, and provides a strong platform for future growth."

$289.6m* Revenue

6.5c* Earnings per share

$100.6m* EBITDA

4.0c Total dividend per share

$37.9m* Underlying Net Profit after Tax

0.8x* Net debt to EBITDA

* reflects trading performance excluding significant items and disposals (no disposals in FY21)

Thank you to our shareholders for your ongoing support. I am happy to report that Domain responded very well to the constantly changing circumstances of FY21, and continues to do so in the challenging COVID-19 environment of early FY22. In my report to you last year, I outlined the initiatives Domain implemented to navigate the sharp and unexpected impact of COVID-19 on our agent customers, consumers and our staff. The result of these actions is even stronger relationships which underpin the pleasing financial results Domain delivered for the year, and position us to deliver on our future growth aspirations.

Financial Performance

Domain's trading results (excluding significant items and disposals)[1] for the 2021 financial year delivered revenue growth of 10.7% to $289.6 million, benefiting from the improved property listings environment and solid growth in Domain's depth (premium) penetration.

Expenses increased 5.9% reflecting ongoing cost discipline, while investing in those parts of the business that will accelerate Domain's long-term growth objectives – product, technology and data. Domain's COVID-19 response, Project Zipline, contributed to a reduction in employee cash salary costs as employees overwhelmingly elected to be paid part of their cash salary in share rights. The end of the scheme saw staff costs increase. Earnings before interest, tax, depreciation and amortisation increased 21% to $100.6 million.

Underlying net profit after tax (NPAT) attributable to members increased 66.4% to $37.9 million. Domain reported a statutory net profit of $34.3 million after taking into account significant items and disposals.

Underlying earnings per share were 6.5 cents, and total dividends were 4.0 cents, 100% franked. The payment of the second half dividend reflects the strong recovery in earnings during the period.

Domain's balance sheet remains strong with net debt at 30 June 2021 of $79.0 million, and a leverage ratio of 0.8 times EBITDA.

As a result of increased confidence in the property market outlook, and the robust performance of the business, the Board has made the decision to repay grants received in FY21 from the Federal Government's JobKeeper scheme. This will reduce FY22 EBITDA by $5.7 million.[2]

1 No disposals in FY21. All revenue, expense and earning amounts in this section exclude significant items and disposals unless otherwise specified

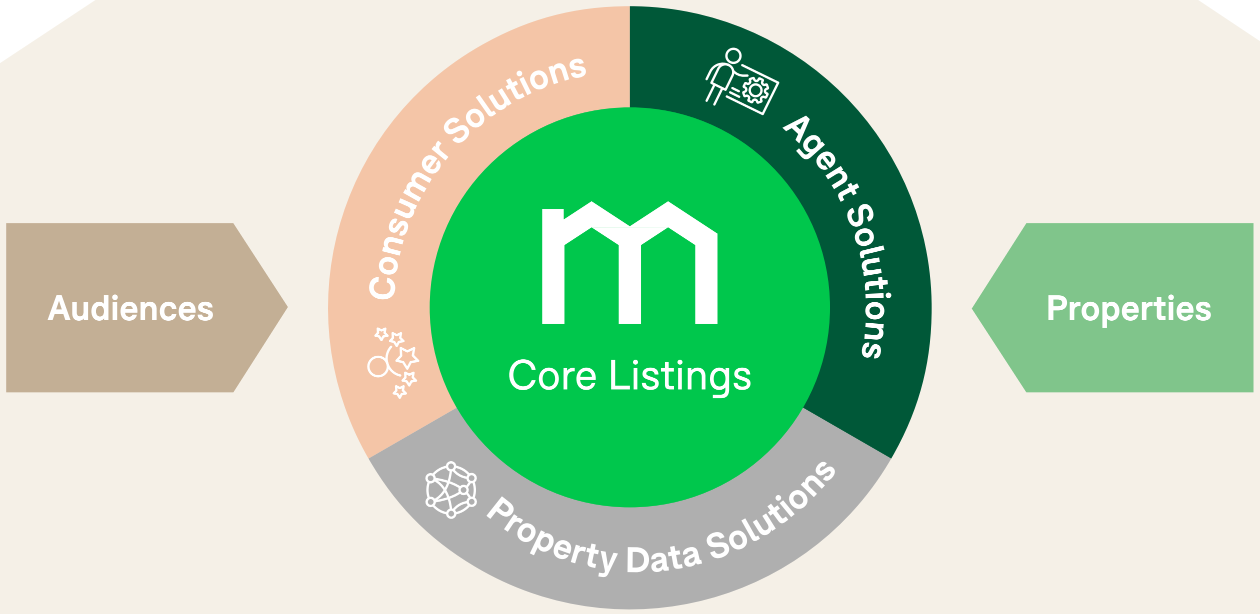
2 Reflects JobKeeper grant of $6.5 million reduced by $0.8 million which was transferred to capitalised labour costs

Marketplace Strategy

Domain's strategy is evolving to reflect the opportunities that our data and insights provide for richer and more valuable user experiences. This evolution to a Marketplace model is about making our solutions work better together and expanding the addressable market for our services. We are maximising the opportunities that already exist within our key assets, and long-standing and trusted relationships. Domain's cohesive ecosystem of services includes:

- **Core Listings:** Connecting Domain's quality, engaged audiences with properties and agents across digital, print and social, building on our valuable heritage as a classifieds business;
- **Agent Solutions:** Providing business solutions to help agents grow their businesses, building on our long-term and trusted relationships;
- **Consumer Solutions:** Delivering direct to consumer services spanning home loans, insurance and utilities, in collaboration with specialist providers;
- **Property Data Solutions:** Leveraging a multi-decade track record of timely and accurate property data to provide actionable and customer centric solutions to agents, consumers and non-real estate clients.

The Marketplace model supports agents and consumers at more points of their property journeys, fulfilling Domain's purpose of inspiring confidence for all of life's property decisions. This evolution broadens revenue opportunities from subscription and listings to include new revenue streams from a broad range of products and services.



Our Company

Domain is committed to progressing our Environmental, Social and Governance (ESG) practices to demonstrate our responsibility to the communities we serve. During FY21, the People and Culture Committee approved the allocation of additional resources to implement the next steps in our ESG strategy. During FY22 we will extend the measurement of our environmental footprint, and establish a plan to achieve carbon neutrality. Further details are highlighted in the Environmental, Social and Governance section on pages 19-34 of this Annual Report.

I would like to thank my fellow Board members for all they contribute to Domain. The Company benefits greatly from their guidance, expertise and experience. I'd like to welcome Nine CEO Mike Sneesby, who replaced Hugh Marks on the Board. Your Board looks forward to speaking and connecting with as many shareholders as possible at our Annual General Meeting to be held on 4 November 2021.

On behalf of the Board I would like to thank all of our talented people for their dedication and hard work in continued challenging circumstances. I would like to acknowledge Jason Pellegrino and his leadership team for their exceptional efforts and agility in navigating a fast changing environment. Domain has emerged from the challenging circumstances of recent years in an even stronger position to deliver on the opportunities that lie ahead.

Nick Falloon
Chairman

CEO's Report

Jason Pellegrino

"Domain maintained the pace of its business model evolution through the uncertainties of the past year, leveraging the rapid acceleration of digital adoption by agents and consumers that accompanied the COVID-19 pandemic. This approach positioned the company to maximise the recovery in property market activity, while building long term growth opportunities."

11%
growth in controllable residential yield

Record
depth penetration and contracts

9.3m*
Record audiences

31%
YoY growth in like-for-like Core Digital EBITDA (excluding significant items and disposals)[1]

5.1%
Digital margin increase

1 No disposals in FY21. Like-for-like includes adjustments relating to the impact of revenue deferral arising from extended duration of listings, acquisitions and Jobkeeper benefits

* Nielsen Digital Media Ratings, Monthly Tagged, March 2021, PS+, Digital (C/M), Text, Unique Audience, Domain Media Group

The implementation of our Marketplace strategy positioned Domain to benefit strongly from the recovery in property listings volumes in the second half of FY21, while building for the future in a disciplined and purposeful way. The listings bounceback from COVID-19's FY20 lows is an encouraging indication of the underlying resilience of the business. While there are uncertainties associated with current COVID-19 lockdowns, our experience over the last 12 months gives us confidence that strong fundamentals of low interest rates, available credit and high demand will support rapid recovery as lockdowns ease.

Marketplace Strategy

In my 2020 report to shareholders, I outlined Domain's vision to build a customer-centric property marketplace that delivers on our purpose of inspiring confidence for all of life's property decisions. During the year we took the next step in the evolution of our business strategy with the adoption of a Marketplace model, designed to make Domain's solutions work better together, and expand our addressable markets.

This next step builds on the opportunities available to us to drive future growth. Domain's valuable heritage as a classifieds business within Fairfax Media established a sizable and strong Core Listings business. We are building our Marketplace on this solid foundation of rich connections to properties, and trusted relationships with agents and consumers.

Growing a cohesive ecosystem of services is designed to fulfil Domain's purpose, and support agents and consumers at more points of their property journeys. For agents, our goal is to move beyond selling listings to helping them find and win the next listing, market and sell the property quickly for the best possible price, run an efficient and profitable business, differentiate their brands, and attract and retain talent. For consumers, we are evolving generic property searches into personalised, relevant and actionable experiences. Creating these valuable new solutions for agents and consumers supports additional growth opportunities, while at the same time strengthening the value of our Core Listings business.

At the heart of Domain's Marketplace is our mantra of 'Better Together', an approach which maximises the value of each of our solutions through close collaboration, and leverages their differentiated strategic positioning:

- In **Core Listings**, we are investing in a suite of innovative and disruptive products like Early Access. Our flexible pricing model and targeted micro market strategy supports accelerating yield growth.
- In **Agent Solutions**, our track record of trusted partnerships provides a unique platform to launch new products and services that are integrated into the agent workflow, and designed to help agents grow their businesses.
- In **Consumer Solutions**, our digital first approach provides consumers with their preferred means of interaction, a preference that has only accelerated as a result of COVID-19. It also allows Domain to connect with consumers at the relevant stage of their property journey.
- Our **Property Data Solutions** business has a multi-decade heritage of timely and accurate property data supporting actionable insights for agents, consumers and non-real estate clients.

During FY21 Domain made encouraging progress against the four elements of our Marketplace strategy:

- In **Core Listings**, we delivered an 11% increase in controllable residential yield, record depth penetration and a 31% increase in like-for-like Core Digital earnings before interest, tax, depreciation and amortisation (EBITDA) (excluding significant items and disposals).[1] In March we delivered a record unique digital audience of more than 9 million.

- In **Agent Solutions**, Real Time Agent (**RTA**) more than doubled its revenue on a like-for-like basis.[2] The launch of MarketNow's flexible payment solutions is delivering accelerating momentum, with agent adoption almost doubling quarter-on-quarter.
- In **Consumer Solutions**, Domain Home Loans delivered a 33% increase in new accounts, and a strong finish to the year with increased conversion and new management.
- In **Property Data Solutions**, we accelerated investment in data capabilities and initiatives, and expanded the testing of prospecting tool Leadscope with our strategic partners.

2 Adjusted for a partial year of ownership in FY20
3 No disposals in FY21

FY21 Performance

(excluding significant items and disposals)[3]

Core Digital

Core Digital revenues increased 17% to $265.5 million. EBITDA on the same basis increased 33% to $130.0 million, with significant margin expansion reflecting the operating leverage of the business model.

Residential

Residential revenue increased 21% to $195.3 million, with an acceleration in the second half which increased 32%. Strong demand fuelled a recovery in listings from FY20's COVID-19-depressed lows. The highlight was an 11% increase in controllable yield for the year. The acceleration in controllable yield to 13% in the second half is even more impressive in the context of the strong Q3 in FY20, and the absence of the usual annual price increase in January. Domain continued to drive depth penetration which reached record highs and supported 22% growth in depth revenue. Throughout COVID-19, the consistent pattern of sharp rebounds when restrictions ease is an encouraging indicator of the resilience of Domain's model, and the value it delivers to agents and vendors.

Media, Developers & Commercial

An improving second half performance from all three verticals supported a 7% increase in revenue to $46.0 million for the year. Media was the strongest performing business of the three, significantly outperforming the broader digital advertising market. Key drivers were a recovery in property related advertising categories supported by growth in Domain's quality audience. Developers delivered solid revenue growth for the year, benefiting from demand from first home buyer and downsizer markets. The second half performance improved as Victoria emerged from its prolonged COVID-19-shutdown. Commercial Real Estate (**CRE**) revenue was modestly down year-on-year with a significant turnaround in the second half. While listings volumes continued to experience COVID-19 impacts, depth penetration improved, benefiting from the introduction of a flexible value based pricing model.

Agent & Property Data Solutions

Revenue increased 8% to $24.2 million benefiting from a strong second half recovery at Pricefinder and Homepass as COVID-19-related support initiatives to agents were wound back. RTA delivered ongoing momentum in new customer growth and expanded product uptake from existing customers, with like-for-like revenue growth of 157%. RTA's reported revenue growth was even stronger, benefiting from a full year earnings contribution due to the timing of the acquisition in November 2019. RTA's market leading product suite continues to benefit from the accelerating digital adoption that accompanied the COVID-19 pandemic.

Consumer Solutions

Consumer Solutions' revenue was stable year-on-year at $5.5 million, with the EBITDA loss increasing from $(3.6) million to $(6.2) million as Domain Home Loans' headcount was scaled up to address operating constraints. Reported revenue trends were impacted by the conclusion of a lead generation arrangement at Domain Connections. Domain Home Loans' underlying revenue growth was 12%, with continued strength in new account creation. Improving conversion metrics in the fourth quarter and a new management team are expected to accelerate future performance.

Print

Print revenue declined 33% to $17.8 million and EBITDA reduced 54% to $2.8 million. The first half experienced significant declines as publications were paused to respond to COVID-19, while the second half saw a substantial recovery as publishing activities resumed. For the year, the mastheads published only 68% of their usual schedule. Cost benefits from the print pause, together with other expense initiatives maintained profitability. Print remains sustainable in premium markets due to the strategic value it delivers to agents from high value, passive audiences, as well as building agent profile and brand.

Our People

Through the challenges of recent years, with a difficult property market environment followed by COVID-19, Domain's values have been on display in the exceptional commitment of our people to Domain, to our clients, and to each other. Their creativity and hard work have ensured that the velocity of Domain's Marketplace innovation has not skipped a beat in the face of ongoing COVID-19-related disruption.

I would like to express my appreciation to our Board, led by Nick Falloon, for its expert guidance as Domain takes the next step in the evolution of our strategy. To our shareholders, thank you for your support and the confidence you have displayed in Domain as we have navigated the challenges of recent years.

The strong FY21 performance, and the resilience the business has displayed through periods of uncertainty, demonstrate the potential for Domain as we evolve our business model to continue to inspire confidence for all of life's property decisions.

Jason Pellegrino
Domain CEO

Environmental, Social and Governance (ESG)

ESG at Domain

As a leading property marketplace, we're committed to delivering sustainable value to all our stakeholders.

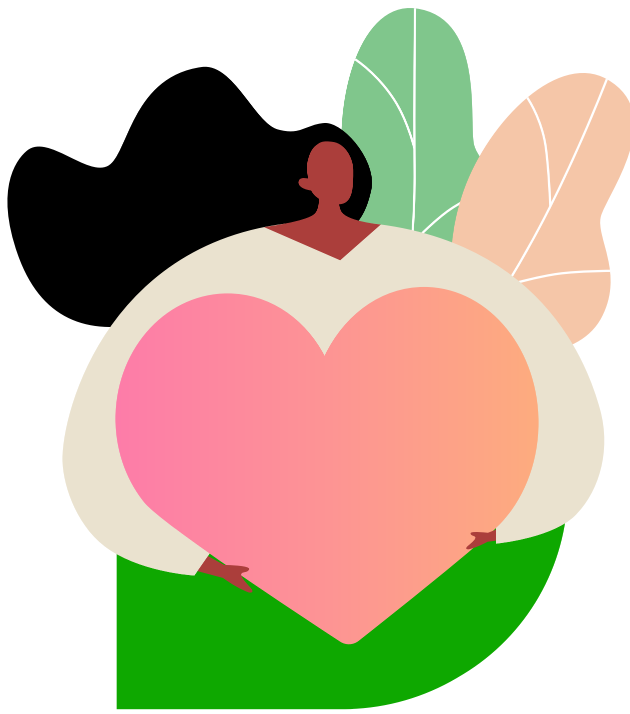
This starts by creating a great place to work, where our employees are united by our purpose – *inspiring confidence for all of life's property decisions* – and our values.

Domain's values are set out on the following page, and further information about them is set out in the Corporate Governance Statement on pages 83-106 of this Annual Report.

This section of the Annual Report sets out details of Domain's ESG arrangements and activities, which are focused in five key areas:

- **Caring for our environment:** Helping everyone to find a home is central to our business, and we know the environment around us can make a difference to our sense of home. We are committed to reducing our impact on the planet.
- **Domain, a place to call home:** At Domain, we aim to be a home for everyone, where diversity and inclusion are prioritised and we are united by our purpose and values.
- **Delivering innovation and support to our agents and consumers:** We value the relationship we have with our agents and consumers and continuously explore how we can add greater value to them and deliver on our purpose.
- **Making a positive impact to our communities:** We're committed to making a difference to the communities in which we operate.
- **Protecting your data:** Domain's purpose goes hand in hand with our need to build a high level of digital trust within our organisation and for our agents and consumers.

Further information in relation to Domain's ESG arrangements and activities in each of these areas is set out in this section of the Annual Report.



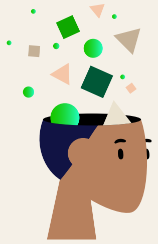
ESG Policy and Plan

Underpinning Domain's ESG arrangements and activities is Domain's Environmental, Social & Governance Policy (**ESG Policy**) and Environmental, Social & Governance Plan (**ESG Plan**), which were approved by the Board People and Culture Committee in FY20 and identify ESG risks that are most critical to Domain.

Further information about Domain's ESG Policy and ESG Plan is set out in the Corporate Governance Statement on pages 83-106 of this Annual Report. The ESG Policy and ESG Plan are available at Domain's Sustainability website at sustainability.domain.com.au.

Our Values

Our values unite and guide us in how we show up at work, treat each other and approach our work. We believe that how we do things, and the behaviours we demonstrate, are just as important as what we do.



Open Minds Open Doors

And closed minds close them. We're always up for looking at things through each other's eyes.

This says as much about how we treat each other as how we go about our work. We believe in the importance of collaboration, diversity and inclusion. Each of those themes is about having an open mind in order to see things through someone else's perspective, which opens doors to new opportunities and to a sense of belonging.

Have Adventures

Big ones. Small ones. The kind that makes our time here all the more meaningful.

Our employees are all for exploring: 'innovation, challenge, leading the way, making a difference'. This is best described as the mindset of having adventures. At the very least, they reignite our passion and remind us what we're here for. At the most, they bring out the best in us; happiness, curiosity, innovation, ideas that change everything.

Passion is Contagious

So we don't keep it to ourselves. We share our energy, drive, determination, celebration and pride.

Our employees share their energy, drive, determination, celebration and pride, which makes it clear that passion, as the sentiment underlying all of those, is important to us. But 'importance' is only half the definition of a value. The other half is that it needs to drive behaviour and passion doesn't do that if we keep it to ourselves. That's why we encourage sharing this passion, by celebrating our wins, practicing gratitude, and always putting our best foot forward. Once it's out there, it becomes the glue that holds us together.

Leap Grow Repeat

We admire the leap; learning when we fall, celebrating when we land, and then leaping all over again.

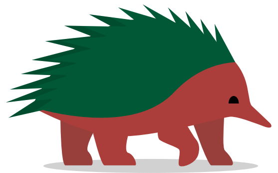
This value was born out of us all wanting support; wanting to know that it's ok to fail and that we're always supported to try again. Telling someone to just 'get back up again' carries no meaning, but when delivered in this way, as a kind of inspirational and yet instructional mantra, it feels as much as words of encouragement from a colleague as it does words from within.

Caring for our environment

Domain Green

Our employees are passionate about the environment. Our efforts in this area are led by Domain Green – a cross-functional group who champion the environment, run a range of activities to raise awareness of environmental impacts of activity, and are agents of change to create better business practices.

Through this group, we integrate environmentally-friendly practices into our everyday activities with a range of staff-driven sustainability initiatives including printing, recycling and water awareness programs as well as community-based activities such as Clean Up Australia Day.



CDP Report

Domain carries out an annual evaluation of the impact of climate change on our business.

We follow the Task Force on Climate-related Financial Disclosures (**TCFD**) recommendations to disclose information on our governance and risk management practices.

We participate in the Carbon Disclosure Project (**CDP**), a global environmental disclosure system that supports thousands of companies, states and cities to measure and manage their risks and opportunities on climate change, water security and deforestation.

Domain's report under the CDP for FY20 is available at Domain's Sustainability website at sustainability.domain.com.au. Domain will submit and publish a report under the CDP for FY21 in mid-2022.

Greenhouse gas emissions

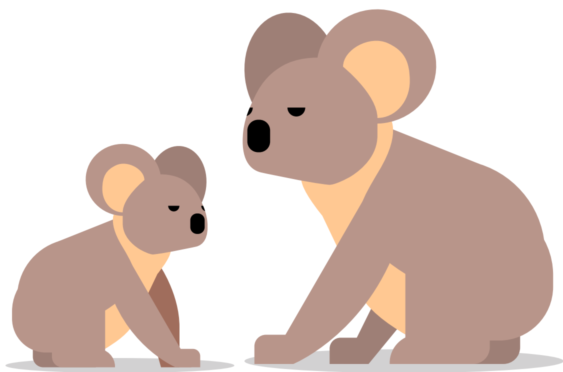
Domain is committed to improving its greenhouse gas (GHG) emissions visibility and reduction mechanisms to minimise its impact on the planet.

In FY21, our New South Wales, Victorian and Western Australian offices transitioned to 100% renewable energy, and we continue to identify and implement measures to reduce our CHG emissions.

To assist us with this process, Domain has commissioned Cushman & Wakefield to manage and report on Domain's GHG and energy consumption. Domain's FY20 GHG report is currently available at Domain's Sustainability website at sustainability.domain.com.au. Our FY21 report will be published as well with our GHG information and FY21 Environmental Footprint Performance at Domain's Sustainability website. This section of the Annual Report sets out Domain's overall performance for FY21. Domain's FY21 GHG report, when published, will contain additional information, such as a breakdown of energy use between Domain offices.

Domain's total energy consumption and Scope 1 and 2 (as defined under the National Greenhouse and Energy Reporting Scheme) market-based emissions are highlighted in Figures 1 and 2 on the following page. This includes the consumption and emissions of Domain Holdings Australia Limited and its controlled entities, being the Domain Group.

In FY21, Domain saw a 34% reduction in its energy usage within its offices compared to FY20, primarily driven by the Victorian office relocation from South Melbourne to Cremorne and overall low utilisation of office space during the COVID-19 pandemic.



Domain has continued its efforts to source renewable energy for operations by expanding its GreenPower purchasing to New South Wales and Victorian offices. Combined with the reduced office footprint and utilisation, this allowed Domain to achieve a 64% emissions reduction for Scope 1 and 2 market-based emissions compared to FY20.

Figure 1: Domain Group Energy Consumption (kWh)

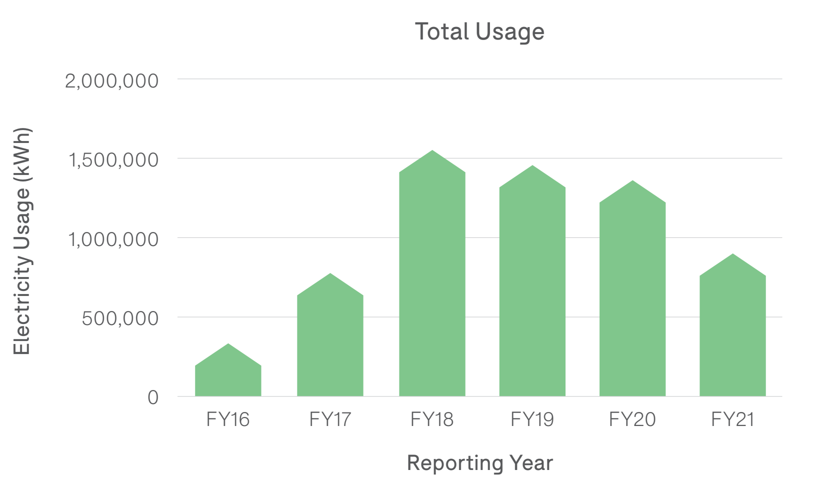
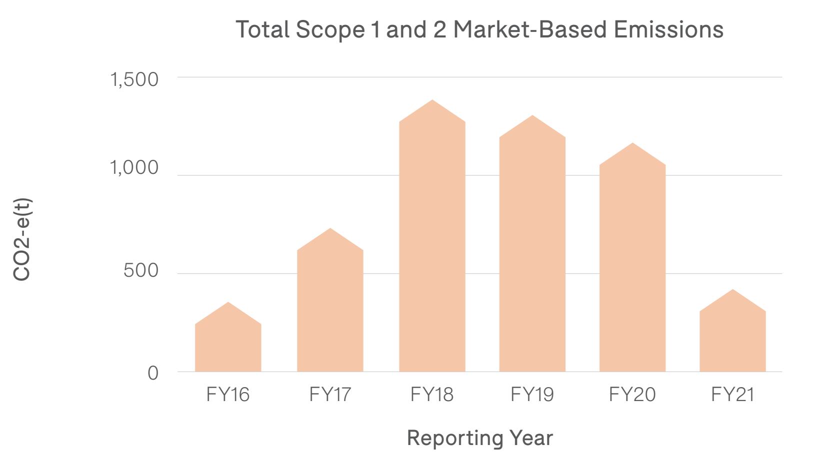


Figure 2: Domain Group GHG Emissions (Scope 1 and 2, market-based)



In FY21, Domain began measuring aspects of Scope 3 emissions for the first time, backdated to FY20. This exercise has given Domain a greater understanding of its environmental impact from energy transmission and business travel, and the Group will continue investigating additional sources of Scope 3 emissions in FY22.

Exposure to environmental risks

Domain is exposed to environmental risks, including increased energy prices and extreme weather events. Information in relation to Domain's exposure to such risks is set out in the Corporate Governance Statement on pages 83-106 of this Annual Report.

Domain, a place to call home

At Domain, we aim to be a home for everyone, where diversity and inclusion are prioritised and we are united by our purpose and values.

We are proud to report the results of our October 2020 employee engagement survey which demonstrate our focus on employees and culture in action – of those who responded:

- 94% rate Domain as a great place to work.
- 84% believe that Domain builds teams of employees that are diverse.
- 81% think our managers provide useful feedback.

Areas of improvement for Domain off the back of this survey include: cross functional collaboration, systems and process, and belief in Domain offering good career opportunities. These are being addressed via the introduction of a cross functional Objective and Key Result (**OKR**) setting process, system changes and ensuring open roles are clearly communicated when they become available.

Our diverse teams ensure that our employees are a reflection of the communities in which we operate. We continue to review our culture, processes and policies to attract and retain great employees who will take Domain forward to deliver on our marketplace strategy.

Wellbeing Month

In September 2020, our Health and Safety Committee and employee People and Culture Committee came together to launch the first 'Domain Wellbeing Month', timing it with R U OK? Day. This initiative offered employees the opportunity to participate in online yoga, meditation sessions and a variety of workshops designed to help manage stress, find work life balance and build on their financial education. The feedback was overwhelmingly positive: in the October 2020 employee engagement survey, 94% of employees responded favourably that Domain cares about their physical and mental wellbeing. These initiatives will continue in FY22.

Investing in and supporting our employees

As we drive forward our ambitious growth strategy, learning and development is a focus area for Domain and a tool for attracting, retaining and investing in our employees.

Our focus on leadership has been well-timed, as our employees have looked for leadership, clarity, direction and greater support through the COVID-19 pandemic.

In FY21 we continued our Leadership Development Programs:

- Our foundational leadership program 'Leading@Domain' was completed by 58 of our leaders in FY21, bringing the coverage to more than 75% of our leaders in total (as at 10 August 2021).
- Our senior leadership program 'Leadership Presence' commenced in June 2020 and 30 of our senior leaders completed the program in FY21.

Beyond leadership, we have introduced new learning and development programs that specifically reflect our hybrid work environment, including providing access to online learning resources (including technology skills and web development learning platforms) and maintaining a Company-wide mentoring program with 60 mentor and mentee matches.

In FY21, we started offering our employees LinkedIn Learning, granting access to over 16,000 courses of varying lengths and disciplines. Since launching during FY21, 1,064 hours of learning have been completed by 514 employees (averaging 2 hours per learner), with 644 course completions.

Inclusion and belonging

Inclusion and belonging is an ongoing commitment we uphold at Domain and we regularly review areas where we can see a need or an opportunity to evolve. We continue to ask employees to complete the online diversity and inclusion compliance training every 12 months.

In FY21, in consultation with employees, we determined the first two employee inclusion plans to be developed as identified in our ESG Plan:

- First Nations.
- Lesbian, gay, bisexual, transgender, queer and intersex and other persons (LGBTQI+).

Our employee inclusion plans were focused on increasing awareness and inclusion across the business of these populations. Our key efforts in FY21 in accordance with these employee inclusion plans included:

First Nations

- We partnered with Reconciliation Australia to develop our first Domain Reflect Reconciliation Action Plan (RAP) which is scheduled to launch in early FY22.
- To mark Reconciliation Week in June 2021, 84 of our employees participated in Aboriginal and Torres Strait Islander cultural experiences across the country. These experiences hosted by local elders and First Nations tour guides gave our employees the opportunity to strengthen their connection to the land, and pay respects to the traditional custodians of the land.
- To celebrate the opening of our new Melbourne office, we engaged the local land council and elders to host a traditional smoking ceremony and a First Nations-owned and operated business to cater the event.

LGBTQI+

'Pride at Domain' is an employee-led diversity network that champions and provides support to those within the business who identify with the LGBTQI+ community which continues to grow from the strong foundations built in FY20 – in FY21:

- The group produced a podcast for IDAHOBIT Day – the International Day Against Homophobia, Biphobia, Interphobia & Transphobia. The podcast featured four brave employees who discussed their own personal experiences around identity and what IDAHOBIT stands for, and was promoted internally and on our Domain LinkedIn account.
- The group also hosted regular 'All Hands' (all Domain employee) meetings to celebrate their successes and to raise awareness and education of issues that the LGBTQI+ community face, and how our employees can become stronger LGBTQI+ allies.
- Domain participated in the Australian Workplace Equality Index (AWEI), a definitive national benchmark on LGBTQI+ workplace inclusion run by Pride in Diversity. The submission process was driven by members of the Pride at Domain group, and proud members of this group attended the AWEI award event in Sydney. The feedback received in the submission process will form the plan for improvement for our FY22 submission.

The next employee inclusion plan to be developed from the ESG plan will be focussed on gender equity. Further information in relation to diversity, inclusion and belonging at Domain, including our measurable objectives for achieving gender diversity, is set out in the Corporate Governance Statement on pages 83-106 of this Annual Report.

The Fairfax Foundation

The Fairfax Foundation, established in 1959 with an independent charter, provides assistance to current and former employees of Nine and associated eligible companies (including Domain) and their dependents through a range of grants and other benefits. Grants have benefited individuals who are in financial hardship, facing significant out of pocket medical expenses or seeking support for education costs or personal development activities.

Supporting our employees through COVID-19

Through the COVID-19 pandemic we have seen our values in action: our employees have 'leapt, and grown' to adapt to the changing working environment, they've also shown great 'passion' to support their peers and in how they approach the task at hand. We couldn't be more proud of our employees during this time.

During this time, the mental health and wellbeing, job security and workplace safety of our employees has remained a top priority. Initiatives we have introduced to support our employees include;

Mental health and wellbeing

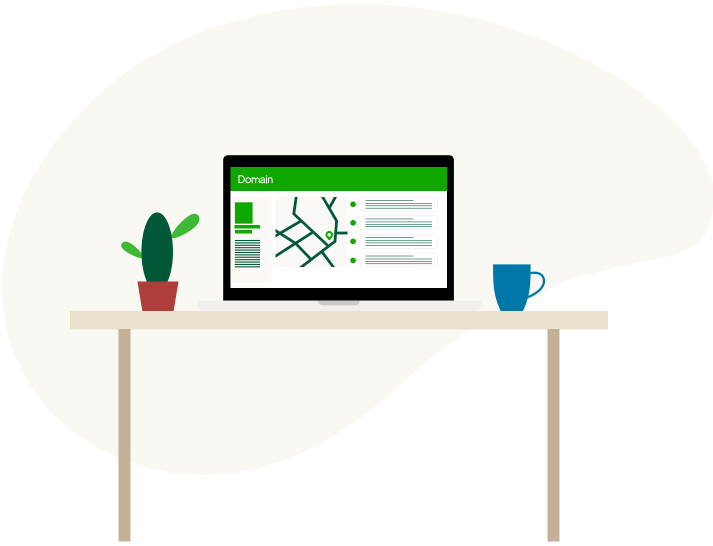
- We provided sessions on coping with stress, managing mental health and mindfulness and cultivating happiness through gratitude.
- We granted employees free access to the Calm sleep and meditation app via our Perkbox subscription.
- We established employee communication channels to share ideas and suggestions for wellbeing.
- During the 2020 lockdowns in Victoria, we provided financial support to employees to nominate if they had children in their care and were provided with a $30 voucher per child that could be spent on anything that would support them through the challenges of remote learning and being in an extended lockdown.
- We provided parents and carers who were required to homeschool their children during lockdowns additional flexibility to manage their work and other commitments.
- We appreciate the impact that the COVID-19 pandemic has had on our employees' mental health, and the reduction in employees' utilising their annual leave to take a break. In an effort to both reduce our leave liabilities and to encourage our employees to take time off, we introduced Domain 'Wellbeing Leave'. This additional leave benefit provides employees with an additional five days of special 'wellness leave' for use in the next financial year, if they have utilised their full annual leave balance in the previous financial year. Since its introduction, we have had 425 employees qualify for the Wellbeing Leave.
- In September 2020, we launched our 'Wellbeing Champions' program under which a group of 19 employees received mental health training and made themselves available to other employees for conversations and mental health support. We are proud to have more employees equipped to identify and support the wellbeing of our employees. This initiative will also continue in FY22.

Job security and support

- Project Zipline was Domain's innovative solution to retain jobs, employee talent and business momentum through the uncertainties caused by COVID-19.

  The optional program applied over a six-month period which concluded in November 2020, and all employees have now returned to their pre-Project Zipline employment terms and conditions. Further information on Project Zipline is set out in the Remuneration Report on pages 51-82 of this Annual Report.

  Domain was recognised with the Best New Employee Share Plan EOA Employee Ownership Award for 2020/2021 for the Project Zipline initiative in conjunction with our partner Link Market Services.
- In FY21 we provided an allowance to new starters to purchase home office equipment, and one to all employees as a contribution to home internet expenses.
- We updated meeting room technology and other communication methods to support seamless hybrid work collaboration.
- We are undertaking a review of our internal technology tools and systems to ensure our employees have access to the information, tools and systems they require in this new hybrid environment.



Workplace Safety

To ensure the safety of our employees, we have adapted our ways of working to reflect local, state and territory health advice regarding social distancing and, at times, isolating and lock-downs. Our business is now highly capable of operating a safe, flexible and remote work environment.

We have introduced a range of measures to maintain a safe working environment for our employees, including:

- Increased communications in the office regarding venue alerts, local restrictions and reminders about hygiene including through a company-wide Slack (chat) channel to keep employees informed of the latest information.
- Changes to our internal events to respect social distancing and virtual attendance.
- Adapted meeting room capacity to accommodate social distancing and virtual/mixed meetings, and installed sanitiser dispensers across all floors and passageways.
- Introducing ergonomic assessments for at-home offices to ensure the physical well-being of employees regardless of where they work.

We will continue to explore how we can make a hybrid work model effective to sustain our culture and outcomes. Our employees have told us that they appreciate a flexible working environment; enjoying the ability to work some of the week from home whilst also valuing the times when they are in the office to reconnect and collaborate with peers in a way that is less feasible with digital and virtual technology.

Attracting and retaining great employees

The employee experience and meaningful work on offer at Domain are increasingly important areas to invest in, in an environment of global talent shortages.

Partnering with Hatch

Domain has partnered with Hatch, a program that pairs employers with university students to give students real, hands-on experience in their field of study. Hatch has been a terrific partner to Domain and has enabled them to fill positions in the business and foster young talent simultaneously.

Recent pairings with Domain have included students in our Design, Commercial, Marketing and Legal teams.

Domain is excited to be a pilot partner in FY22 with Hatch's technology graduate program. This program helps technology talent uncover the best starting point for their careers by undergoing a series of rotating placements at leading employers. These students will join Domain in FY22, and will include product and design graduates.

'Inno Days'

Innovation is inherent in our culture and this shines through in our values Leap Grow Repeat and Open Minds Open Doors. We celebrate innovation through 'Inno Days' which is a multi-day innovation event run by an employee-led committee with Executive support and company-wide participation. The purpose of Inno Days is to give people a break from their day-to-day responsibilities to explore new solutions to a range of ideas, opportunities and problems they've recognised to add value back to our employees, agents, consumers or community.

Inno Days are ordinarily held twice a year. Due to the COVID-19 pandemic, we only held one Inno Day FY21, in December 2020. The theme of 'GoodFun' challenged employees to consider what they could do that was fun, to make the world a better place, while also delivering on our purpose of inspiring confidence for all of life's property decisions. The event saw 27 ideas submitted with many of these being explored for implementation.

Policies that reflect today

In FY21, we made updates to a range of policies to reflect the needs of our business, employees and expectations of the community.

Changes were made to our Code of Conduct, Work Health and Safety Statement, Environment Statement, Harassment, Discrimination and Bullying Policy, and our Inclusion and Belonging Commitment Statement (our diversity policy) to improve and clarify their operation. Copies of these policies are available at the Domain's Shareholder Centre website at shareholders.domain.com.au.

In addition, changes were made to our Capability Development Guidelines, which assist our employees to plan their career development and also outlines flexible working and formal study processes.

Our Human Rights Policy, Anti-Bribery & Corruption Policy, Speak Up Policy (our whistleblower policy) and Supplier Code of Conduct remain up to date. Copies of these policies are also available at Domain's Shareholder Centre website at shareholders.domain.com.au.

Domain's approach to modern slavery is addressed in its Modern Slavery Statement which is available at Domain's Sustainability website at sustainability.domain.com.au.

Health, Safety and Environment

We take safety seriously and have been further developing our Health, Safety & Environment (**HSE**) management and reporting system. The system means that we are able to track risk management processes and emergency preparedness in real time as well as providing additional training. This has included updated sessions for our Fire Wardens and risk assessments being undertaken.

We are proud to state that our lost time injury frequency rate for FY21 was zero which is the same as FY20.

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Delivering innovation and support to agents and consumers

We value the relationship we have with agents and consumers and continuously explore how we can add greater value to them and deliver on our purpose: inspiring confidence for all of life's property decisions.

Through our data, insights, relationships and digital marketplaces, we have delivered a range of solutions and information to our agents and consumers to help inspire confidence for all of their property decisions no matter where they are in the journey or their role in the industry.

Supporting agents and consumers through COVID-19

Like the later part of FY20, FY21 saw unprecedented restrictions placed on the real estate industry compounding the stress in what is already an extremely competitive and unpredictable work environment.

Domain initiatives to support the real estate industry during these challenging times included:

- In response to a Domain initiated survey that highlighted stress and mental wellness issues for real estate agents, Domain extended the provision of our Employee Assistance Program (EAP) to agents.

  With many agents operating independently or within small businesses they often have limited access to tools available to provide the necessary mental wellness to support the stress that agents feel from working in a high pressure environment. Domain has been privileged to extend our resources where possible to support agents.
- We partnered with RISE on the development of the Real Care app – a free mental health and wellness app specially designed by the real estate industry. Domain has been a long-time partner of RISE, an organisation that works to improve and grow the real estate industry towards rounded human relationships that support wellness, mindfulness and performance, great service for our clients and better outcomes for our teams, our families and ourselves.

Domain's support to the real estate industry has seen Domain be recognised as a finalist in the 2021 Corporate Kindness Awards (Customers category).

For property seekers, owners and sellers, our 'A guide to the Australian property market during COVID-19', originally published in April 2020, continued to see strong traction from audiences in FY21 as buyers, sellers and renters navigated the shifting property market during the ongoing COVID-19 pandemic.

Adding value by bringing digital solutions to the property journey

Domain's evolution to a marketplace model is designed to make our solutions work better together, and to expand the addressable markets for our services. This cohesive ecosystem of services means that we can support agents and consumers at more points of their property journeys, and fulfil Domain's purpose to inspire confidence for all of life's property decisions.

Creating valuable new solutions for agents, consumers and corporates supports additional growth opportunities, while at the same time strengthening the value of our core listings business. This in turn delivers value for our shareholders, and ensures the financial sustainability of our business.

Delivering technology solutions to agents

Domain has a suite of agent solutions designed to improve transparency in agent/consumer interactions, improve operating efficiencies for agents and agencies, and reduce the time it takes for agents to carry out many administrative tasks.

Through our experience in building, partnering and buying digital solutions to support the agent journey we are well positioned to continue to add value back to the industry and build on the financial sustainability of our business.

Supporting Australians at every stage of their property journey

To fulfil our purpose of inspiring confidence for all of life's property decisions, Domain launched a series of articles and videos that tell stories of how different Australians have made their property dreams come true.

From the couple who sold up their Bondi apartment to buy acreage on the Sunshine Coast, to the first-home buyer whose COVID-19-interrupted travel plans meant she had the funds needed to purchase a new apartment. These stories inspire Australians who had been thinking about making a move to see the possibilities in their own life.

- In FY21, the Domain Content and Publishing teams published over 2,800 pieces of news, advice and lifestyle focused content aimed at supporting Australians on their property journey, no matter what stage they are at.

Making a positive impact to our communities

We're committed to making a difference to the communities in which we operate and have chosen to focus our efforts through a national charity partnership with OzHarvest, Australia's leading food rescue organisation which continued through FY21.

Our new Volunteering Guidelines offer employees the opportunity to spend up to 4 days a year volunteering at a recognised charity of their choice.

- Since the launch of our guidelines in May 2021, our employees have participated in around 200 hours of volunteering.

OzHarvest, our National Charity Partner

OzHarvest collects quality excess food from commercial outlets and delivers it to more than 1,300 charities.

We are proud of the contribution we have made to OzHarvest and exceptionally grateful to OzHarvest for the value they've added to our business through our collaborative initiatives.

Highlights of our partnership include;

- Domain has committed to raise a total of $100,000 for OzHarvest for the calendar year of 2021 and we are on track to achieve this.
- We have made a one-off Domain donation of $50,000, supported by an additional $200 for each employee that volunteered as a van assistant in order to help reach our fundraising target. In addition, as at 30 June 2021 employees had raised a further $26,572 via employee initiatives.
- We have seen strong participation in our national charity partnership from Domain employees, who have taken up volunteering opportunities with OzHarvest from collecting and distributing food waste as van assistants, to packing hampers and 'Cooking for a Cause' in the OzHarvest headquarters.
- In July 2020, Domain employees were encouraged to donate to OzHarvest and if milestones were met the Chief Financial Officer offered to shave his head and a Product Design Manager and Organisational Capability Lead offered to shave their beards off. A total of $20,321 was raised and all three undertook their respective tasks as the milestones were met.
- Our employee fundraising efforts also included breakfasts, morning teas, a Persian BBQ, footy tipping competitions, running challenges and local fundraising in each of our offices.

Domain staff giving back to their communities

Our employees are passionate about giving back to their communities and this is reflected in the broad range of community support they participated in over FY21. Domain employees are located across Australia and we are proud of the impact they have made in their local communities.

All of our over 770 employees are provided the time and opportunity to be involved in initiatives and groups about which they are passionate.

Highlights include:

- Whole blood and plasma group donations 2020.
- Dry July 2020 for the Dry July Foundation.
- St John's Care Christmas Appeal 2020 – donation of toys and hamper items.
- International Women's Day 2021 – donation of women's clothing, manchester, homewares, etc to women's shelters.
- Australia's Biggest Morning Tea 2021 – Cancer Council.

Domain is a FTSE4Good Index Series Constituent

FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that Domain Holdings Australia Limited has been independently assessed according to the FTSE4Good criteria, and has satisfied the requirements to become a constituent of the FTSE4Good Index Series. Created by the global index provider FTSE Russell, the FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong ESG practices.

The FTSE4Good indices are used by a wide variety of market participants to create and assess responsible investment funds and other products.

Helping bushfire affected communities get up and running

As a leading property marketplace in Australia, we were particularly saddened by the impact of the 2019/2020 Australian bushfire disaster. In response to the disaster we introduced the 'Domain Stays' campaign which gave our employees an additional day of leave to visit a community impacted by these fires.

The campaign was designed to encourage employees to spend money to aid the rebuild and recovery of affected areas, and was extended to 30 June 2021 to account for COVID-19-related travel restrictions across the country.

Over the duration of the program our employees took a total of 244 days leave to visit and support these communities.

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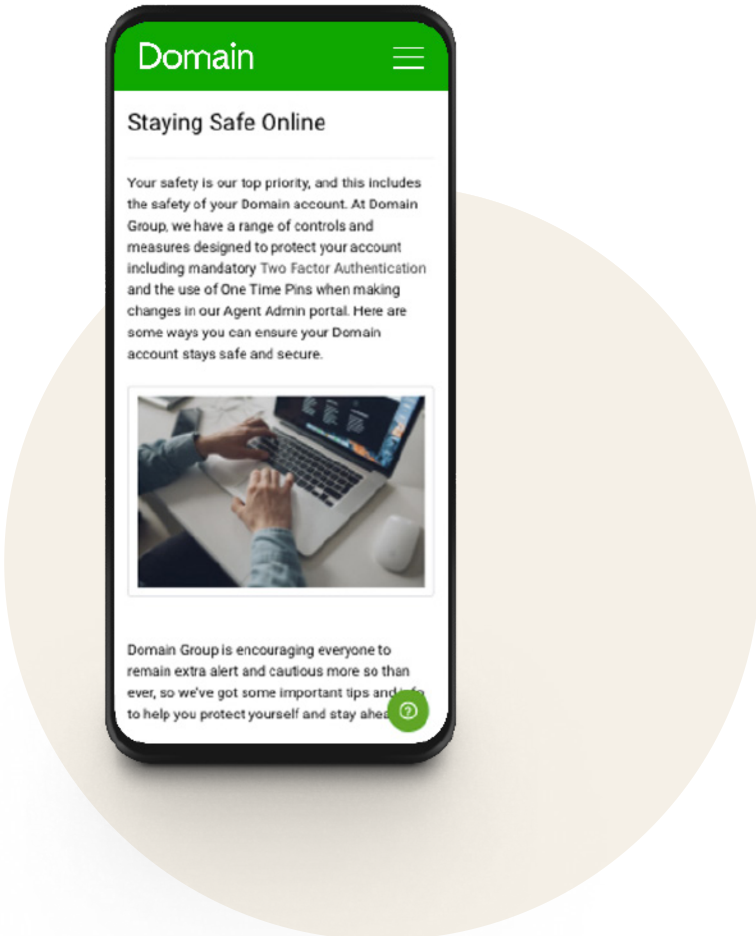
Protecting your data

Domain's purpose of inspiring confidence for all of life's property decisions goes hand in hand with our need to build a high level of digital trust within our organisation and for agents and consumers.

In order to manage and protect our data assets, we have appointed a Data Governance Lead who has established a Data Governance framework, which includes our Data Governance Council and Data Forum. These two channels create alignment across the organisation when it comes to managing and securing our data. This ensures the data strategy and data initiatives align with Domain business plans, technology roadmaps and operating models.

Furthermore, Data Governance policies and processes around why data behaviours are important have been created and implemented across Domain. Data principles, data onboarding, data sharing and metadata guidelines are some of the key items that have been addressed to provide clarity on appropriate data handling for each data lifecycle stage – having these step by step guidelines allow us to build data literacy/culture and reduce data privacy and security risks from conception through to implementation.



Other key items in Data Governance are the creation of the Data Catalogue and Access Control Template. These artefacts catalogue and collate information about our data environments, who owns them and where they reside. This includes flagging personally identifiable information (PII), data classification and data retention. This is a pivotal step towards capturing the Domain Data Universe, its lineage, ownership and the requirements of regulation and law in relation to data management.

Data Governance long-term outcomes include:

- The business understands their role in Data Governance.
- Data risks and opportunities are proactively managed and not reactively discovered.
- Data Governance activities are embedded into the routine.

Data security and privacy were deemed to be of high importance and high impact for the business in our ESG risk assessment. We continue to conduct periodic testing on our systems, and assess new vendors to combat cyber security risks. All of these initiatives are designed to ensure that the data we hold is and remains secure.

Contents

Directors' Report

Directors' Report

The Board of Directors of Domain Holdings Australia Limited (**Company** or **Domain**) presents its report (**Directors' Report**) together with the financial report and the auditor's report thereon.

For the purposes of section 299(2) and 299A(2) of the *Corporations Act 2001* (Cth), the entity reported on is the **Domain Group**, being the consolidated entity comprised of the Company and its controlled entities, for the period from 1 July 2020 to 30 June 2021 (**FY21**).

This Directors' Report is made on 17 August 2021.

Directors

The Directors of the Company during FY21 and the period from 1 July 2021 to the date of this Directors' Report and any special responsibilities held by those Directors are detailed below.

All of the persons listed below served as Directors for all of FY21 and the period from 1 July 2021 to the date of this Directors' Report, other than Hugh Marks (who served as a Director from 1 July 2020 to 31 March 2021) and Mike Sneesby (who has served as a Director from 21 April 2021 to the date of this Directors' Report).

Nick Falloon
Non-Executive Director and Chairman
Appointed 16 November 2017
Committee Membership: Audit and Risk Committee, Nomination Committee, People and Culture Committee

Diana Eilert
Non-Executive Independent Director and Chair of People and Culture Committee
Appointed 16 November 2017
Committee Membership: Audit and Risk Committee, Nomination Committee, People and Culture Committee

Greg Ellis
Non-Executive Independent Director
Appointed 16 November 2017

Geoff Kleemann
Non-Executive Independent Director and Chair of Audit and Risk Committee
Appointed 16 November 2017
Committee Membership: Audit and Risk Committee, Nomination Committee, People and Culture Committee

Jason Pellegrino
Managing Director and Chief Executive Officer
Appointed 27 August 2018

Mike Sneesby
Non-Executive Director
Appointed 21 April 2021

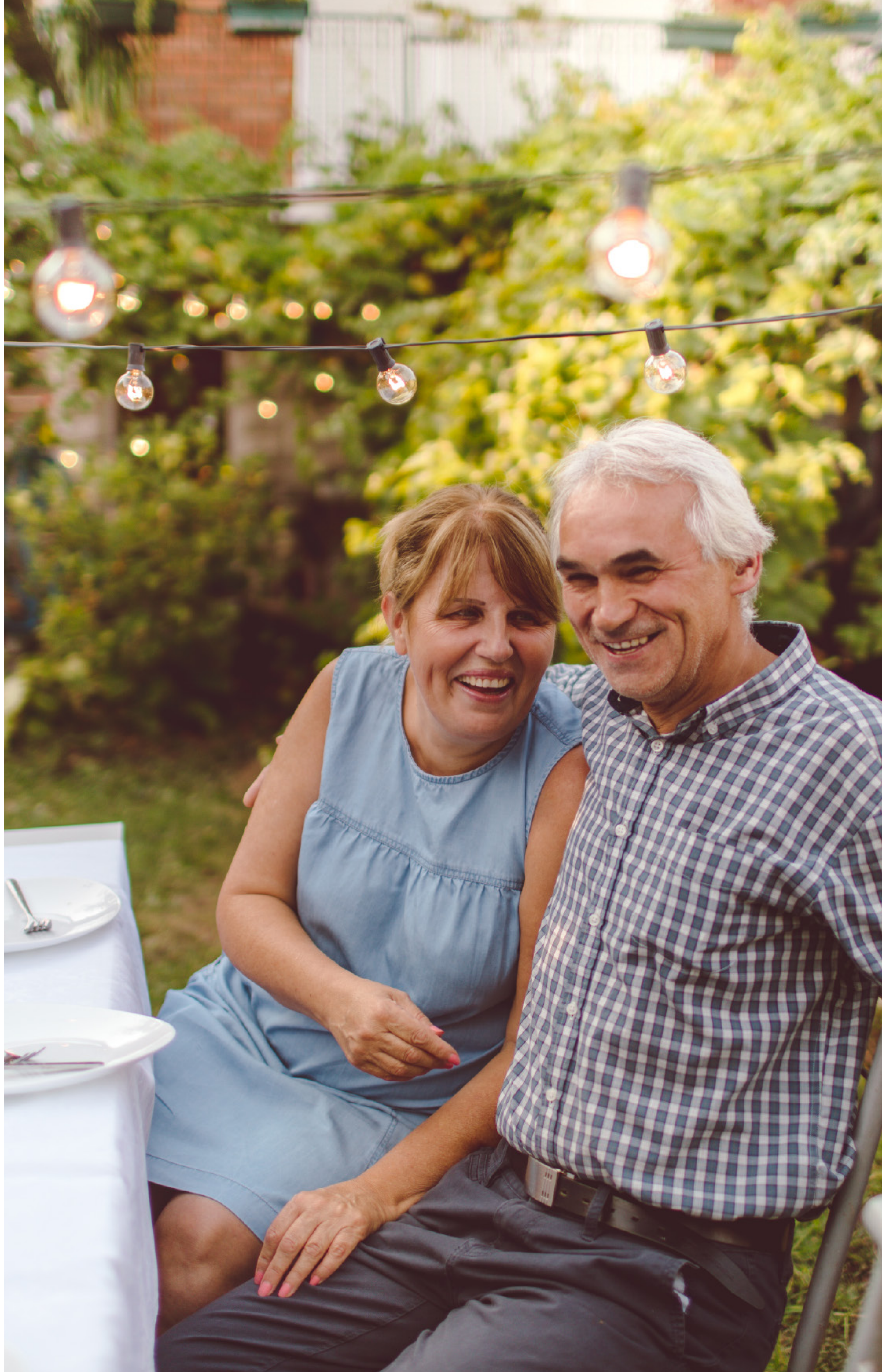
Lizzie Young
Non-Executive Director
Appointed 1 February 2020

Hugh Marks
Non-Executive Director
Appointed 1 February 2020
Resigned 31 March 2021

A profile of each Director holding office at the date of this Directors' Report is set out below in 'Director Profiles'.

As noted above, Hugh Marks ceased to be a Director during FY21. Details of his qualifications and experience are set out in the Company's previous annual report.

Company Secretary
Catriona McGregor is Group General Counsel and Company Secretary of Domain. She is responsible for legal and regulatory matters across the Domain Group. She is also Domain's Privacy Officer. Catriona has a Bachelor of Laws with Honours and a Diploma in Legal Practice from the University of Glasgow, Scotland and she has also studied law at the University of Tilburg in the Netherlands and the University of Sydney. She is dual-qualified as a solicitor in the UK and NSW and is admitted to the Supreme Court of New South Wales. In addition, she is a graduate of the Australian Institute of Company Directors and is accredited by the Association of Corporate Counsel Australia.



Director Profiles

Nick Falloon

Chairman

Nick Falloon is the Chairman of Domain. He was previously Chairman of Fairfax Media Limited and became Deputy Chairman of Nine Entertainment Co. Holdings Limited (**Nine**) on 7 December 2018 following the merger between Nine and Fairfax in 2018. He has 30 years' experience in the media industry, including 19 years working for the Packer-owned media interests from 1982 until 2001.

Nick Falloon served as Chief Executive Officer of Publishing and Broadcasting Limited (**PBL**) from 1998 to 2001 and before that as Chief Executive Officer of PBL Enterprises and Group Financial Director of PBL. This experience provided a strong background in television, pay TV, magazines, radio and the internet. From 2002, he spent nine years as Executive Chairman and CEO of Ten Network Holdings.

Nick Falloon holds a Bachelor of Management Studies (BMS) from Waikato University in New Zealand.

Diana Eilert

Independent Non-Executive Director

Diana Eilert is currently a Non-Executive Director of ASX-listed companies Keypath Education International Inc. (appointed May 2021) and Elders Limited (appointed November 2017). She is also a member of the Australian Competition Tribunal and has previously been a Non-Executive Director of Super Retail Group Limited (October 2015 to January 2021) and Navitas Limited (July 2014 to July 2019).

Diana has extensive experience as an ASX director, having held roles as a non-executive director, Board Chair, Committee Chair, CEO or Group executive of more than 10 listed entities during her career. With an Executive career spanning more than 25 years, Diana's experience include large operational and profit centre roles such as Group Executive for Suncorp's entire insurance business, subsequently Group Executive for Technology, People and Marketing and various profit centre and operational roles during 10 years with Citibank.

Diana's strategy skills were developed in positions including Head of Strategy and Corporate Development for News Limited, as a Principal with Kearney and as a Partner with IBM.

Diana Eilert holds a Bachelor of Science (Pure Mathematics) from The University of Sydney and a Master of Commerce from The University of New South Wales.

Greg Ellis

Independent Non-Executive Director

Greg Ellis has been involved in the digital sector for the past 20 years. During that time he has held a variety of senior executive roles in Australia and overseas.

In September 2019 he commenced as Chief Executive Officer of online business management solutions business, MYOB.

Previously he was the Chief Executive Officer of Scout24, a Frankfurt Stock Exchange listed online classifieds business from April 2014 until December 2018, and Chief Executive Officer and Managing Director of REA Group Ltd from 2008 to 2014. He was previously a Non-Executive Director of Sportsbet Pty Ltd.

Greg Ellis holds a Bachelor of Business Management from Queensland University of Technology.

Director Profiles

Geoff Kleemann

Independent Non-Executive Director

Geoff Kleemann commenced his career at Deloitte, and subsequently completed approximately 20 years as a senior executive in a listed environment, as Chief Financial Officer for Crown Limited, Publishing and Broadcasting Limited, Woolworths Limited and Pioneer International Limited. He is currently a Non-Executive Director of Bid Energy Limited (appointed September 2019).

He was previously Non-Executive Director and chair of the Audit Committee of Asciano Limited from 2009 to 2016, and Non-Executive Director and Chair of the Audit Committee of Broadspectrum Limited from 2014 to 2016. He was also a Non-Executive Director of Investa Listed Funds Management Limited, the responsible entity for Investa Office Fund, from 2016 to 2018 and the NSW Telco Authority until May 2020.

Geoff Kleemann is a member of the Institute of Chartered Accountants.

Jason Pellegrino

Managing Director and Chief Executive Officer

Jason Pellegrino joined Domain as Managing Director and Chief Executive Officer in August 2018.

He was previously Google's Managing Director Australia and New Zealand and a member of the Asia-Pacific regional leadership team. He joined Google in 2008 and held leadership positions including Managing Director of Asia-Pacific Sales Operations & Strategy, Sales Director, Australia, and Head of Sales and Operations and Strategy for Google's Australia & New Zealand business.

Prior to Google, Jason Pellegrino worked in several roles over 15 years spanning corporate strategy, mergers and acquisitions and finance at Dakota Capital Partners, LEK Consulting, PepsiCo International and KPMG.

He holds a Bachelor of Commerce degree from the University of Wollongong and an MBA from London Business School.

Mike Sneesby

Non-Executive Director

Mike Sneesby joined the Board on 21 April 2021. He has been the Managing Director and CEO of Nine since 1 April 2021.

Prior to becoming CEO of Nine, Mike was the CEO of Nine subsidiary Stan – Australia's leading local streaming service, and was formerly the CEO of the Microsoft/Nine Entertainment ecommerce joint venture, Cudo, up until its sale in 2013. Prior to that, Mike set up the invision IPTV service in Dubai as Vice President of IPTV for the Saudi Telecom/Astro Malaysia joint venture Intigral. Before joining Intigral, Mr Sneesby held senior executive roles with ninemsn and Optus.

Mike spent his earlier career in leadership and consulting positions gaining broad experience in digital media, technology and telecommunications in Australia, Asia and the USA.

He holds an Honours Degree in Electrical Engineering and an MBA from the Macquarie Graduate School of Management.

Lizzie Young

Non-Executive Director

Lizzie Young joined the Board on 1 February 2020. She is currently the Managing Director – Group Marketing and Local Markets at Nine, a role she has held since 2019.

Prior to her appointment she held various roles at Nine, including Director of Powered and more recently, Group Content Strategy Director and Managing Director – Commercial Partnerships.

Lizzie Young has executive responsibility for all marketing activity across the Nine group, is responsible for managing key partnerships and leads Nine's team of state based Managing Directors.

She has had a longstanding media career in television, radio and digital that includes production, integrated sales, commercial and marketing in Australia and abroad.

Lizzie Young holds a Bachelor of Arts, Journalism Degree from the University of Queensland. In 2015, she won the B&T Magazine Women in Media Award for the sales category.

Directors' Report

Meetings of Board of Directors and Board Committees

The table below shows the number of Board and Committee meetings held during the financial year and the number attended by each Director or Committee member.

	Meetings							
	Board meetings		Audit and Risk Committee meetings		Nomination Committee meetings		People and Culture Committee meetings	
	No. Held *	No. Attended	No. Held *	No. Attended	No. Held *	No. Attended	No. Held *	No. Attended
Nick Falloon	8	8	4	4	2	2	4	4
Diana Eilert	8	8	4	4	2	2	4	4
Greg Ellis	8	8	N/A	1**	N/A	-	N/A	1**
Geoff Kleemann	8	8	4	4	2	2	4	4
Hugh Marks	5	5	N/A	2**	N/A	-	N/A	1**
Jason Pellegrino	8	8	N/A	4**	N/A	1**	N/A	4**
Mike Sneesby	3	3	N/A	1**	N/A	-	N/A	-
Lizzie Young	8	8	N/A	4**	N/A	1**	N/A	4**

N/A Indicates that a Director is not a member of the relevant Committee.

– Indicates a Director did not attend the relevant meeting.

* The number of meetings held refers to the number of meetings held while the Director was a member of the Board or Committee.

** Several Directors attend meetings as an invitee of the Committee, rather than as a member.

Corporate Structure

Domain is a public company limited by shares that is incorporated and domiciled in Australia.

Principal Activities

Domain is an online property marketplace that provides a range of solutions, services and data to consumers, agents and other stakeholders with an interest in the Australian commercial and residential property markets.

For consumers, Domain is a leading destination to search for properties to rent or buy offering a seamless experience across web and mobile. Domain also provides residential and commercial property marketing services via social media and print magazines. Domain supports consumers in their property journey with quality content, advice and insights to inspire confidence for their decisions. In recent years, Domain has expanded to offer Domain for Owners which gives owners greater tools, services and insights regarding financing and management of their home.

For agents, Domain provides an increasing suite of connected solutions to generate leads and drive efficiencies in their workflow alongside marketing solutions for their customers, the vendors. Through innovating, partnering and buying technology, combined with leveraging the power of its data and products being used together, Domain is enhancing the quality and breadth of agent solutions it offers.

Domain offers services and solutions to consumers and agents at different points of the property lifecycle, including home loan and insurance brokerage, flexible payment solutions and residential utilities generation.

Domain has the one of the largest portfolios of property technology brands in Australia under one roof, which makes it well placed to continue to innovate and add value to agents, developers and the property industry.

More recently, Domain has progressed its property data solutions capabilities. Currently, Domain supplies a range of data services to financial institutions, governments and industry bodies. Domain is working to make property data solutions available to an even wider set of stakeholders.

Review of Operations

Statutory revenue for the Domain Group for FY21 was higher than the prior year at $294.2 million (FY20: $280.4 million). After adjusting for significant items of $3.6 million expense (FY20 restated: $250.6 million expense) the Domain Group generated a net profit after tax attributable to members of $37.9 million (FY20 profit restated: $23.4 million), and earnings per share were 6.48 cents (FY20 restated: 4.02 cents).

In FY21, the Domain Group did not dispose of any long term assets which would be recognised as disposals, and accordingly the FY21 results have not been adjusted for disposals. In FY20, after further adjusting for disposals of $(0.7) million, the Domain Group generated a net profit after tax attributable to members of $22.8 million (FY20 restated) and earnings per share were 3.90 cents (FY20 restated) .

In the above paragraph, the amounts listed as 'FY20 restated' do not correspond to the Domain Group's financial report for FY20. During FY21, there was a change to a significant accounting policy in relation to 'Software as a Service' (SaaS) arrangements applicable to the Domain Group. The adoption of this changed policy resulted in a reclassification of SaaS assets to expenses which affected the Domain Group's financial statements both for FY21 and FY20. As a result, financial information for FY20 has been restated in the Domain Group's FY21 Financial Report to account for the impact of the change in accounting policy. Details of this change and restated financial information for FY20 is set out in Note 1(B)(v) to the Financial Report on page 121 of this Annual Report.

Further information in relation to the Domain Group's performance in FY21 is provided in the Management Discussion and Analysis Report on pages 107-112 of this Annual Report.

Significant Changes in the State of Affairs

Significant changes in the state of affairs of the consolidated entity during FY21 were as follows:

- On 9 March 2021, the Company announced it had cancelled the additional $80 million debt facility it had arranged with the Company's banking Group in April 2020 as part of its response to the COVID-19 pandemic. Ongoing improvements in market conditions during the year meant the Company was not required to draw down on the facility and it was consequently cancelled.
- On 26 March 2021, Hugh Marks resigned as a Non-independent Director.
- On 21 April 2021, Mike Sneesby was appointed as a Non-independent Director.

Consolidated Result

The statutory profit attributable to the members of the Company for FY21 was $34.3 million (FY20 restated: loss $227.2 million).

Dividends and Distributions

No dividends or distributions were declared or paid during FY21.

Since the end of FY21, the Directors have resolved to declare a final dividend of 4 cents per fully paid ordinary share, 100% franked at the corporate tax rate of 30%. Further information is set out in Note 15(B) to the Financial Report on page 149 of this Annual Report.

Events Subsequent to Reporting Date

On 16 August 2021, the Board made the decision to repay grants of $6.5m received in FY21 from the Federal Government's JobKeeper scheme. This will impact the Domain Group's results in FY22 by reducing EBITDA by $5.7 million (this impact will exclude $0.8 million transferred to capitalised labour costs).

There are no other matters or circumstances that have arisen since the end of FY21 and the date of this Directors' Report that have significantly affected or may significantly affect the Domain Group's operations in future financial years, the results of those operations in future financial years or the consolidated entity's operations in future financial years.

Likely Developments and Expected Results, Business Strategies and Prospects

The Domain Group's prospects and strategic direction are discussed in the Management Discussion and Analysis Report on pages 107-112 of this Annual Report.

Further information about likely developments in the operations of the Domain Group in future financial years and the expected results of those operations, and business strategies and prospects for future years of the Domain Group, have not been included in this Directors' Report because they are commercially confidential and disclosure of the information would be likely to result in unreasonable prejudice to the Domain Group or any entity that is part of the Domain Group.

Environmental Regulation and Performance

The Domain Group takes seriously its responsibility to care for and protect the environment in which it operates.

In FY21, Domain has not received or been subject to any environmental breach notice, improvement notice, fine or non-compliance notice from any regulatory bodies and, based on reasonable enquiries, the Board is not aware of any significant environmental breaches as a result of business operations.

Whilst Domain's business is subject to environmental laws generally, the operations of the Domain Group are not subject to any particular and significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Remuneration Report

A Remuneration Report is set out on pages 51-82 of this Annual Report and forms part of this Directors' Report.

Directors' Interests

The relevant interests of each Director in the equity of the Company and related bodies corporate as at the date of this Directors' Report are disclosed in the Remuneration Report on pages 51-82 of this Annual Report.

Indemnification and Insurance of Officers

The Directors and any alternate directors or executive officers (as defined by the Constitution of the Company), and such other officers or former officers of the Company or its related bodies corporate as the Directors determine, are entitled to receive the benefit of an indemnity contained in the Constitution of the Company to the extent allowed by the *Corporations Act 2001* (Cth), including against liabilities incurred by them in their respective capacities in successfully defending proceedings against them.

During FY21 and the period from 1 July 2021 to the date of this Directors' Report, the Company has paid premiums under contracts insuring the Directors and officers of the Company and its controlled entities against liability incurred in that capacity to the extent allowed by the *Corporations Act 2001* (Cth). The terms of the policies prohibit disclosure of the details of the liability and the premium paid.

Each Director has entered into a Deed of Access, Disclosure, Insurance and Indemnity which provides for indemnity by the Company against liability as a Director to the extent allowed by the law.

No indemnification payment has been made to a current or former officer during FY21 or the period from 1 July 2021 to the date of this Directors' Report.

Indemnification of Auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No indemnification payment has been made to Ernst & Young during FY21 or the period from 1 July 2021 to the date of this Directors' Report.

The Company has not paid or agreed to pay premiums under contracts insuring its auditors.

No Officers are Former Auditors

No officer of the Company has been a partner in an audit firm or a director of an audit company that is the auditor of the Domain Group and was such a partner or director at a time when the audit firm or the audit company undertook an audit of the Domain Group.

No Individual or Registered Company Auditor plays Significant Role under Corporations Act Approvals or Declarations

No individual plays a significant role in the audit of the Company for FY21 in reliance on an approval granted under section 324DAA of the *Corporations Act 2001* (Cth).

No registered company auditor plays a significant role in the audit of the Company for FY21 in reliance on a declaration made under section 342A of the *Corporations Act 2001* (Cth).

Non-audit Services

Under its Charter of Audit Independence (as set out in Attachment 3 to the Charter of the Audit and Risk Committee, available at Domain's Shareholder Centre website at shareholders.domain.com.au), the Company may employ the auditor to provide services additional to statutory audit duties, including where:

- The existing knowledge of the auditor brings insight and synergy to Domain without impacting the actual or perceived independence of the auditor; or
- The type of work performed and the fees for services do not impact on the actual or perceived independence of the auditor.

Details of the amounts paid or payable to the auditor, Ernst & Young, for non-audit services provided during the financial year are set out below. Details of amounts paid or payable for audit services are set out in Note 22 to the Financial Report on page 163 of this Annual Report.

The Board of Directors has received advice from the Audit and Risk Committee and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001* (Cth). This is because the Committee considers that none of the services undermine the general principles relating to auditor independence and have not given rise to a loss of objectivity by the auditors. The services that were provided are deemed to fall into Category A (as set out in the Charter of Audit Independence), being services where the existing knowledge of the auditor brings insight and synergy to Domain without impacting the actual or perceived independence of the auditor.

A copy of the auditor's independence declaration under section 307C of the *Corporations Act 2001* (Cth) follows this Directors' Report.

During FY21, Ernst & Young received or were due to receive the following amounts for the provision of non-audit services:

Audits (other than of Domain's financial statements), other assurance services required by contract or regulatory or other bodies and agreed-upon procedures reports:

- Australia $27,560 (FY20: $4,160).

Non-assurance services:

- Australia $18,025 (FY20: $nil).

These amounts were paid or payable by the Company.

Section 237 of the Corporations Act

There have been no applications for leave under section 237 of the *Corporations Act 2001* (Cth) made in respect of the Company.

There are no proceedings that a person has brought or intervened in on behalf of the Company with leave under section 237 of the *Corporations Act 2001* (Cth).

Rounding

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in this Directors' Report. Amounts contained in this Directors' Report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Signed on behalf of the Directors in accordance with a resolution of the Directors.

Nick Falloon
Chairman

17 August 2021

Auditor's Independence Declaration

Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

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Fax: +61 2 9248 5959
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Building a better working world

Auditor's independence declaration to the directors of Domain Holdings Australia Limited

As lead auditor for the audit of the financial report of Domain Holdings Australia Limited for the financial year ended 30 June 2021, I declare 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 audit; and

b. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Domain Holdings Australia Limited and the entities it controlled during the financial year.

Ernst & Young

Jodie Inglis
Partner
17 August 2021

Remuneration Report

Remuneration Report

Dear fellow shareholders,

Domain has faced another challenging year with a buoyant real estate market but a significant shortage of listings. Throughout this time our leadership team has continued to deliver the elements of our long-term strategy whilst exceeding financial targets set by your Board.

Remuneration Outcomes

The remuneration structure awards short and long-term incentives to Domain's executive key management personnel (**Executive KMP**), being the CEO and CFO.

Domain's Executive KMP are eligible for short- term incentives under Domain's Executive Incentive Plan (**EIP**) based on a mix of financial and personal performance measures. There were two changes to the EIP construct in FY21. Further details are set out in this remuneration report.

The FY21 EIP financial targets were set in the midst of lockdown and the Board adjusted these upwards. With strong financial performance in FY21 both financial performance measures – Domain Group EBITDA and Revenue – achieved maximum payout. Personal performance was assessed and substantially achieved.

Domain's Executive KMP are eligible for long-term incentives which have a three-year performance period. The FY19 Long Term Incentive (**FY19 LTI**) awards, which were awarded as options, were tested for vesting (or lapsing) at the conclusion of FY21, the end of their three-year performance period. The Executive KMP received a total of 59.26% of the maximum possible benefits under the FY19 LTI. The remainder of the FY19 LTI options lapsed.

For the FY21 LTI plan the incentive instrument moved from Options to Performance Rights with any vesting of the FY21 LTI to be assessed equally against Relative Total Shareholder Return (**rTSR**) against a defined comparator group and Compound Annual Growth Rate (**CAGR**) of EBITDA over a three-year period. Further details are set out in this remuneration report.

Changes to Remuneration in FY22

Short Term Incentives

We are moving toward increasing the maximum achievement for the financial performance measures from Target +5% to Target +15%. This will provide further stretch opportunity to deliver both Domain Group Revenue and EBITDA.

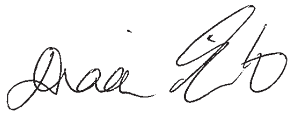
Executive KMP Remuneration

A review of Executive KMP remuneration will be undertaken in FY22 to ensure we continue to be competitive in the external market.

On behalf of the Board, I would like to thank the leaders at Domain for their strong and courageous leadership, and our people for their commitment – regardless of circumstance – to continue driving long-term performance for shareholders.

We look forward to your continued support.

Yours sincerely



Diana Eilert
Chair of the People and Culture Committee

The Remuneration Report contains the following sections:

1. Introduction
2. People and Culture Committee
3. Key Management Personnel (KMP)
4. COVID-19: Project Zipline – Voluntary Employee and Director Program
5. Remuneration Principles and Framework
6. Linking Executive Remuneration to Performance
7. Financial Performance Measures
8. Short Term Incentives: FY21 EIP
9. Long Term Incentives
10. Executive Remuneration Table for FY21
11. Executive Service Agreements
12. Executive Shareholdings
13. Remuneration of Non-Executive Directors
14. Additional Information

Remuneration Report

Audited

1. Introduction

This report (**Remuneration Report**) forms part of the Directors' Report and is the Remuneration Report of Domain Holdings Australia Limited (**Company** or **Domain**) and has been audited in accordance with section 300A of the *Corporations Act 2001* (Cth).

In this Remuneration Report, the **Domain Group** is the consolidated entity of the Company and its controlled entities.

This Remuneration Report sets out the Company's remuneration arrangements for key management personnel (**KMP**) in accordance with the requirements of the *Corporations Act 2001* (Cth) and its subordinate regulations.

2. People and Culture Committee

The Domain People and Culture Committee has oversight of the remuneration and employment terms of KMP and the senior management team that reports to the CEO (the **Executive Leadership Team**).

The remuneration governance principles of the People and Culture Committee are:

- To ensure the Company's remuneration structures are equitable and aligned with the long-term interests of the Company and its shareholders and follow relevant Company policies;
- To attract and retain skilled executives;
- To structure short and long-term incentives that are challenging and linked to the creation of sustainable shareholder returns;
- To ensure any termination benefits are justified and appropriate;
- To ensure that in the discharge of the People and Culture Committee's responsibilities, no senior leader is directly involved in determining their own remuneration; and
- To have regard to all legal and regulatory requirements, including any necessary shareholder approvals.

In regard to remuneration, the People and Culture Committee approves major changes and developments in the remuneration policies, superannuation arrangements, personnel practices, and industrial relations strategies for the Company. The People and Culture Committee's activities to this end include:

- Reviewing and recommending to the Board employment and retention arrangements for the CEO and the Executive Leadership Team, including contract terms, annual remuneration and participation in the Company's short and long-term incentive plans;
- Reviewing and approving the short and long-term incentive performance targets and bonus payments for the CEO and the senior management reporting directly to the CEO;
- Overseeing the operation of employee equity incentive plans, including reviewing and recommending to the Board major changes and developments in relation to the plans;
- Reviewing and recommending to the Board the remuneration arrangements for the Non-Executive Directors, including fees and any other benefits;
- Approving the appointment of remuneration consultants for the purposes of the *Corporations Act 2001* (Cth); and
- Monitoring and reviewing the Company's employee relations strategy including compliance with awards and agreements.

The members of the People and Culture Committee during FY21 were:

- Diana Eilert, Chair of the People and Culture Committee;
- Nick Falloon; and
- Geoff Kleemann.

Other Non-Executive Directors, as well as the CEO, CFO, Group General Counsel and Company Secretary, Group Director – Employee Experience and Sustainability and Head of Employee Rewards and Systems are invited to attend People and Culture Committee meetings but are not present when their own performance or remuneration arrangements are being discussed.

Further information in relation to the People and Culture Committee is set out in the Directors' Report on pages 37-50 of this Annual Report.

3. Key Management Personnel (KMP)

Domain's key management personnel are its Chairman, CEO, CFO and Non-Executive Directors (jointly the **KMP**). The People and Culture Committee provides recommendations on remuneration, incentive policies and practices, as well as specific recommendations on remuneration and terms of employment for the KMP.

The KMP have the authority and responsibility for planning, directing and controlling the activities of the Company.

The names and positions held by KMP during FY21 is set out in the table in Section 3.1 of this Remuneration Report.

Except as set out in Section 3.2 of this Remuneration Report, all persons listed in the table in Section 3.1 held the position listed in that table for the whole of FY21.

Of Domain's KMP, Jason Pellegrino (CEO) and Rob Doyle (CFO) are executive key management personnel (the **Executive KMP**).

3.1 KMP FY21

	Appointment Date	KMP Position
Executive KMP		
Jason Pellegrino	27 August 2018	CEO
Rob Doyle	16 November 2017	CFO
Non-Executive Directors		
Nick Falloon	16 November 2017	Chairman
Diana Eilert	16 November 2017	Independent Non-Executive Director
Greg Ellis	16 November 2017	Independent Non-Executive Director
Geoff Kleemann	16 November 2017	Independent Non-Executive Director
Mike Sneesby[(a)]	21 April 2021	Non-Executive Director
Lizzie Young	1 February 2020	Non-Executive Director
Hugh Marks[(b)]	1 February 2020	Non-Executive Director

(a) Mike Sneesby appointed as Non-Executive Director effective 21 April 2021.
(b) Hugh Marks resigned as Non-Executive Director effective 31 March 2021.

3.2 Changes to KMP

There were two changes to Domain's KMP during FY21:

- Hugh Marks resigned as a Non-Executive Director effective 31 March 2021; and
- Mike Sneesby was appointed as a Non-Executive Director effective 21 April 2021.

4. COVID-19: Project Zipline – Voluntary Employee and Director Program

This Section 4 of this Remuneration Report discloses substantively the same information as set out in section 4 of Domain's remuneration report for FY20 (**FY20 Remuneration Report**). This content has been included again in this Remuneration Report as the relevant arrangements affected the remuneration of KMP over a six-month period that covered part of both FY20 and FY21 and are relevant to both financial years. The content has been updated to reflect a further grant of Share Rights in November 2020 to employees (who are not KMP) that joined Domain Group during FY21.

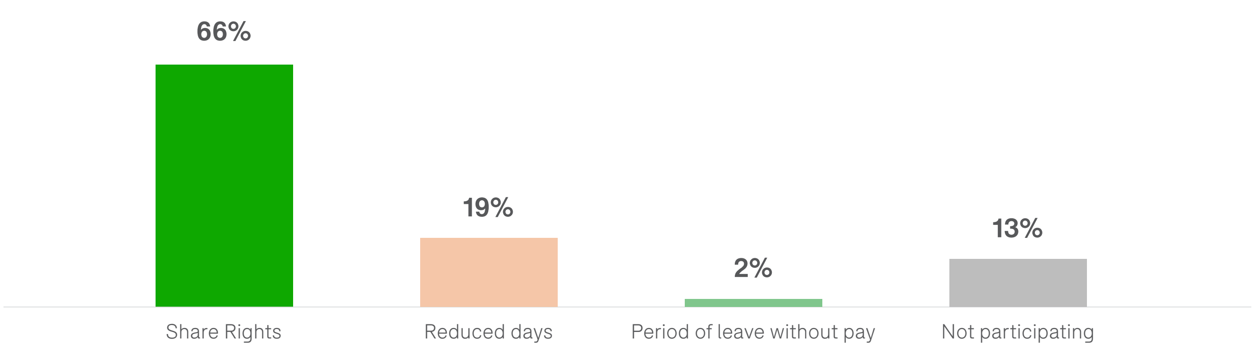
The evolving COVID-19 crisis in early 2020 presented unprecedented conditions for businesses across the globe. Project Zipline was approved by the Board on 22 April 2020 as a key initiative to overcome the potential market uncertainties caused by COVID-19 and managing the cost base of the Domain Group. The nature of Domain's business means that many of its people and their skills are in very high demand. Our approach ensures that the talented team continued to be rewarded and retained for the long-term to deliver innovative products at pace.

In 2020, Domain launched a voluntary employee program to deliver a 20 percent reduction in employee cash salary costs. Domain employees and Non-Executive Directors remunerated by Domain – including the KMP – were asked to participate in a program called Project Zipline, where employees were asked to elect to take one of the following over a six-month period from 4 May 2020 to 1 November 2020:

- Receive a specified percentage (for employees other than the CEO, 20 to 30 percent, depending on their existing salary package) of their salary package as a one-off grant of Share Rights (in lieu of cash); or
- Reduce their working days (and salary package) by a specified percentage (20 to 30 percent, depending on their existing salary package); or
- Receive both a specified percentage of their salary package in Share Rights in lieu of cash and reduce their working hours (and salary package) by another specified percentage (with the two percentages totalling 20 or 30 percent, depending on their existing salary package); or
- Take a period of leave without pay.

Non-Executive Directors remunerated by Domain elected to take, over a six-month period from 4 May 2020 to 1 November 2020, 50% of their directors' fees as a one-off grant of Share Rights (in lieu of cash). As set out in Section 13.1 of this Remuneration Report, two of the Non-Executive Directors at that time (Hugh Marks and Lizzie Young) were not asked to participate in Project Zipline as they are not remunerated by Domain (as they are remunerated by Nine as executives of Nine).

More than 90% of Domain's staff voted to support Project Zipline, with approximately 87% ultimately taking part in the program as at May 2020. The chart below illustrates the breakdown of employees as at 7 May 2020 (with employees who both received Share Rights and reduced their working hours being included in the 'Share Rights' group). 100% of Non-Executive Directors remunerated by Domain opted in for Project Zipline.



Project Zipline Outcomes

Share Rights granted as part of Project Zipline (**Project Zipline Share Rights**) were granted for most participants in a single grant on 7 May 2020 (**First Project Zipline Grant**). A separate single grant was made on 19 November 2020 for employees (which did not include any KMP) who started after 7 May 2020 (**Second Project Zipline Grant**). The number of Share Rights granted to participating staff as part of the First Project Zipline Grant was based on a volume-weighted average market price (**VWAP**) of Domain shares over the 10 trading days from 26 March 2020 to 8 April 2020 inclusive, being $2.0093. The VWAP over this period was selected in order to communicate the details of the voluntary plan and the options available. The VWAP used had to be communicated at this time for employees to make an informed decision. The number of Share Rights granted to participating staff as part of the Second Project Zipline Grant was based on a VWAP of Domain shares over the calendar month of trading days determined around the time of the staff member's commencement of employment with Domain. Each recipient received a number of Project Zipline Share Rights equivalent to the cash component of their remuneration agreed to be foregone over this six-month period, divided by the relevant VWAP.

The Project Zipline Share Rights are anticipated to vest on 7 November 2021. Vesting of a Project Zipline Share Right is (subject to the discretion of the Board) conditional on the holder remaining employed by Domain (or a member of the Domain Group) between the date of grant of the Project Zipline Share Rights and the vesting date (or, in the case of the Project Zipline Share Rights granted to Non-Executive Directors, subject to its holder remaining a Director of Domain between the date of grant and the vesting date).

Each Project Zipline Share Right is a right to one fully paid ordinary share in the Company (or in certain circumstances at the discretion of the Company, a right to cash in lieu of shares, subject to satisfaction of the applicable vesting conditions). Project Zipline Share Rights do not carry voting or dividend rights. A summary of the material terms of the Project Zipline Share Rights are set out in the Appendices 3G lodged by the Company with ASX on 7 May 2020 (for the First Project Zipline Grant) and on 19 November 2020 (for the Second Project Zipline Grant). Further details and the grant of Project Zipline Share Rights to KMP are provided within Sections 5, 9, 10 and 12 of this Remuneration Report.

As the Project Zipline Share Rights were granted in a 'one off' single grant, participating staff received part of their remuneration for part of FY21 (the period from 1 July to 1 November 2020) 'upfront' during FY20. Under the terms of the Project Zipline Share Rights, an employee's Share Rights are forfeited if employment ceases with Domain (or a member of the Domain Group) prior to the vesting date (or, in the case of the Project Zipline Share Rights granted to Non-Executive Directors, if the Director ceased to be a Director of Domain prior to the vesting date), unless the Board determines otherwise.

Accordingly, while staff received part of their remuneration 'upfront', the terms and conditions provided for this to be forfeited if the person did not remain employed for the relevant period (or, for the Non-Executive Directors, if they ceased to be a Director of Domain).

The remuneration for KMP in this Remuneration Report for FY21 includes Project Zipline Share Rights granted to them on 7 May 2020 (as part of the First Project Zipline Grant) which form part of their remuneration for part of FY21 as outlined above. As noted above, the KMP did not participate in the Second Project Zipline Grant as that was applicable to 'new starters'.

5. Remuneration Principles and Framework

The remuneration of Executive KMP is reviewed annually. In making remuneration decisions, the People and Culture Committee considers general economic conditions, market rates of remuneration, the Domain Group's financial performance, and individual performance.

Remuneration for Executive KMP is comprised of three components, as follows:

Component	Detail	More information
Fixed remuneration *Total package value (TPV)*	Fixed remuneration consists of: • base salary; • fixed allowances; • superannuation; and • Project Zipline Share Rights granted to Executive KMP (to the extent they relate to the period from 1 July 2020 to 1 November 2020). TPV remuneration is not dependent upon the satisfaction of performance conditions.	Section 10 (Base salary, fixed allowances and superannuation) Section 9.3.2 (Project Zipline Share Rights)
Executive Incentive Plan (**EIP**) awards *Short term incentives*	EIP is Domain's annual short-term cash-based incentive plan with financial and non-financial measures aligned to Domain Group targets. The Executive KMP opportunity is expressed as a percentage of TPV. In this Remuneration Report, EIP awards are referred to with respect to the financial year in which they were granted to Executive KMP. The FY21 EIP remuneration is dependent upon the satisfaction of performance conditions in FY21.	Section 8 (FY21 EIP)
Long Term Incentive (**LTI**) awards *Long term incentives*	The LTI plan is an allocation of equity to reward the Executive KMP to drive long-term shareholder value. In this Remuneration Report, LTI awards are referred to with respect to the financial year in which they were granted to Executive KMP. The LTI awards considered in this Remuneration Report are: Short name / Incentive instrument / Performance period FY21 LTI / Performance Rights / Start of FY21 to end of FY23 FY20 LTI / Options / Start of FY20 to end of FY22 FY19 LTI / Options / Start of FY19 to end of FY21 An LTI plan was granted in respect of FY18 but all options under that plan have lapsed. LTI remuneration is dependent upon the satisfaction of performance conditions.	Section 9 (FY21 LTI, FY20 LTI, FY19 LTI)

Separately there have been 'one off' grants of equity:

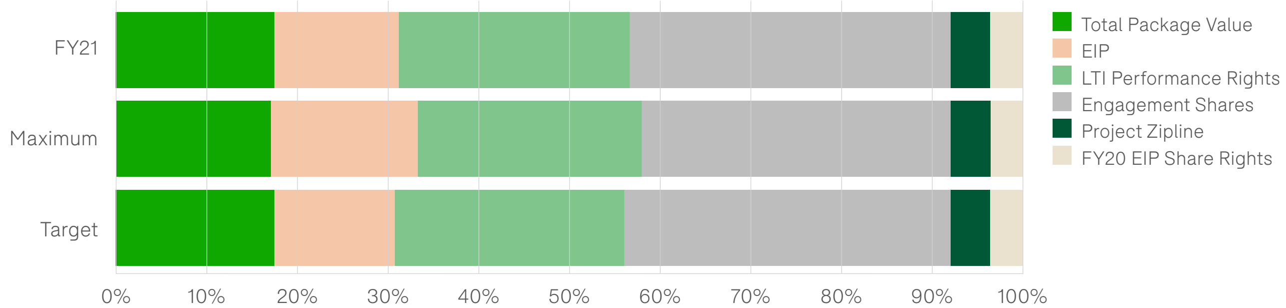
Component	Detail	More information
'One-off' grants of equity Pre-FY21	**Engagement Shares:** One-off historical grant of restricted shares to the CEO, Jason Pellegrino. These shares were not granted during FY21, but vested in full during FY21 on 27 August 2020. **Project Zipline Share Rights:** As outlined above, a one-off arrangement in response to the COVID-19 downturn in business. The cash component of Executive KMP TPV was reduced, and the equivalent amount was settled in Project Zipline Share Rights. The Project Zipline Share Rights form part of Domain's ordinary remuneration (to the extent they relate to the period from 1 July 2020 to 1 November 2020). **FY20 EIP Share Rights:** One off grant of Share Rights in lieu of cash for EIP earned in FY20 for Jason Pellegrino and Rob Doyle. These Share Rights were granted during FY21. These Share Rights are anticipated to vest on 30 September 2021. Vesting of a FY20 EIP Share Right is subject to the holder remaining employed by Domain (or a member of the Domain Group) between the date of grant of the FY20 EIP Share Rights (8 October 2020) and the vesting date unless the Board determines otherwise. This remuneration is not dependent upon the satisfaction of performance conditions. This remuneration (other than Project Zipline Share Rights) does not form part of the Executive KMP's TPV for the purposes of this Remuneration Report.	Section 9.3.1 (Engagement Shares) Section 9.3.2 (Project Zipline Share Rights) Section 9.3.3 (FY20 EIP Share Rights)

5.1 Remuneration at risk

EIP and LTI awards are considered as 'at risk' remuneration. Of the KMP, only the Executive KMP have 'at risk' remuneration. The proportion of each Executive KMP's remuneration that was at risk during FY21 is set out in this Section of this Remuneration Report.

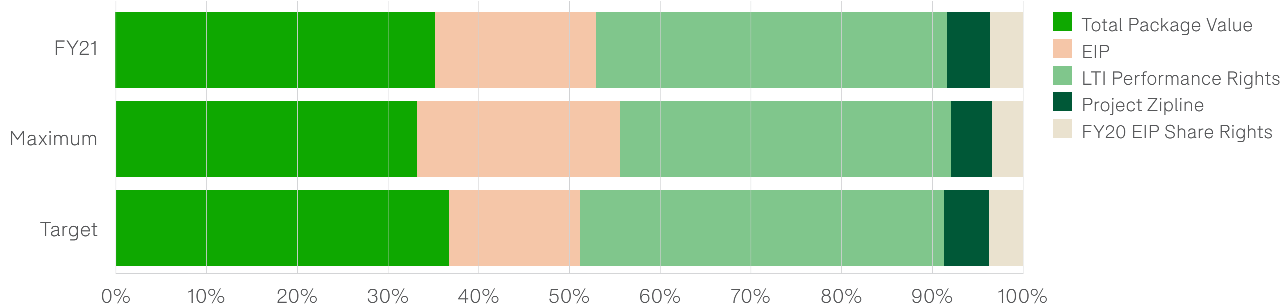
5.1.1 CEO – FY21

The remuneration at risk for Jason Pellegrino, the CEO, is illustrated below. In FY21, a maximum of 66% of Jason Pellegrino's remuneration was at risk.



5.1.2 CFO – FY21

The remuneration at risk for Rob Doyle, the CFO, is illustrated below. In FY21, a maximum of 61% of Rob Doyle's remuneration was at risk.



The Total Package Value, Engagement Shares (CEO only), FY20 EIP Share Rights and Project Zipline elections remain fixed in each illustration – only the EIP and LTI awards are variable. The target and maximum illustrations assume performance measures, as described in Sections 8 and 9 of this Remuneration Report, have been met according to each plan. The basis for calculating each Executive KMP's annual allocation of EIP and LTI are set out in Sections 8 and 9 of this Remuneration Report, respectively.

Earlier in his tenure, one-off Engagement Shares were allocated to Jason Pellegrino (21 December 2018). These were not allocated during FY21 although the Engagement Shares became unrestricted in August 2020. Both Jason Pellegrino and Rob Doyle were granted Project Zipline Share Rights, as part of their fixed salary for part of the financial year, and FY20 EIP Share Rights, in lieu of cash for FY20 EIP earned. Further information in relation to the Engagement Shares, Project Zipline Share Rights and FY20 EIP Share Rights is set out in Sections 9.3.1, 9.3.2 and 9.3.3 of this Remuneration Report.

6. Linking Executive Remuneration to Performance

Fixed Remuneration – TPV

Fixed Remuneration is designed to reward for the scope of the executive's role, the executive's skills, experience and qualifications and individual performance. It is set with reference to comparable roles in similar companies.

Jason Pellegrino has not received any increase in remuneration since his appointment on 27 August 2018. Rob Doyle received a 2.3% increase in TPV from $586,500 to $600,000 effective 1 April 2021. A review of the Executive KMP remuneration will be undertaken in FY22.

Short term incentives – Executive Incentive Plan (EIP)

Executive KMP are eligible for EIP which is assessed against financial and non-financial performance measures. The financial performance measures – Domain Group EBITDA (earnings before interest, taxes, depreciation, and amortisation) and Revenue – were chosen as they contribute to share price performance over time and are measures of Domain's performance.

The non-financial (personal) performance measures reward the delivery of transformational and people and culture related objectives. These personal performance measures relate to matters such as management accountability, market growth, agent relationships and staff engagement, and are set annually.

Long Term Incentive (LTI)

Domain grants LTI to Executive KMP to align executive remuneration with shareholder returns. The FY20 LTI, FY19 LTI and FY18 LTI awards were issued in the form of Options with a three-year performance period. Performance is measured using the Compound Annual Growth Rate (CAGR) of Absolute Total Shareholder Return (TSR) over a three-year period.

To reflect the current stage of the life of the business and to continue to motivate the Executive KMP to deliver on Domain's long-term strategy, with effect from FY21, Domain has transitioned the incentive instrument from Options to Performance Rights. The FY21 LTI awards were issued in the form of Performance Rights with a three-year performance period. The FY20 LTI, FY19 LTI and FY18 LTI awards were not varied as a result of the transition in FY21; the incentive instrument for those awards remains Options.

Performance Rights

Each Performance Right is a right to acquire one ordinary share in the Company, or in certain circumstances at the discretion of the Board, a right to a cash payment in lieu of an ordinary share in the Company subject to the satisfaction of certain vesting criteria described below. A summary of the material terms of the Performance Rights for the FY21 LTI (which are Share Rights) is set out in the Appendix 3G lodged by the Company with ASX on 19 November 2020.

The decision to grant Performance Rights varies from prior years in which Options were granted. It recognises the following:

- Performance Rights create share price alignment between executives and ordinary shareholders but do not provide the executives with the full benefits of share ownership (such as dividend and voting rights) unless and until the Performance Rights vest;
- Performance Rights have the potential to have greater motivational impact over options in a company where the property cycle can impact the LTI outcome as a result of factors outside of the executives' control and influence; and
- The potential more dilutive implications for shareholders of Options over Performance Rights.

Vesting criteria for FY21 LTI

For the FY21 LTI awards, vesting of awards will is assessed equally against two tranches, being:

- **Tranche 1**: Relative Total Shareholder Return (rTSR or Relative TSR) against a select group of peers consisting of S&P ASX 200 Index companies representing Communication Services, Consumer Discretionary, Consumer Staples, Information Technology and Telecommunication Services with a market cap more than $1bn; and
- **Tranche 2**: Compound Annual Growth Rate (CAGR) of EBITDA of the Domain Group.

Further information in relation to the two tranches is set out in Section 9.2 of this Remuneration Report.

Prior to FY21, LTI awards were assessed only against the Compound Annual Growth Rate (CAGR) of Absolute Total Shareholder Return (TSR).

The decision to set vesting criteria for the FY21 LTI of 50% of LTI vesting based on Relative TSR has been made for the following reasons:

- To recognise some investor preferences for more than one performance condition to determine LTI outcomes;
- To address concerns that absolute TSR targets are difficult to set in the current COVID-19 environment; and
- To acknowledge that Relative TSR has the potential to reward outperformance rather than rewarding broad market movements.

The other 50% of the FY21 LTI awards will vest according to the CAGR of EBITDA of the Domain Group. This performance condition has been selected:

- To ensure executives are focussed on driving profitable revenue growth that will lead to TSR performance;
- To provide an easily understood metric over which executives have influence and an enhanced line-of-sight; and
- To utilise an appropriate measure of cash earnings over time with the Board having discretion to take into account or exclude the impact of any impairments.

7. Financial Performance Measures

7.1 Financial performance of the Company in key shareholder value measures

The financial performance of the Company in key shareholder value measures is set out below. These details are given in respect of FY21, FY20, FY19 and FY18.

Domain was listed on the ASX on 16 November 2017 following its separation from Fairfax, and accordingly the table captures these matters for the financial years on and from this date.

		FY21[b]	FY20[c]	FY19[d]	FY18[e]
Revenue	$m	289.6	267.8	335.6	357.3
EBITDA[a]	$m	100.6	84.7	95.2	112.7
Net profit after tax attributable to members of the Company[a]	$m	37.9	23.4	35.7	51.8
Earnings per share[a]	Cents	6.48	4.02	6.14	8.99
Dividends paid to shareholders	Cents	-	6.00	6.00	4.00
Total Shareholder Return (TSR) FY18 Plan[f][g]	%	-	13.53	11.39	8.73
Total Shareholder Return (TSR) FY19 Plan[f]	%	65.18	6.25	4.33	-
Total Shareholder Return (TSR) FY20 Plan[f]	%	63.61	7.81	-	-
Opening share price (at financial year start date)	$	3.35	3.18	3.22	3.80
Closing share price (at financial year end date)	$	5.16	3.35	3.18	3.22

(a) EBITDA, net profit after tax attributable to members of the Company and earnings per share amounts for FY20, FY19 and FY18 have been restated from prior years disclosure due to the adoption of the April 2021 agenda decision made by the International Financial Reporting Standards Interpretations Committee (IFRIC) in respect of Software as a Service (SaaS) arrangements which resulted in a reclassification of intangible assets to recognition as an expense, impacting both the current and prior periods presented. Refer to Note 1(B)(v) of the 2021 Financial Report for changes to the significant accounting policy in respect of SaaS arrangements and restated financial results for FY20. As a result of this restatement, the amounts for FY20, FY19 and FY18 in these rows of the table do not correspond with the Domain Group's financial reports for prior years.

(b) FY21 financial results exclude the impact of significant items incurred during the period. FY21 statutory results are set out in the Management Discussion and Analysis Report on pages 107-112 of this Annual Report. There were no disposals in FY21.

(c) FY20 financial results exclude the impact of significant items incurred during the period. FY20 statutory results are set out in the Management Discussion and Analysis Report on pages 59-61 of the FY20 Annual Report. Excluding the impact of disposals, revenue in FY20 was $261.6 million, EBITDA was $84.4 million, net profit after tax attributable to members of the Company was $21.6 million and earnings per share were 3.70 cents.

(d) FY19 financial results exclude the impact of significant items incurred during the period. FY19 statutory results are set out in the Management Discussion and Analysis Report on pages 46-47 of the FY19 annual report. Excluding the impact of disposals, revenue in FY19 was $292.4 million, EBITDA was $94.2 million, net profit after tax attributable to members of the Company was $36.0 million and earnings per share were 6.19 cents.

(e) FY18 financial results exclude the impact of significant items incurred during the period. Domain was listed on the ASX on 16 November 2017 and the results are pro forma as not a 12-month period. This is the opening share price on listing on the ASX on this date.

(f) This is the cumulative TSR from the commencement of each LTI performance period to the end of each financial year. For the FY20, FY19 and FY18 LTI Options plan the compound annual growth rate (CAGR) of TSR is utilised to assess whether any vesting will occur, as per Section 9 of this Remuneration Report.

(g) Absolute Total Shareholder Return (TSR) is calculated from 1 January 2018 to align with the 2018 LTI performance period.

8. Short Term Incentives: FY21 EIP

The Executive KMP awards under the EIP are assessed based on annual performance against financial and non-financial (personal) performance measures as set out below.

Financial performance is based on Domain Group performance against EBITDA and Revenue targets. Domain Group EBITDA and Revenue are key factors for consideration by shareholders and therefore these financial measures are aligned with shareholder interests. To ensure that the Company is achieving the non-financial objectives, individual key performance indicators (**KPIs**) as performance measures are used to focus individuals on critical non-financial areas. These performance measures relate to matters such as management accountability, market growth, agent relationships and staff engagement, and are reviewed annually. Personal performance measures are assigned and weighted individually (with personal performance measures having an aggregate total weighting of 50%) and are assessed individually.

For FY21, the EIP construct was reviewed, and the People and Culture Committee and Board approved two changes:

1. **Change to Weightings:** To ensure that the Executive KMP are focussed on the delivery of individual KPIs, there has been an increase (compared to the FY20 EIP) in the weighting of the personal performance measures from 30% to 50%. As a result, the weighting of the financial performance measures, split equally across both Domain Group EBITDA and Revenue, has reduced (compared to the FY20 EIP) from 70% to 50%; and
2. **Threshold on Financial Performance:** To reflect the life stage and maturity of Domain, a threshold level of performance has been introduced for the financial performance measures; this has been set at Target -5%. If financial performance is below this threshold level, the performance measure is not satisfied.

Annual performance for Executive KMPs is assessed against the following financial and personal measures:

	Measure	Weighting	Threshold	Target (On Plan)	Maximum
Financial	Achieve Domain Group Revenue Target	25%	Target -5%	Target	Target +5%
	Achieve Domain Group EBITDA Target	25%	Target -5%	Target	Target +5%
Personal	Individually assigned in relation to specific measures, set annually by Board	50%	Discretion approved by Board	Delivery of measure	Discretion approved by Board

On target and maximum awards available under the EIP for the Executive KMP are as follows:

	CEO	CFO
On Target Incentive	60% of TPV	35% of TPV
Maximum Incentive	80% of TPV	60% of TPV

The below table outlines the relationship between performance and payout of the financial performance measures for CEO Jason Pellegrino and CFO Rob Doyle.

	% of Target Incentive Awarded *	
Level of Performance	CEO	CFO
Below Threshold (ie < 95% of Target)	0%	0%
95% of Target	50%	50%
Target	100%	100%
105% of Target	133%	172%

*Linear payment is made between Threshold and Target, as well as between Target and Above Target.

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8.1 FY21 EIP Outcomes

The outcomes of the FY21 EIP are as follows:

Financial Performance

- Domain Group Revenue exceeded the targets set for the FY21 EIP by 8%, with a result of $289.6m, against a target of $267.1m.
- Domain Group EBITDA exceeded the targets set for the FY21 EIP by 22%, with a result of $100.6m, against a target of $82.1m.
- As a result, the FY21 EIP award in relation to the financial performance measures (50% of the opportunity) achieved maximum outcome.

Personal Performance

- Personal performance was assessed against the delivery of Transformational and People and Culture specific initiatives allocated to the CEO and CFO. These initiatives are commercially sensitive, and the Board does not consider disclosure of the specific initiatives is in the best interest of the Domain Group.

Jason Pellegrino

Category	Objectives	Weighting	Outcome
Financial	Domain Group Revenue	25%	108% of Target
	Domain Group EBITDA	25%	122% of Target
Transformational initiatives	Each initiative has specific agreed strategies to benefit the business, with specific focuses on the commercial organisation and partnering with our customers and partners to deliver integrated solutions. Each initiative was individually assessed with most delivered in full, with some partially delivered	40%	Below Target
People and Culture initiatives	Focus on Employee Engagement, Leadership Development and ESG initiatives	10%	Met

Rob Doyle

Category	Objectives	Weighting	Outcome
Financial	Domain Group Revenue	25%	108% of Target
	Domain Group EBITDA	25%	122% of Target
Transformational initiatives	Each initiative has specific agreed strategies to benefit the business, with specific focuses on driving portal preference and Domain Home Loans along with the ongoing implementation of a new Finance and Billing System. Each initiative was individually assessed with most delivered in full, with some partially delivered.	40%	Below Target
People and Culture initiatives	Focus on Employee Engagement, Leadership Development and ESG initiatives	10%	Met

The table below sets out the amounts awarded to each of the Executive KMP under the FY21 EIP, the FY20 EIP and the FY19 EIP:

	On Target EIP	Maximum EIP	EIP Earned	EIP Forfeited	% of EIP Max Earned	% of EIP Max Forfeited
Jason Pellegrino						
FY21	$720,000	$960,000	$768,000	$192,000	80%	20%
FY20	$720,000	$960,000	$216,000 (b)	$744,000	22%	78%
FY19[(a)]	$607,562	$810,082	$182,268	$627,814	22%	78%
Rob Doyle						
FY21	$210,000	$360,000	$267,150	$92,850	74%	26%
FY20	$205,275	$351,900	$51,319[(b)]	$300,581	15%	85%
FY19	$201,250	$345,000	$60,375	$284,625	17%	83%
Total						
FY21	$930,000	$1,320,000	$1,035,150	$284,850	78%	22%
FY20	$925,275	$1,311,900	$267,319	$1,044,581	20%	80%
FY19	$808,812	$1,155,082	$242,643	$912,439	21%	79%

(a) Jason Pellegrino joined Domain on 27 August 2018. As a result, he was eligible on a pro-rated basis for 84% of awards for the FY19 EIP.

(b) EIP earned in FY20 for Jason Pellegrino ($216,000) and Rob Doyle ($51,319) was settled by the granting of Share Rights in lieu of cash on 8 October 2020. The number of FY20 EIP Share Rights granted to the Executive KMP was based on a VWAP of $3.6779 (being the volume-weighted average market price of shares over the 10 trading days from 21 August 2020 to 3 September 2020 inclusive). These Share Rights are anticipated to vest on 30 September 2021. Vesting of a FY20 EIP Share Right is subject to the holder remaining employed by Domain (or a member of the Domain Group) between the date of grant of the FY20 EIP Share Rights (8 October 2020) and the vesting date.

KMP other than CEO and CFO

The KMP other than the CEO and the CFO, being the Chairman and Non-Executive Directors, are not eligible to participate in the EIP. As such no payments have been made to the Chairman or Non-Executive Directors under the FY21 EIP.

9. Long Term Incentives

9.1 LTI Options

The FY20 LTI, FY19 LTI and FY18 LTI were issued in the form of Options with a three-year performance period.

The FY19 LTI was tested at the conclusion of FY21. The amount of awards to vest (or lapse) was determined by the achievement of Compound Annual Growth Rate (CAGR) of Total Shareholder Return (TSR) targets over a three-year period (FY19 to FY21) with reference to the following vesting schedule:

Absolute TSR Over The Performance Period	% Of Options That Become Exercisable
Less than 10% Compound Annual Growth Rate (CAGR)	Nil
10% CAGR (threshold performance)	20%
Between 10% and 15% CAGR	Straight line pro rata vesting between 20% and 40%
15% CAGR	40%
Between 15% and 20% CAGR	Straight line pro rata vesting between 40% and 70%
20% CAGR	70%
Between 20% CAGR and 25% CAGR	Straight line pro rata vesting between 70% and 100%
25% CAGR or above	100%

The following table sets out the FY19 LTI performance outcomes:

Absolute TSR Over The Performance Period	% Of Options That Become Exercisable
18.21% CAGR	59.26%

No LTI Options were exercised during FY21.

The following table sets out details of the Executive KMPs' respective LTI Option allocations over Domain shares for the FY20 LTI, the FY19 and the FY18 LTI and the vesting outcomes for the FY19 LTI and the FY18 LTI:

		LTI Options Granted[(a)]	Grant Date[(b)]	Issue Date[(c)]	Exercise Price	Performance Period Start Date	Performance Period End Date	Expiry Date	No. Vested during the year	No. Lapsed during the year	Fair Value per Option at Grant	Value of Options Granted during the year	Value of Options Exercised during the year
Jason Pellegrino													
LTI	FY20	1,600,000	11.11.2019	18.11.2019	$3.0169	01.07.2019[(f)]	30.06.2022	30.06.2024	-	-	$0.54	$864,000	-
LTI	FY19	1,515,789	20.11.2018	01.03.2019	$3.1606	27.08.2018	30.06.2021	31.12.2023	898,257	617,532[(d)]	$0.11	$166,737	-
LTI	FY18	-	-	-	-	-	-	-	-	-	-	-	-
Robert Doyle													
LTI	FY20	638,888	13.09.2019	23.09.2019	$3.0169	01.07.2019[(f)]	30.06.2022	30.06.2024	-	-	$0.64	$408,888	-
LTI	FY19	605,263	15.01.2019	01.03.2019	$3.1606	01.07.2018	30.06.2021	31.12.2023	358,679	246,584[(d)]	$0.08	$48,421	-
LTI	FY18	527,777	04.03.2018	27.03.2018	$3.0000	01.01.2018	30.06.2020	30.06.2023	-	527,777[(e)]	$0.48	$253,333	-

(a) LTI Options granted is calculated using the annual allocation divided by the allocation price.
For the 13 September 2019 and 11 November 2019 FY20 LTI Option grants, the allocation price was $0.90 per Option, which is 30% of the exercise price rounded down to four decimal places.
For the 20 November 2018 and 15 January 2019 FY19 LTI Option grants, the allocation price was $0.95 per Option, which is 30% of the exercise price rounded down to four decimal places.
For the 27 March 2018 FY18 LTI Option grant, the allocation price was $0.90 per Option, which is 30% of the exercise price rounded down to four decimal places.

(b) The Grant Date for Jason Pellegrino's FY19 and FY20 grant is the date his Options were approved by shareholders at the Company's 2018 and 2019 Annual General Meetings. The Grant Date for Rob Doyle's FY19 and FY20 grants is the date of the offer letter inviting him to participate in the LTI Option plan.

(c) The Issue Date is the date of issue of the LTI Options to the Executive KMP.

(d) The portion of the FY19 LTI award that did not vest and all Options were forfeited for Jason Pellegrino and Rob Doyle.

(e) The FY18 LTI award did not vest, and all Options lapsed for Rob Doyle.

(f) The weighted average remaining contractual life for the Options for Jason Pellegrino and Rob Doyle is 365 days.

9.2 FY21 LTI Performance Rights

To reflect the current stage of the life of the business and to continue to motivate the Executive KMP to deliver on Domain's long-term strategy, Domain has transitioned the incentive instrument for LTI awards from Options to Performance Rights with effect from FY21. The FY21 LTI is the first LTI award where the incentive instrument is Performance Rights.

Executive KMP annual allocations under the FY21 LTI are determined as follows:

	Maximum LTI Opportunity
CEO	120% of TPV
CFO	100% of TPV

The number of Performance Rights to be granted is calculated by dividing the participant's maximum LTI opportunity by the volume-weighted average market price (VWAP) of the Company's shares over the 30 trading days beginning on the date of the first trading day of the 2021 financial year (1 July 2020 to 11 August 2020). The VWAP for this period was $3.3096.

The FY21 LTI is subject to vesting criteria which are detailed below. A summary of why these performance conditions were chosen are set out in Section 6 of this Remuneration Report.

Performance period for FY21 LTI

The performance period starts 1 July of the year of the grant date and ends on 30 June of the vesting year (i.e. for the FY21 LTI, the performance period starts 1 July 2020 and ends 30 June 2023).

Vesting criteria for FY21 LTI

Any vesting of the FY21 LTI will be assessed equally against two tranches, being:

- Tranche 1: Relative Total Shareholder Return against a select group of peers consisting of S&P ASX 200 Index companies representing Communication Services, Consumer Discretionary, Consumer Staples, Information Technology and Telecommunication Services with a market cap more than $1bn (Comparator Group); and
- Tranche 2: Compound Annual Growth Rate (CAGR) of EBITDA of the Domain Group.

Tranche 1: Relative Total Shareholder Return (rTSR) (50% of Grant)

The proportion of rights that may vest will depend on the company's TSR relative to the TSR of the Comparator Group according to the following vesting scale.

Relative TSR Performance	Vesting outcome for Tranche 1
Less than 50th percentile of Comparator Group constituents	0%
50th percentile of Comparator Group constituents	50%
Between 50th percentile and 75th percentile of Comparator Group constituents	Linear vesting between 50% and 100%
75th percentile or above of Comparator Group constituents	100%

The Board has absolute discretion over the calculation methodology and may adjust the Comparator Group to take into account events including, but not limited to, acquisitions, mergers or other relevant corporate action or delisting during the Performance Period.

Tranche 2: CAGR of EBITDA of Domain Group (50% of Grant)

The proportion of Tranche 2 Performance Rights that may vest will depend on the Domain Group's CAGR of EBITDA over the performance period according to the following vesting scale, subject to any adjustments for abnormal or unusual items that the Board, in its absolute discretion considers appropriate.

EBITDA Performance	Vesting outcome for Tranche 2
Less than threshold	0%
Threshold: Target -3%	25%
Target	50%
Maximum: Target +5%	100%

Linear vesting occurs for performance between Threshold and Target and Target and Maximum.

Disclosure of vesting for FY21 LTI

Disclosure of the outcomes against the performance levels will be provided in the remuneration report for the financial year in respect of which vesting is assessed (being, for the FY21 LTI, Domain's remuneration report for FY23).

Grant of FY21 to Executive KMP

The following table sets out details of the Executive KMPs' respective LTI Performance Right grants of Domain shares during FY21:

Year granted	Plan	Grant Date	Issue Date	Performance Period Start Date	Performance Period End Date	Vesting Date	Expiry Date	Fair Value per Performance Right	Value of Performance Rights at Grant	Performance Rights held at beginning of financial year	Performance Rights Granted during financial year	Performance Rights Vested during financial year
Jason Pellegrino												
FY21	FY21 LTI (Tranche 1 – rTSR)	19.11.2020	19.11.2020	01.07.2020	30.06.2023	19.11.2023	19.11.2025	$3.09	$672,226	-	217,549	-
FY21	FY21 LTI (Tranche 2 – CAGR of EBITDA)	19.11.2020	19.11.2020	01.07.2020	30.06.2023	19.11.2023	19.11.2025	$4.22	$918,057	-	217,549	-
Rob Doyle												
FY21	FY21 LTI (Tranche 1 – rTSR)	19.11.2020	19.11.2020	01.07.2020	30.06.2023	19.11.2023	19.11.2025	$3.09	$273,793	-	88,606	-
FY21	FY21 LTI (Tranche 2 – CAGR of EBITDA)	19.11.2020	19.11.2020	01.07.2020	30.06.2023	19.11.2023	19.11.2025	$4.22	$373,917	-	88,606	-

9.3 Engagement Shares, Project Zipline and FY20 EIP Shares

9.3.1 Engagement Shares

As part of his onboarding with Domain, Jason Pellegrino was offered ordinary shares in the Company equivalent in value to $2,000,000 (**Engagement Shares**). The allocation of Engagement Shares was approved by shareholders at the Company's Annual General Meeting held on 20 November 2018. The allocation price of the Engagement Shares was determined using a 30-day trading VWAP for the period of 13 June to 24 July 2018 at a price of $3.1606.

Jason Pellegrino's Engagement Shares vested in full on 27 August 2020, with a total of 632,791 shares vesting.

9.3.2 Project Zipline Share Rights

The background to the Project Zipline Share Rights is set out in Section 4 of this Remuneration Report.

No acquisition price was payable to acquire the Project Zipline Share Rights. The granting of the Project Zipline Share Rights formed part of the remuneration for the Executive KMP for the period from 4 May 2020 to 1 November 2020 and the Share Rights were granted in a single allocation on 7 May 2020 (the First Project Zipline Grant referred to in Section 4 of this Remuneration Report).

As set out in Section 4 of this Remuneration Report, the number of Project Zipline Share Rights granted to the Executive KMP was based on a VWAP of $2.0093 (being the volume-weighted average market price of shares over the 10 trading days from 26 March 2020 to 8 April 2020 inclusive), with each Executive KMP receiving a number of Project Zipline Share Rights equivalent to the cash component of their remuneration agreed to be foregone over the six-month period, divided by this VWAP.

There are no performance hurdles put in place for Project Zipline Share Rights and vesting of these Share Rights is anticipated to occur on 7 November 2021. For the Executive KMP, these Share Rights are forfeited if employment ceases with Domain (or a member of the Domain Group) prior to the vesting date, unless the Board determines otherwise. No performance hurdle was included for the Project Zipline Share Rights granted to Executive KMP as the rights were granted in lieu of the Executive KMP receiving part of the fixed cash component of their remuneration (which itself was not subject to performance hurdles).

Jason Pellegrino opted into Project Zipline reducing the cash component of his Total Package Value by taking 50% in Project Zipline Share Rights for the six-month period from 4 May 2020 to 1 November 2020 with the equivalent value of $300,000 over this six-month period. Section 12.3 of this Remuneration Report sets out further detail in relation to these Share Rights.

Rob Doyle opted into Project Zipline reducing the cash component of his Total Package Value by taking 30% in Project Zipline Share Rights for the six-month period from 4 May 2020 to 1 November 2020 with the equivalent value of $87,975 over this six-month period. Section 12.3 of this Remuneration Report sets out further detail in relation to these Share Rights.

9.3.3 FY20 EIP Share Rights

FY20 EIP earned for Jason Pellegrino and Rob Doyle was settled by the granting of Share Rights in lieu of cash on 8 October 2020. The number of FY20 EIP Share Rights granted to the Executive KMP was based on a VWAP of $3.6779 (being the volume-weighted average market price of shares over the 10 trading days from 21 August 2020 to 3 September 2020 inclusive).

These Share Rights are anticipated to vest on 30 September 2021. Vesting of a FY20 EIP Share Right is subject to the holder remaining employed by Domain (or a member of the Domain Group) between the date of grant of the FY20 EIP Share Rights (8 October 2020) and the vesting date, unless the Board determines otherwise.

9.3.4 Overview

The table below sets out details of:

- Jason Pellegrino's grants of FY20 EIP Share Rights in FY21, Project Zipline Share Rights in FY20 and Engagement Shares in FY19; and
- Rob Doyle's grant of FY20 EIP Share Rights in FY21, Project Zipline Share Rights in FY20 and Retention Shares in FY18.

Details of the Retention Shares granted to Rob Doyle in FY18 are not set out in this Remuneration Report (other than in this Section 9.3.4) given these Retention Shares were granted in FY18 and vested in FY20. Further details in relation to these Retention Shares are set out in section 9.3 of the FY20 Remuneration Report. The Retention Shares have been included in this Section 9.3.4 to give an overview of historical remuneration of the Executive KMP.

As set out in Section 4 of this Remuneration Report, the Project Zipline Share Rights granted as part of a single grant during FY20 (on 7 May 2020) was done in payment of part of the relevant remuneration for a six-month period from 4 May 2020 to 1 November 2020, and accordingly includes a payment of part of the Executive KMP's remuneration for part of FY21 (the period from 1 July to 1 November 2020).

Year granted	Plan	Grant Date	Issue Date[c]	Vesting Date	Expiry Date	Fair Value per Share or Share Right at Grant (as applicable)	Value of Shares/ Share Rights (as applicable) at Grant[d]	Shares/Share Rights held at beginning of this year	Shares/Share Rights Granted during this year[e]	Shares/Share Rights Vested during this year
Jason Pellegrino										
FY21	FY20 EIP	08.10.2020	08.10.2020	30.09.2021	-	$3.97	$233,158	-	58,730	-
FY20	Project Zipline	28.04.2020[a]	07.05.2020	07.11.2021	-	$2.43	$362,811	149,305	-	-
FY19	Engagement Shares	20.11.2018[b]	21.12.2018	27.08.2020	-	$2.44	$1,544,011	632,791	-	632,791
FY18	-	-	-	-	-	-	-	-	-	-
Rob Doyle										
FY21	FY20 EIP	08.10.2020	08.10.2020	30.09.2021	-	$3.97	$55,397	-	13,954	-
FY20	Project Zipline	28.04.2020[a]	07.05.2020	07.11.2021	-	$2.43	$106,392	43,783	-	-
FY19	-	-	-	-	-	-	-	-	-	-
FY18	Retention Shares	29.09.2017	29.09.2017	17.11.2019	-	$3.0875	$345,000	-	-	-

(a) The Grant Dates for Jason Pellegrino and Rob Doyle's Project Zipline Share Rights are the dates contained in the offer acceptance documentation, being the deadline for the acceptance of the offer made to them (and the date on which the offers were accepted).

(b) The Grant Date for Jason Pellegrino's FY19 grant of Engagement Shares is the date his Engagement Shares were approved by shareholders at the Company's 2018 Annual General Meeting.

(c) The Issue Date for the Engagement Shares and the Retention Shares is the date that interests in the relevant shares held by the Domain Employee Share Plan Trust were allocated to the Executive KMP. The Issue Date for the Share Rights are the dates on which the Share Rights were granted.

(d) Fair Value at Grant for Engagement Shares is calculated by multiplying the share price on the day of grant ($2.44) by the number of shares granted.

Fair Value at Grant for Retention Shares is calculated by multiplying the share price on the day of grant ($3.0875) by the number of Retention Shares granted.

Fair Value at Grant for the Project Zipline Share Rights is calculated by multiplying the share price on the day of grant ($2.43) by the number of Share Rights granted.

Fair Value at Grant for the FY20 EIP Share Rights is calculating by multiplying the share price on the day of grant ($3.97) by the number of Share Rights granted.

(e) As set out above, Project Zipline Share Rights were granted to Jason Pellegrino and Rob Doyle as part of a single grant during FY20 (on 7 May 2020) in payment of part of the relevant remuneration for a six-month period from 4 May 2020 to 1 November 2020.

KMP other than CEO and CFO

The KMP other than the CEO and the CFO, being the Chairman and Non-Executive Directors, are not eligible to participate in the LTI. As such no payments have been made to the Chairman or Non-Executive Directors under the FY19 LTI or the FY21 LTI. Some of the KMP other than the CEO and the CFO were granted Project Zipline Share Rights – details of these Share Rights are set out in Section 13.1 of this Remuneration Report.

10. Executive Remuneration Table for FY21

The table below sets out details of the Executive KMPs' remuneration during FY21, FY20 and FY19.

The FY19 remuneration for Nick Falloon who performed the role of Executive Chairman for part of FY19 is set out in Section 13.1 of this Remuneration Report.

		Short Term Employee Benefits						
		Base Salary & Other Benefits[e]	Cash Payments/ Bonus	Post-Employment Benefits (Superannuation)	Long Term Benefits (Employee Entitlements)	Total Excluding LTI	LTI Expense[f]	Total Including LTI
Jason Pellegrino[a]	**FY21**	$964,255	$768,000	$25,000	$9,797	$1,767,052	$973,652	$2,740,704
	FY20	$1,088,228	$216,000[g]	$25,000	$4,252	$1,333,480	$1,151,047	$2,484,527
	FY19	$966,895	$682,268[b]	$21,154	-	$1,670,317	$698,980	$2,369,297
Rob Doyle[c]	**FY21**	$508,193[d]	$267,150	$25,000	$18,845	$819,188	$306,750	$1,125,938
	FY20	$552,859	$51,319[g]	$25,000	$19,148	$648,326	$293,379	$941,705
	FY19	$533,881	$60,375	$25,481	$15,758	$635,495	$289,112	$924,607
Total	**FY21**	$1,472,448	$1,035,150	$50,000	$28,642	$2,586,240	$1,280,402	$3,866,642
	FY20	$1,641,087	$267,319[g]	$50,000	$23,400	$1,981,806	$1,444,426	$3,426,232
	FY19	$1,500,776	$742,643	$46,635	$15,758	$2,305,812	$988,092	$3,293,904

(a) Jason Pellegrino joined Domain on 27 August 2018. As a result, he was eligible on a pro-rated basis for 84% of his incentive award in FY19.

(b) Jason Pellegrino received a cash sign on bonus of $500,000 on 31 December 2018 as part of his onboarding. This was approved by shareholders at the Annual General Meeting held on 20 November 2018. As disclosed in Section 8.1 of this Remuneration Report, $182,268 of his cash bonus relates to the FY19 EIP.

(c) Rob Doyle was appointed on 16 November 2017.

(d) On 1 April 2021, Rob Doyle's TPV increased to $600,000.

(e) The Base Salary figures exclude Project Zipline Share Rights – the value of these is included in LTI Expense as per note (f). Other Benefits include annual leave expense. These balances have been restated for FY19 to correctly include annual leave accrued for that period. For FY21 this excludes an amount for an internet allowance paid in error that will be recovered in FY22.

(f) LTI Expense comprises FY19 LTI and FY20 LTI Options, FY21 LTI Performance Rights, and Project Zipline Share Rights and is calculated in accordance with the accounting standards applicable to each plan.

(g) FY20 EIP for Jason Pellegrino ($216,000) and Rob Doyle ($51,319) was settled by the granting of Share Rights in lieu of cash on 8 October 2020. The number of FY20 EIP Share Rights granted to the Executive KMP was based on a VWAP of $3.6779 (being the volume-weighted average market price of shares over the 10 trading days from 21 August 2020 to 3 September 2020 inclusive). These Share Rights are anticipated to vest on 30 September 2021. Vesting of a FY20 EIP Share Right is subject to the holder remaining employed by Domain (or a member of the Domain Group) between the date of grant of the FY20 EIP Share Rights (8 October 2020) and the vesting date, unless the Board determines otherwise.

11. Executive Service Agreements

The remuneration and other terms of employment for the Executive KMP are set out in written executive service agreements. Each executive service agreement sets out the fixed remuneration, performance related incentive opportunities, termination rights and obligations, and post-employment restraints applying to the relevant personnel, including non-compete clauses.

Executive service agreements are unlimited in term but may be terminated by written notice by either party or by the Company making payment in lieu of notice. They may also be terminated with cause as set out below.

The Company may terminate the employment of an Executive KMP without notice and without payment in lieu of notice in some circumstances, including if the relevant Executive KMP commits an act of serious misconduct or a material persistent breach of the executive service agreement or is charged with any criminal offence which, in the reasonable opinion of the Company, may embarrass or bring the Domain Group into disrepute.

The Company may terminate the employment of an Executive KMP at any time by giving the Executive KMP notice of termination or payment in lieu of such notice. The amount of notice required from the Company in these circumstances is set out in the table below. If the Company elects to make payment in lieu of all or part of the required notice, the payment is calculated on the basis of fixed remuneration excluding bonuses and non-cash incentives.

The table below sets out the notice required to be given by each Executive KMP to the Company should the Executive KMP wish to terminate their employment and the maximum duration of post-employment restraints under the relevant executive services agreement.

	Notice to the Company	Notice from the Company	Post-employment Restraint
CEO	6 months	12 months	12 months
CFO	6 months	12 months	12 months

The executive service agreements for the Executive KMP were varied as part of arrangements for Project Zipline (see Section 4 of this Remuneration Report) to provide that part of their remuneration during the period from 4 May 2020 to 1 November 2020 would be settled in an allocation of Project Zipline Share Rights.

Jason Pellegrino is eligible to participate in EIP. His Executive Service Agreement was amended during FY21, with effect from 20 August 2020, to enable greater flexibility to allow the settlement of the EIP by cash or by share rights, or by the grant of such other equity security instrument as is determined at the discretion of the Board. The variation also enabled any EIP payment or settlement of equity to Jason Pellegrino to be in line with the timing of such payment or settlement to the Domain Executive Leadership Team, unless shareholder approval is required, in which case it would occur after the Annual General Meeting following the end of the relevant performance year in respect of which the EIP is calculated.

12. Executive Shareholdings

12.1 Shares held by Executive KMP

Executive KMP relevant interests in shares in the Company as at the end of FY21, FY20 and FY19 are set out below.

This table does not include:

- Interests in shares arising from FY20 EIP Share Rights, LTI Options, LTI Performance Rights or Engagement Shares which are set out in Section 12.2 of this Remuneration Report; or
- The Project Zipline Share Rights, which are set out in Section 12.3 of this Remuneration Report.

		Balance at start of financial year	Acquisitions	Disposals	Balance at end of financial year
Jason Pellegrino	FY21	100,000	0	0	100,000
	FY20	100,000	0	0	100,000
	FY19	0	100,000	0	100,000
Rob Doyle	FY21	0	0	0	0
	FY20	0	111,806[(a)]	111,806[(a)]	0
	FY19	0	0	0	0
Total	FY21	100,000	0	0	100,000
	FY20	100,000	111,806	111,806	100,000
	FY19	0	100,000	0	100,000

(a) Rob Doyle's Retention Shares vested on 17 November 2019. He disposed of these shares on 19 November 2019.

12.2 Total incentive instruments allocated to Executive KMP

The table below lists the total incentive securities (on an aggregated basis) which have not yet vested or lapsed, being:

- FY20 EIP Share Rights;
- FY19 and FY20 LTI Options;
- FY21 LTI Performance Rights; and
- Engagement Shares.

This table does not include FY18 LTI Options (as these Options have lapsed) or the Retention Shares granted to Rob Doyle referred to in Section 9.3.4 of this Remuneration Report (as these Retention Shares have vested). None of the incentive securities set out in the table below were exercised during FY21.

	Balance as at 1 July 2020	Granted as Remuneration	Vested During the Year[(a)]	Forfeited During the Year	Other Movement	Balance at 30 June 2021
Jason Pellegrino	3,748,580	493,828	1,531,048	617,532	0	2,093,828
Rob Doyle	1,244,151	191,166	358,679	246,584	0	830,054
Total	4,492,731	684,994	1,889,727	864,116	0	2,923,882

(a) The incentive securities that vested during FY21 are the FY19 LTI Options (which following vesting are exercisable) and, for Jason Pellegrino only, the Engagement Shares (which following vesting do not require exercise).

12.3 Project Zipline Share Rights

The table below sets out the number of Project Zipline Share Rights held by the Executive KMP as at the end of FY21.

As set out in Section 4 of this Remuneration Report, the Project Zipline Share Rights were granted to the Executive KMPs on 7 May 2020 as a single grant (the First Project Zipline Grant referred to in Section 4 of this Remuneration Report), which formed part of their remuneration for the period from 4 May 2020 to 1 November 2020 (a period which spans part of FY20 and FY21). The Project Zipline Share Rights are anticipated to vest on 7 November 2021. For the Executive KMP, vesting of a Project Zipline Share Right is subject to the holder remaining employed by Domain (or a member of the Domain Group) between the date of grant of the Project Zipline Share Rights (7 May 2020) and the vesting date, unless the Board determines otherwise.

While the Project Zipline Share Rights were granted in a single grant during FY20, this section sets out the number of Project Zipline Share Rights granted as part of this single grant attributable to the periods from 4 May 2020 to 30 June 2020 and from 1 July 2020 to 1 November 2020, each as a portion of the relevant six-month period in respect of which the Project Zipline Share Rights were granted.

Accordingly, the table below contains the number of Project Zipline Share Rights:

- For the period of 4 May 2020 to 30 June 2020;
- For the period of 1 July 2020 to 1 November 2020; and
- For the total six-month period from 4 May 2020 to 1 November 2020.

Executive KMP	Number of Project Zipline Share Rights granted on 7 May 2020 in respect of period 4 May 2020 to 30 June 2020	Number of Project Zipline Share Rights granted on 7 May 2020 in respect of period 1 July 2020 to 1 November 2020	Total Number Project Zipline Share Rights granted on 7 May 2020 in respect of period 4 May 2020 to 1 November 2020	% of Salary settled in Share Rights in respect of period 4 May 2020 to 1 November 2020
Jason Pellegrino	47,581	101,724	149,305	50%
Rob Doyle	13,953	29,830	43,783	30%

13. Remuneration of Non-Executive Directors

Under the Domain Constitution, the aggregate remuneration of Non-Executive Directors is set by resolution of the Company's shareholders. The annual maximum aggregated amount is currently $1.5 million (FY20: $1.5 million), inclusive of superannuation and exclusive of reimbursement of expenses. The maximum aggregate remuneration amount has been set to enable the appointment of additional Non-Executive Directors, if required. Within this limit, the Board annually reviews Non-Executive Directors' remuneration with recommendations from the People and Culture Committee. The Board also considers survey data on Non-Executive Directors' directors fees paid by comparable companies and any independent expert advice commissioned.

In FY21 as there was no increase in directors' fees, no independent expert advice was commissioned.

In FY20, as part of Project Zipline all Non-Executive Directors that are remunerated by Domain elected to receive 50% of their directors' fees for the period from 4 May 2020 to 1 November 2020 in Share Rights. At that time, two Non-Executive Directors (Hugh Marks and Lizzie Young) were not asked to participate in Project Zipline because they are not remunerated by Domain.

Executive Directors' remuneration is not included in the maximum aggregate fee amount. The only Executive Director during FY21 was the CEO.

Board and Committee fees payable per member as at the date of this Remuneration Report are as follows.

Fees	
Chairman's Fee	$250,000
Director's Fee	$110,000
Additional Fees	
Chair of the Audit and Risk Committee	$25,000
Audit and Risk Committee supplementary fee	$18,000
Chair of the People and Culture Committee	$20,000
People and Culture Committee supplementary fee	$15,000
Chair of the Nominations Committee	$0
Nominations Committee supplementary fee	$0

The Chairman does not receive Committee fees.

Retirement Benefits and Termination Benefits for Non-Executive Directors

The above amounts are inclusive of superannuation (if applicable). Other than superannuation contributions made on behalf of Non-Executive Directors in accordance with statutory requirements, Non-Executive Directors are not entitled to any post-employment or retirement benefits.

During FY20, Patrick Allaway and Gail Hambly ceased to be Non-Executive Directors. During FY21, Hugh Marks ceased to be a Non-Executive Director. None of these persons were paid termination benefits by Domain in connection with their cessation as a Director.

13.1 Non-Executive Directors' Fees

The following table sets out the fees paid to each Non-Executive Director during FY21, FY20 and FY19.

As set out in Section 4 of this Remuneration Report, those Non-Executive Directors remunerated by Domain participated in Project Zipline taking 50% of their directors' fees for the period from 4 May 2020 to 1 November 2020 as a one-off grant of Project Zipline Share Rights (in lieu of cash). The Project Zipline Share Rights were granted to Non-Executive Directors on 7 May 2020 as a single grant (the First Project Zipline Grant referred to in Section 4 of this Remuneration Report). In the table below, the 'Non-Executive Directors' Fees' column sets out the cash component of directors' fees and does not include, for FY20, that part of the directors' fees for the period 4 May 2020 to 30 June 2020 that will be settled in Project Zipline Share Rights or, for FY21, that part of the directors' fees for the period 1 July 2020 to 1 November 2020. The Project Zipline Share Rights (if any) granted to each Non-Executive Director are set out in the 'Project Zipline Share Rights' column for the period 4 May 2020 to 30 June 2020.

As noted in Section 4 of this Remuneration Report, there are no performance hurdles put in place for Project Zipline Share Rights and vesting of these Share Rights is anticipated to occur on 7 November 2021. For Non-Executive Directors, these Share Rights are forfeited if the person ceases to be a director of Domain prior to the vesting date. No performance hurdle was included for the Project Zipline Share Rights granted to Non-Executive Directors as the rights were granted as part payment of directors' fees (which are not subject to performance hurdles).

During FY21, Domain had Directors who were nominated by Domain's major shareholder, Nine, (Hugh Marks, Lizzie Young and Mike Sneesby). Those Directors were paid as executives of Nine and are not paid directors' fees by Domain. For accounting purposes, in table below, an amount is attributed to them as 'Non-Executive Directors' Fees' for their role as a Director of Domain. This amount is equivalent to the annual directors' fees amount for Non-Executive Directors that are remunerated by Domain ($110,000 – see the table in Section 13 of this Remuneration Report) for FY21. Domain did not actually pay the amounts shown in the table to the Nine nominated Non-Executive Directors. Accordingly, the amounts shown for those Directors in the table below do not form part of the pool of aggregate remuneration of Non-Executive Directors set out in Section 10 of this Remuneration Report (currently $1.5 million). Details of the remuneration of the Nine nominated Non-Executive Directors paid to them by Nine in FY21 are not set out in this Remuneration Report.

Non-Executive Director		Non-Executive Directors' Fees	Other Fees[b]	Superannuation	Fair Value of Project Zipline Share Rights	Total
Diana Eilert	FY21[a]	$112,027	-	$10,643	$29,534	$152,203
	FY20	$125,281	-	$11,901	$3,754	$140,936
	FY19	$137,759	-	$13,087	-	$150,846
Greg Ellis	FY21[a]	$83,263	-	$7,910	$21,951	$113,124
	FY20	$93,115	-	$8,846	$2,790	$104,751
	FY19	$102,389	-	$9,727	-	$112,116
Nick Falloon	FY21[a]	$189,234	-	$17,977	$49,889	$257,101
	FY20	$211,626	-	$20,104	$6,432	$238,072
	FY19	$232,701	$178,450[b]	$22,107	-	$433,258
Geoff Kleemann	FY21[a]	$113,540	-	$10,786	$29,933	$154,260
	FY20	$126,974	-	$12,062	$3,805	$142,841
	FY19	$139,621	-	$13,264	-	$152,885
Mike Sneesby	FY21[c]	$19,541	-	$1,856	-	$21,397
Lizzie Young	FY21	$100,457	-	$9,543	-	$110,000
	FY20[d]	$41,558	-	$3,948	- [f]	$45,506
	FY19	-	-	-	-	-
Hugh Marks[g]	FY21	$75,411	-	$7,164	-	$82,575
	FY20[e]	$41,558	-	$3,948	[f]	$45,506
	FY19	-	-	-	-	-
Patrick Allaway[h]	FY21	-	-	-	-	-
	FY20[h]	$69,687	-	$6,620	-	$76,307
	FY19	$119,143	-	$11,319	-	$130,462
Gail Hambly[i]	FY21	-	-	-	-	-
	FY20[i]	$59,889	-	$5,689	-	$65,578
	FY19[j]	$102,389[j]	-	$9,727[j]	-	$112,116[j]
Total	FY21	$693,473	-	$65,880	$131,307	$890,660
	FY20	$769,688	-	$73,118	$16,691	$859,497
	FY19	$834,002	$178,450	$79,231	-	$1,091,683

(a) For FY21 this excludes an amount for an internet allowance paid in error that will be recovered in FY22.

(b) Other fees paid to Nick Falloon in FY19 are in relation to his time as Executive Chairman. A total of 41.5 days were paid for these duties in FY19 at a rate of $4,300 per day.

(c) Mike Sneesby was appointed as Non-Executive Director effective 21 April 2021. As noted above, as a Director nominated by Domain's major shareholder, Nine, who is paid as an executive of Nine, Mike Sneesby is not paid directors' fees by Domain. For accounting purposes, an amount is attributed as 'Non-Executive Directors' Fees' for his role as a Director but this amount is the annual directors' fees amount for Non-Executive Directors that are remunerated by Domain ($110,000 – see the table in Section 13 of this Remuneration Report) for the period from 21 April 2021 to 30 June 2021 (the period in FY21 during which he was a Director).

Domain did not actually pay the amounts shown in the table to Mike Sneesby.

(d) Lizzie Young was as Non-Executive Director during all of FY21. As noted above, as a Director nominated by Domain's major shareholder, Nine, who is paid as an executive of Nine, Lizzie Young is not paid directors' fees by Domain. For accounting purposes, an amount is attributed as 'Non-Executive Directors' Fees' for her role as a Director but this amount is the annual directors' fees amount for Non-Executive Directors that are remunerated by Domain ($110,000 – see the table in Section 13 of this Remuneration Report) for FY21.

Domain did not actually pay the amounts shown in the table to Lizzie Young.

(e) Hugh Marks was a Non-Executive Director from 1 July 2020 to 31 March 2021. As noted above, as a Director nominated by Domain's major shareholder, Nine, who was paid as an executive of Nine, Hugh Marks was not paid directors' fees by Domain. For accounting purposes, an amount is attributed as 'Non-Executive Directors' Fees' for his role as a Director but this amount is the annual Directors' Fees amount for Non-Executive Directors that are remunerated by Domain ($110,000 – see the table in Section 13 of this Remuneration Report) for the period from 1 July2021 to 31 March 2021 (the period in FY21 during which he was a Director).

Domain did not actually pay the amounts shown in the table to Hugh Marks.

(f) Lizzie Young and Hugh Marks (who were Non-Executive Directors at the relevant time) are not remunerated by Domain (see notes (c) and (d) above) and accordingly were not asked to participate in Project Zipline.

(g) Hugh Marks resigned as Non-Executive Director 31 March 2021.

(h) Patrick Allaway resigned as Non-Executive Director effective 1 February 2020.

(i) Gail Hambly resigned as Non-Executive Director effective 1 February 2020.

(j) Gail Hambly was an executive of Fairfax Media Limited and was a nominated representative of Fairfax on the Company Board from 2 October 2014 until 7 December 2018. As such Gail Hambly did not receive Non-Executive Director directors' fees from Domain during that period, Gail Hambly ceased employment as an executive of Fairfax effective 7 December 2018. She started receiving Non-Executive Director directors' fees from Domain with effect from 10 December 2018. Of the total FY19 remuneration shown for Gail Hambly, $50,769 was paid by Fairfax rather than Domain in relation to the period 25 June 2018 to 7 December 2018 and $61,347 was paid by Domain for her services as a Non-Executive Director from 10 December 2018 to 30 June 2019.

13.2 Non-Executive Directors Shareholdings

The number of ordinary shares in the Company held during FY21 in which each Non-Executive Director has a relevant interest is set out below. These shares were purchased on market by the Non-Executive Directors with their own personal funds.

No shares were granted during the period as remuneration.

Project Zipline Share Rights were granted to some Non-Executive Directors as part of remuneration – details of these are set out in Section 13.3 of this Remuneration Report.

	Balance as at 1 July 2020	Acquisitions	Disposals	Balance at 30 June 2021
Diana Eilert	43,400	-	-	43,400
Greg Ellis	10,581	-	-	10,581
Nick Falloon	101,239	-	-	101,239
Geoff Kleemann	60,000	-	-	60,000
Mike Sneesby[a]	- [b]	-	-	-
Lizzie Young	-	-	-	-
Hugh Marks[c]	-	-	-	- [d]
Total	215,220	-	-	215,220

(a) Mike Sneesby appointed as Non-Executive Director effective 21 April 2021.

(b) Mike Sneesby was not a Director of the Company as at 1 July 2020.

(c) Hugh Marks resigned as Non-Executive Director effective 31 March 2021.

(d) Hugh Marks was not a Director of the Company as at 30 June 2021.

13.3 Non-Executive Director Project Zipline Share Rights

The number of Project Zipline Share Rights held during FY21 by each Non-Executive Director, including their related parties, is set out below.

All Non-Executive Directors that are remunerated by Domain participated in Project Zipline. Lizzie Young and Hugh Marks (who were Non-Executive Directors at the time of grant of the Project Zipline Share Rights) did not participate in Project Zipline as they are not remunerated by Domain – see Section 13.1 of this Remuneration Report. Mike Sneesby did not participate in Project Zipline as he was not a Director at the relevant time. Mike Sneesby is also not remunerated by Domain – see Section 13.1 of this Remuneration Report.

As set out in Section 13.1 of this Remuneration Report, these Share Rights are forfeited if directorship ceases to be a Domain prior to the vesting date, except where the Board determines otherwise.

Non-Executive Director	Year Granted	Grant Date	Issue Date[c]	Vesting Date	Expiry Date	Fair Value per Share Right at Grant	Value of Share Rights at Grant[b]	Share Rights held at beginning of this year	Shares/Share Rights Granted during this year[c]	Shares/Share Rights Vested during this year
Diana Eilert	FY20	26.04.2020[a]	07.05.2020	07.11.2021	-	$2.43	$44,746	18,414	-	-
Greg Ellis	FY20	26.04.2020[a]	07.05.2020	07.11.2021	-	$2.43	$33,257	13,686	-	-
Nick Falloon	FY20	27.04.2020[a]	07.05.2020	07.11.2021	-	$2.43	$75,585	31,105	-	-
Geoff Kleemann	FY20	25.04.2020[a]	07.05.2020	07.11.2021	-	$2.43	$45,351	18,663	-	-
Mike Sneesby[d]	FY20	-	-	-	-	-		-	-	-
Lizzie Young	FY20	-	-	-	-	-		-	-	-
Hugh Marks[e]	FY20	-	-	-	-	-		-	-	-

(a) The Grant Dates for each Non-Executive Director's Project Zipline Share Rights are the dates contained in the offer acceptance documentation, and the date on which the offers were accepted.

(b) Fair Value at Grant for the Project Zipline Share Rights is calculated by multiplying the share price on the day of grant ($2.43) by the number of Share Rights granted.

(c) As set out above, Project Zipline Share Rights were granted to Non-Executive Directors as part of a single grant during FY20 (on 7 May 2020) in payment of part of the relevant remuneration for a six-month period from 4 May 2020 to 1 November 2020.

(d) Mike Sneesby was appointed as Non-Executive Director effective 21 April 2021

(e) Hugh Marks resigned as a Non-Executive Director effective 31 March 2021

13.4 Relevant interests of Directors in related bodies corporate of Company

The relevant interests of the Executive KMP, being the CEO and the CFO, in shares of the Company are set out in the table in Section 12.1 of this Remuneration Report.

The relevant interests of the KMP (other than the Executive KMP), being the Chairman and the Non-Executive Directors, in shares of the Company are set out in the table in Section 13.2 of this Remuneration Report.

The relevant interests of the Non-Executive Directors in shares or other relevant securities of related bodies corporate of the Company are set out below. Where a Director is not included in the table, they have no relevant interests in relevant securities of related bodies corporate of the Company.

Director	Related body corporate	Balance in which Director had relevant interest as at 1 July 2020	Balance in which Director had relevant interest at 30 June 2021
Nick Falloon	Nine Entertainment Co. Holdings Limited	396,222 ordinary shares	396,222 ordinary shares
Lizzie Young	Nine Entertainment Co. Holdings Limited	14,634 ordinary shares 411,530 performance rights	77,989 ordinary shares 389,461 performance rights
Mike Sneesby[a]	Nine Entertainment Co. Holdings Limited	81,083 ordinary shares	81,803 ordinary shares
Hugh Marks[b]	Nine Entertainment Co. Holdings Limited	2,012,166 ordinary shares 304,478 ordinary shares (subject to vesting and holding restrictions) 2,304,568 performance rights	2,671,438 ordinary shares 2,793,808 performance rights

(a) Mike Sneesby appointed as Non-Executive Director on 21 April 2021.

(b) Hugh Marks resigned as Non-Executive Director on 31 March 2021.

Further information on securities in Nine Entertainment Co. Holdings Limited is available in its annual report and other ASX disclosures.

14. Additional Information

14.1 Loans to KMP

There were no loans made, guaranteed or secured by any member of the Domain Group to any KMP, close members of the family of KMP, or entities over which any such persons have, directly or indirectly, control, joint control or significant influence during FY21 (FY20: nil).

14.2 Remuneration Consultants

No remuneration consultant (within the meaning of the *Corporations Act 2001* (Cth)) made any remuneration recommendation in relation to any of the KMP for FY21.

Corporate Governance Statement

Corporate Governance Statement

The Board has overarching responsibility for corporate governance of Domain Holdings Australia Limited (**Company** or **Domain**) and its controlled entities (**Domain Group**) and drives responsible management and conduct of the Domain Group's business. The Board recognises that strong corporate governance protects the interests of Domain's shareholders and is core to enhancing shareholder value. The Board has adopted policies and procedures which are aimed at supporting a high standard of corporate governance.

This corporate governance statement (**Corporate Governance Statement**) sets out the key features of the framework that Domain has in place to achieve good corporate governance outcomes. It reports on Domain's policies, practices and procedures during the Reporting Period (as defined below) against the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th Edition) (**ASX Recommendations**) and discloses the extent to which Domain has followed the ASX Recommendations.

The relevant reporting period for this Corporate Governance Statement is Domain's 2021 financial year which commenced on 1 July 2020 and ended on 30 June 2021 (**Reporting Period**).

This Corporate Governance Statement is current as at 17 August 2021 and has been approved by the Board.

Domain has adopted a number of policies and procedures designed to ensure that Domain is appropriately governed and managed. More information about Domain's corporate governance and copies of Domain's Constitution, Board Charter, Board Committee Charters, Securities Trading Policy, Continuous Disclosure Policy, Code of Conduct, Supplier Code of Conduct, Inclusion and Belonging Statement, Speak Up Policy and Anti-Bribery and Corruption Policy are available in the Corporate Governance section of Domain's Shareholder Centre website at shareholders.domain.com.au.

In addition, more information about Domain's Environmental, Social and Governance (**ESG**) management practices is available at Domain's Sustainability website at sustainability.domain.com.au.

Investors can also find information on the Company, including financial statements, investor presentations and ASX announcements, at Domain's Shareholder Centre website at shareholders.domain.com.au.

Board of Directors

As at the date of this Corporate Governance Statement, Domain has seven Directors on its Board: six Non-Executive Directors and the Managing Director (**CEO**). Domain has three independent Directors resulting in an equal split of independent and non-independent Non-Executive Directors.

There were changes to the Domain Board in March and April 2021. Hugh Marks, a non-independent Non-Executive Director, resigned as a Director effective 31 March 2021. Mike Sneesby, also a non-independent Non-Executive Director, was appointed as a Director effective 21 April 2021. In between these dates, there were six Directors on the Domain Board, with five Non-Executive Directors and the Managing Director.

The Non-Executive Directors, together with the Managing Director, bring a diverse range of skills and knowledge to the Board, including strong financial, risk, commercial and social expertise. Details of the Directors on the Board, the appointment dates of each of the Directors, and the members of the Board Committees for FY21 are set out in the Directors' Report on pages 37-50 of this Annual Report.

The qualifications, experience and other details of each member of the Board (including those members of the Audit and Risk Committee) are set out in the Directors' Report on pages 37-50 of this Annual Report.

The number of Board and Board Committee meetings held during FY21 and details of each Director's attendance at the meetings are set out in the Directors' Report on pages 37-50 of this Annual Report.

Role of the Board and Delegation of Authority

Overview of the Role of the Board

The roles and responsibilities of the Board are set out in the Board Charter. A copy of the Board Charter is available at Domain's Shareholder Centre website at shareholders.domain.com.au.

The Board Charter sets out the Board's role, its composition, and the way it exercises and discharges its powers and responsibilities having regard to principles of good corporate governance. In accordance with the ASX Recommendations, Domain discloses the respective roles and responsibilities of the Board and the matters delegated to management through disclosure of its Board Charter and this Corporate Governance Statement.

The Board's role is to:

- Represent and serve the interests of shareholders by overseeing Domain's strategies, policies and performance;
- Protect and optimise Company performance and build sustainable value for shareholders within a framework of effective controls that enables risk to be assessed and managed;
- Set, review and monitor compliance with Domain's culture and governance framework; and
- Monitor that shareholders are kept informed of Domain's performance.

The Board's responsibilities and reserved matters include:

- Appointing the CEO and evaluating the CEO's performance and remuneration;
- Monitoring the performance of the CEO and Executive Leadership Team (as defined below) and, where required, providing feedback to and challenging the CEO and Executive Leadership Team;
- Monitoring corporate performance and implementation of strategy and policy;
- Approving major capital expenditure, acquisitions and sales;
- Overseeing capital management, including approving dividend payments;
- Monitoring and reviewing management processes for financial and other reporting;
- Approving financial reports, profit forecasts and ASX Listing Rule reports; and
- Evaluating the performance of the Board and its Committees and individual Directors.

Consistent with the ASX Recommendations, the Board Charter sets out the role and responsibilities of the Chairman. Under the Board Charter, the Chairman is responsible for leading the Board, facilitating effective contribution of all Directors and promoting respectful and constructive communication between Directors and between the Board and management.

Under the Board Charter, the Board collectively and each Director individually has the right to seek independent professional advice, subject to the approval of the Chairman.

Delegation to Board Committees

The Board establishes Board Committees to assist with discharging its responsibilities. The three standing Board Committees that have been established are the Audit and Risk Committee, the People and Culture Committee and the Nomination Committee.

Further details about the duties and responsibilities of each Board Committee are set out on pages 93-94 of this Corporate Governance Statement and details of the members of each Board Committee are set out in the Directors' Report on pages 37-50 of this Annual Report.

Delegation to Management

The Board has appointed Jason Pellegrino as the CEO of the Company. He is responsible for the overall management of the Domain Group in accordance with the business strategy approved by the Board. Further details of the roles and responsibilities of senior management are set out below in 'Executive Leadership Team.

The management team that reports to the CEO (these managers together with the CEO being the **Executive Leadership Team**) support him with specific duties and responsibilities in the day to day operations of the Domain Group. Members of the Executive Leadership Team regularly attend and report at Board and Board Committee meetings.

Details of the members of the Executive Leadership Team are available at Domain's Shareholder Centre website at shareholders.domain.com.au.

The Directors and Independence

The Directors' Report on pages 37-50 of this Annual Report gives details of the Directors, their length of service and their experience.

During most of FY21, Domain had seven Directors. As set out above in 'Board of Directors', there were changes to the non-independent Directors in March and April 2021, which meant that Domain had six Directors for a brief period. This section of the Corporate Governance Statements considers the Board as it was for the majority of the Reporting Period – from 1 July 2020 to 31 March 2021 and from 21 April 2021 to 30 June 2021 – when the Board comprised seven Directors.

Independent directors

Three out of the six Non-Executive Directors on the Board are considered by the Board to be independent Directors: Diana Eilert, Greg Ellis and Geoff Kleemann.

The independent Directors were identified and selected through an external search process. In accordance with the ASX Recommendations, they are not aligned with the interests of management, a substantial security holder or any other relevant stakeholder and they can and do bring independent judgement to bear on issues before the Board. Diana Eilert, Greg Ellis and Geoff Kleemann have served as Directors during all of FY21. No Directors have served in that position for more than 10 years.

As announced by the Company on 26 April 2020, the Company implemented cost initiatives to manage the potential impact of the COVID-19 pandemic (**Project Zipline**). This initiative involved the CEO and those Directors who receive directors' fees (including the independent Directors) electing to take 50% of their salary or directors' fees (respectively) for six months in Share Rights. The Company lodged notice of these changes to the Directors' interests (Appendix 3Y) via the ASX Market Announcements Platform. The details of Project Zipline Share Rights held by Directors are set out in the Remuneration Report on pages 51-82 of this Annual Report.

While the independent Directors, by these Share Rights, are participating in a scheme under Domain's Equity Incentive Plan Rules, the Board is of the opinion that this does not compromise the independence of those Directors, as such Share Rights were granted as part-payment of Directors' fees over a six-month period that they would have otherwise been entitled to receive in cash. The vesting criterion of the Zipline Share Rights is that the person must remain a Director until the vesting date, however the vesting does not depend on the individual Director's individual performance or on Domain's performance and thus the Share Rights are not considered to be performance-based remuneration. Directors are encouraged to hold shares in the Company generally as set out below in 'Director Shareholdings' and the fact that a Director holds shares (or in the case of Project Zipline, Share Rights) is not considered to affect a Director's independent status.

Further information in relation to Project Zipline is set out in the Chairman's Report on pages 11-14 and the Remuneration Report on pages 51-82 of this Annual Report.

Non-independent directors

The other three Non-Executive Directors on the Board as at the date of this Corporate Governance Statement, Nick Falloon, Mike Sneesby and Lizzie Young, are considered by the Board to be non-independent. Nick Falloon and Lizzie Young have served as Directors for all of the Reporting Period. Mike Sneesby was appointed as a Director on 21 April 2021.

Each of these Directors are considered to be non-independent due to their connection with Nine Entertainment Co. Holdings Limited (**Nine**), Domain's majority shareholder. Nick Falloon and Mike Sneesby are on the board of Nine (with Nick Falloon being Deputy Chairman), and Mike Sneesby and Lizzie Young are employees of Nine: Mike Sneesby is Chief Executive Officer and Lizzie Young is Managing Director – Group Marketing and Local Markets. In addition, each of these Directors hold interests in Nine as set out in notices of Directors' interests (Appendix 3X or 3Y) lodged by the Company via the ASX Market Announcements Platform.

Hugh Marks was a Director from the commencement of the Reporting Period to 31 March 2021. At the time of appointment, he was on the board of Nine and was an employee of Nine (as Chief Executive Officer), and held interests in Nine. Hugh Marks was considered by the Board to be non-independent during his period of service as a Director due to his connection with Nine.

Jason Pellegrino, the CEO of Domain and a Director, is also considered by the Board to be non-independent given he is employed in an executive capacity by Domain and receives performance-based remuneration.

The Board has considered and assessed the interests of each of the non-independent Directors and determined that their interests will not interfere with that Director's capacity to bring independent judgement to bear on issues before the Board and to act in the best interests of the entity and its shareholders generally.

During the Reporting Period, the Nomination Committee undertook an annual review of the status of every Director and made a recommendation to the Board as to their independence. The Board determined that the independent/non-independent status of each of the Directors remained unchanged and continues to be as set out in this Corporate Governance Statement.

Balance of independent and non-independent Directors

A majority (four of seven) of the Directors are non-independent Directors.

Whilst not in line with the ASX Recommendation that a majority of Directors should be independent, the Board considers the current mix of independent and non-independent Directors to be appropriate and reflects Nine's majority shareholding in Domain.

At the beginning of each Board meeting, there is a period allocated for the Non-Executive Directors to confer without the senior executives present at the meeting. There is also allocated time in each Board meeting for an independent director discussion, led by independent Director, Geoff Kleemann, during which the non-independent Directors leave the meeting.

Board Skills

The Directors each bring to the Board a valuable depth of knowledge and experience including global experience. The Directors represent a cross-section of industries and bring a diverse range of skills including strong financial, risk, commercial and social expertise. The following table sets out the Board's skills matrix being the skills, experience and diversity of the Directors on the Board as at the date of this Corporate Governance Statement.

As set out above in 'Board of Directors', there were changes to the Board in March and April 2021. The following table reflects the skills of the current Board and does not include those persons who ceased to be Directors during the Reporting Period.

The Directors completed a self-assessment questionnaire identifying their relevant experience or expertise in relation to a skills matrix developed by the Nomination Committee and approved by the Board. The results were reviewed and discussed by the Board and are reflected in the following table.

Category	Percentage of Directors (substantial or extensive expertise)
Media expertise Expertise and experience in the media industry at a very senior level	100%
Strategy/risk Expertise in the development and implementation of strategic plans and risk management to deliver investor returns over time	86%
Executive leadership Experienced and successful leadership at a very senior executive level of large organisations	100%
Marketing and product development Expertise and senior executive experience in marketing and new media marketing metrics and tools	71%
Financial acumen Expertise in understanding financial accounting and reporting, corporate finance and internal financial controls, including an ability to probe the adequacies of financial and risk controls	86%
Remuneration Expertise in remuneration design to drive business success	86%
Capital projects, acquisitions and divestitures Experience in evaluating and implementing projects involving large-scale financial commitments, investment horizons and major transactions	71%
Governance Knowledge and experience of high standards of corporate governance, including ASX Listing Rules and practices	86%
Technology and data Expertise and experience in the adoption of new technology and technology projects and in the use of data and data analytics to drive successful sales, marketing and business development	71%
Health, safety and corporate responsibility Expertise related to workplace health and safety, environmental, community and social responsibility	43%
Public policy Experience in public and regulatory policy, including how it affects business	71%

The Nomination Committee assists the Board in considering the Directors' ongoing education and ensuring that there are processes in place to ensure that each of the Directors maintains the skills and knowledge needed to perform their role as a Director effectively.

Director Appointment, Rotation and Succession Planning

The Nomination Committee assists the Board when appointing new Directors and when considering the re-election of existing Directors. Under the Nomination Committee Charter, candidates must demonstrate they have the skills, experience, expertise and personal qualities that will best complement Board effectiveness and promote Board diversity. They must also show they can provide the necessary time and commitment and meet any independence requirements. All potential Directors are subject to appropriate background checks before they are appointed as a Director or put forward to shareholders for election as a Director.

A background check for Mike Sneesby was completed prior to his appointment as a Director in April 2021.

Domain has a process for inducting new Directors and each new Director receives induction information with the key corporate governance policies and charters of the Company. As part of the Director induction and Board evaluation process, the Board, with support from the Nomination Committee, considers the skills and knowledge of each of the Directors and whether any of the Directors require any professional development to develop and maintain their skills and knowledge to perform their role effectively. Management regularly briefs the Directors on material developments in laws, regulations and accounting standards that are relevant to Domain.

Director Appointment Letter

All new Directors receive a written appointment letter setting out the terms of their appointment. Mike Sneesby received such an appointment letter prior to his appointment as a Director on 21 April 2021.

In line with the ASX Recommendations, for non-executive Directors the appointment letters address:

- The requirement to disclose the director's interests and any matters which could affect the director's independence;
- The requirement to comply with key corporate policies;
- When Directors may seek independent professional advice at the expense of the Company;
- Indemnity and insurance arrangements;
- Ongoing rights of access to corporate information; and
- Ongoing confidentiality obligations.

As noted above, as part of Project Zipline, in May 2020 the CEO and Directors who receive directors' fees elected to take 50% of their salary (in the case of the CEO) or directors' fees (respectively) for six months in Share Rights. The executive service agreement for the CEO and the appointment letters for the relevant Directors were varied (with the written agreement of the CEO and the relevant Director) to account for this variation to the payment of their remuneration. Further information in relation to Project Zipline is set out in the Chairman's Report on pages 11-14 and the Remuneration Report on pages 51-82 of this Annual Report.

Director Shareholdings

Directors are encouraged to hold shares in Domain. Directors' appointment letters set out the Board's policy that new Directors must accumulate, during the period of four years from appointment, a portfolio of Domain shares equal to the value of 25% of annual directors' fees per year for that four years (25% x 4), valued at the time of purchase. As noted in the Remuneration Report on pages 51-82 of this Annual Report, not all Non-Executive Directors are remunerated by Domain. Directors nominated by Domain's major shareholder, Nine, are not paid Directors' Fees by Domain and accordingly this policy does not apply to them. Of the Directors as at 30 June 2021, there are two Directors nominated by Nine (Mike Sneesby and Lizzie Young).

Details of Domain shares (and Project Zipline Share Rights) held by Directors are set out in the Remuneration Report on pages 51-82 of this Annual Report. In considering the application of the Board's policy relating to Director Shareholdings, the Board has taken into account the Project Zipline Share Rights held by Directors, noting that they are anticipated to vest in November 2021.

Director Rotation

Domain's Annual General Meeting will be held on 4 November 2021.

Under Domain's Constitution, at least one Director is required to stand for re-election at the Annual General Meeting, and no Director (who is not the CEO) may hold office without re-election beyond the third Annual General Meeting following the meeting at which they were last elected or re-elected. In addition, under the ASX Listing Rules, a director appointed to fill a casual vacancy must not hold office (without re-election) past the next Annual General Meeting.

Consistent with these requirements, Hugh Marks and Lizzie Young (who were each appointed to the Board in February 2020) each stood for re-election at Domain's most recent Annual General Meeting held on 10 November 2020. The notice for that Annual General Meeting contained all material information in Domain's possession relevant to a decision on whether or not to re-elect those persons as Directors, including biographical details (including relevant qualifications and experience, and the skills they brought to the Board), confirmation that Domain had conducted appropriate background checks prior to their appointment as Directors, and statements that the Board supported each re-election and a summary of the reasons why. The resolution to re-elect each of them was carried. As noted above, Hugh Marks resigned as a Director effective 31 March 2021.

As also noted above, Mike Sneesby was appointed as a Director effective 21 April 2021. Accordingly, he will be required to stand for re-election at the next Annual General Meeting.

The Nomination Committee assists the Board to determine which Directors will stand for re-election. In the Notice of Meeting for the Annual General Meeting, the Company will announce the details of the Directors standing for re-election and will provide shareholders with all material information in its possession about the Director relevant to a decision by shareholders on whether or not to re-elect the Director standing for re-election.

Evaluation of Board, Board Committees and Directors

The Company has a process for periodically evaluating the performance of the Board, the Board Committees and individual Directors.

During the Reporting Period, the Board conducted a review of the Board's structure and composition, and performance of the Board, the Board Committees and individual Directors. The Nomination Committee assisted the Board with this review process. With regard to Board structure and composition, the Board determined that there was no requirement to change the existing composition or size of the Board based on the range of skills possessed by the current Directors.

The Board performance review was undertaken during the Reporting Period with the objective of continuous governance improvement, identifying Board performance improvement opportunities and any potential governance framework gaps. The review process covered individual Directors, the Chairman, the Board as a whole as well as the Board Committees. The evaluation process comprised an individual Director questionnaire, a management questionnaire for those members of management that regularly interact with the Board, direct one-to-one discussions between individual Directors and the Chairman and, to complete the process, a Board group discussion.

Consistent with the ASX Recommendations, performance evaluation of the Chairman was completed by an independent Non-Executive Director, Geoff Kleemann.

Board Chairman

The Board appoints the Chairman, who represents the Board to the shareholders and communicates the Board's position.

Domain's Chairman is Nick Falloon and he is also Deputy Chairman of Nine, which is a substantial shareholder of Domain. As noted above, as a result of his interests in Nine, he is considered to be a non-independent Director.

Whilst not following the ASX Recommendation that the Chair should be an independent Director, the Board considers Nick Falloon to be the most appropriate person to lead the Board, given his expertise and experience. Consistent with the ASX Recommendation, the Chair is not the same person as the CEO.

The Board is comfortable that Nick Falloon brings objective and independent judgement to all of the Board's deliberations. Notwithstanding this, Geoff Kleemann, an independent Non-Executive Director, has been appointed by the Board to act as the independent Chair in relation to any matters where Nick Falloon may be conflicted. The Board has a standing item on its Board meeting agenda, chaired by Geoff Kleemann, for independent Director discussion. The non-independent Directors are asked to step out of the meeting for that agenda item.

CEO

The CEO is appointed by the Board and is responsible for the Company's day-to-day management, financial performance and administration. Jason Pellegrino served as Domain's CEO during the Reporting Period.

The CEO's performance is evaluated by the Board. The CEO's annual performance review against his key performance criteria was undertaken by the Chairman, in consultation with the other members of the Board, shortly after the end of FY21.

Executive Leadership Team

During the Reporting Period, the Executive Leadership Team consisted of the CEO, the CFO and other managers delegated with management functions by the CEO. Details of the members of the Executive Leadership Team are available at Domain's Shareholder Centre website at shareholders.domain.com.au.

The Executive Leadership Team's roles and responsibilities are to implement strategic objectives, plans and budgets approved by the Board, and identify and manage risks within Domain's risk framework. The members of the Executive Leadership Team are leaders within the business, and they drive the Domain business and implementation of its key objectives. They are accountable to the Board for matters within their delegated authority. They are committed to providing the Board with sufficient information to enable the Board to understand relevant risks of the business and to discharge their Directors' duties effectively.

The members of the Executive Leadership Team are employed under individual written executive service agreements which set out the terms of their employment.

Domain has a process to conduct appropriate background checks for new employees being appointed to the Executive Leadership Team.

As part of the Company's Project Zipline initiative to manage the business impacts of COVID-19, Executive Leadership Team members elected to take 30% of their salary for six months in Share Rights. This six-month period spanned across each of FY20 and FY21. The executive service agreements for the members of the Executive Leadership Team were varied (with the written agreement of the relevant member) to account for this variation to the payment of their remuneration.

Domain operates a regular 'check-in' process to enable employees and managers to provide regular feedback and discuss performance throughout the year. During the Reporting Period, the members of the Executive Leadership Team had regular check-in meetings with the CEO to discuss their key priorities and deliverables and their performance against those priorities and deliverables. In addition, the CEO had regular check-in meetings with the Chairman and also with the Chair of the People and Culture Committee.

In addition to regular check-ins, the members of the Executive Leadership Team are evaluated over a period of 12 months against key performance criteria aligned with the strategic priorities of the business. Throughout the year, the Executive Leadership Team collectively reviews delivery and performance of the strategic priorities as a group and the CEO also conducts individual reviews with Executive Leadership Team members. The CEO's final end of year review usually occurs after the end of each financial reporting year in respect of the previous financial year. The performance reviews for FY20 were undertaken during the Reporting Period, shortly after the end of the financial year. The reviews for FY21 will occur in the first quarter of the next Reporting Period.

The Company Secretary

The Company Secretary is appointed by the Board and is accountable directly to the Board through the Chairman on all matters to do with the proper functioning of the Board. The Company Secretary is responsible for the coordination of all Board matters relating to the proper functioning of the Board including agendas, board papers, minutes, communication with regulatory bodies and all statutory and other filings. Consistent with the ASX Recommendations, each Director is able to communicate directly with the Company Secretary and vice versa.

Domain's Company Secretary is Catriona McGregor. The qualifications and experience of the Company Secretary are set out in the Directors' Report on pages 37-50 of this Annual Report.

Board Committees

The Board has three standing Board Committees that have been established. These are the Audit and Risk Committee, the People and Culture Committee and the Nomination Committee.

Audit and Risk Committee

The roles and responsibilities of the Audit and Risk Committee are set out in the Audit and Risk Committee Charter.

The Audit and Risk Committee is responsible for:

- Overseeing Domain's relationship with the external auditor and the audit function generally;
- Overseeing the Company's financial and other periodic corporate reporting;
- Overseeing the Company's financial controls and systems; and
- Overseeing the Company's identification and management of financial and non-financial risk.

The Audit and Risk Committee has three members all of which are Non-Executive Directors. A majority of the members of the Audit and Risk Committee are independent Directors.

The Chair of the Committee is Geoff Kleemann. He is an independent Director and, consistent with the ASX Recommendations, he is not the Chairman of the Board. Geoff Kleeman acts as the independent Chair in relation to any matters raised at a Board meeting where Nick Falloon (the Chairman of the Board) may be conflicted. The Board considers that Geoff Kleemann is the appropriate person to act as the independent Chair of the Board in relation to any matters or decisions where the Chairman has a conflict. Geoff Kleemann has relevant financial and risk expertise having operated as Chief Financial Officer and Chair of the audit committee for a number of listed entities.

People and Culture Committee

The roles and responsibilities of the People and Culture Committee are set out in the People and Culture Committee Charter.

The People and Culture Committee (which also operates as a remuneration committee) has been in place throughout the Reporting Period and is responsible for overseeing the development of Domain's employee experience strategies to support the Company.

The People and Culture Committee's responsibilities include:

- Approving major changes and developments in remuneration and personnel practices and strategies for the Domain Group, including remuneration for the CEO, the Executive Leadership Team and Non-Executive Directors, Domain's employee equity incentive plans and the Company's employee relations strategy;
- Monitoring and reviewing Domain's strategies and processes to promote a safe and positive working culture;
- Approving whistleblowing and bullying and harassment policies; and
- Approving policies and procedures related to senior management recruitment, retention, performance assessment and termination.

In addition, the People and Culture Committee is to provide support to the Board and management in overseeing the development and implementation of an ESG strategy and related policy.

The People and Culture Committee comprises three Non-Executive Directors, a majority of whom are independent, with an independent Director, Diana Eilert, as Chair.

Executive Directors are not involved in deciding their own remuneration or setting the remuneration of other executives that may indirectly affect their own, consistent with the ASX Recommendations.

Nomination Committee

The roles and responsibilities of the Nomination Committee are set out in the Nomination Committee Charter.

The Nomination Committee assists the Board to ensure the Board is comprised of Directors with a broad mix of skills, expertise, experience and diversity. It makes recommendations to the Board on the Board's size, composition, and the criteria for nomination as a Director. The Nomination Committee assists the Board to evaluate the performance of the Board as a whole, its Committees, and individual Directors. It also ensures there are adequate processes to support Director induction and education, and to review their commitment and effectiveness.

Consistent with the ASX Recommendations, the Nomination Committee is permitted under the Nomination Committee Charter to seek the advice of the Company's auditors, solicitors or other independent advisers, consultants and specialists as to any matter pertaining to the powers or duties of the Nomination Committee or its responsibilities.

The Nomination Committee comprises three Non-Executive Directors, a majority of whom are independent, with an independent Director, Geoff Kleemann, as Chair.

Also consistent with the ASX Recommendations, the Chairman does not chair the Nomination Committee and so a separate chair is not required should the Nomination Committee deal with the appointment of a successor to the Chairman.

Board Committees – Charters

Copies of the charters of each of the Board Committees are available at Domain's Shareholder Centre website at shareholders.domain.com.au.

Board Committees – Membership, meetings and attendance and relevant qualifications and experience

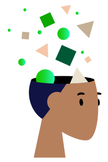
Details of the membership of each of the Board Committees, the number of times each Board Committee has met during the Reporting Period, and how many meetings each member has attended are set out in the Directors' Report on pages 37-50 of this Annual Report.

In addition to the matters set out above in 'Audit and Risk Committee', the relevant qualifications and experience of the members of the Audit and Risk Committee are set out in the Directors' Report on pages 37-50 of this Annual Report.

Values and Code of Conduct

Values

Domain has four values which represent what Domain employees believe are important standards of behaviour. These values guide Domain in achieving its purpose of inspiring confidence for all of life's property decisions:




Open Minds Open Doors	Passion is Contagious	Have Adventures	Leap Grow Repeat
And closed minds close them. We're always up for looking at things through each other's eyes.	So we don't keep it to ourselves. We share our energy, drive, determination, celebration and pride.	Big ones. Small ones. The kind that makes our time here all the more meaningful.	We admire the leap; learning when we fall, celebrating when we land, and then leaping all over again.

Further information on these values is set out in the Environmental, Social and Governance section on pages 19-34 of this Annual Report.

Domain's values are publicly disclosed on its Sustainability website at sustainability.domain.com.au and are also promoted externally as part of Domain's employee recruitment. Domain employees receive appropriate training on these values and the Executive Leadership Team frequently references and reinforces these values in their communications and interactions with staff, in recognition awards and performance evaluations.

Code of Conduct

Domain has a Code of Conduct, a copy of which is available at Domain's Shareholder Centre website at shareholders.domain.com.au. All Directors, managers and employees are required to act honestly and with integrity, and in accordance with the Domain Code of Conduct. The Code of Conduct was updated during the Reporting Period (in May 2021).

The Code of Conduct applies to Directors, employees, interns, contractors, sub-contractors and employees of contractors and sub-contractors of Domain and its subsidiaries. It may also apply to contractors working on behalf of Domain, including Nine employees who work solely for Domain. It sets out the minimum standards of conduct expected of such persons, and aims to set honesty, trust and integrity as defining characteristics of the way these persons work, and to maintain transparency and promote the taking of accountability in dealing with teams and external parties. The Code also sets out the responsibility of individuals for reporting Code breaches.

Under the Code of the Conduct, employees are encouraged to raise concerns about behaviour which breaches the Code of Conduct to their manager or Employee Experience representative as soon as possible, other than breaches involving financial malpractice or fraud (which are to be immediately reported to the CFO or the General Counsel). Employees may call the Speak Up (whistleblower) hotline if they do not feel comfortable speaking to someone at Domain.

Depending on their nature, breaches of the Code of Conduct are reported to the Audit and Risk Committee and/or the People and Culture Committee (if appropriate) and material breaches are reported to the Board by the relevant Committee.

In addition to, and supporting the Code of Conduct, is the Company's range of guidelines and policies. These guidelines and policies are posted on an intranet site accessible to employees and the key policies are communicated to employees at the time of employment and are reinforced by training programs. The Code of Conduct is to be read in conjunction with the other Domain guidelines and policies.

Supply Chain and Supplier Code of Conduct

Domain expects its suppliers to comply with social, environmental and ethical standards of behaviour, comply with legislation and meet the required standards of the International Labour Organisation (**ILO**) and the Australian Human Rights Commission.

Domain has implemented a Supplier Code of Conduct (**Supplier Code**) which sets out the minimum standards that Domain expects of its suppliers. The Supplier Code is available at Domain's Shareholder Centre website at shareholders.domain.com.au and has been sent to all Domain suppliers.

In addition to implementing the Supplier Code, Domain has reviewed its supply chain to identify and address any modern slavery risks in Domain's operating and supply chain. Domain complies with its reporting requirements under the *Modern Slavery Act 2018* (Cth) and has prepared a Modern Slavery Statement which will be made available on or around the date of this Annual Report at Domain's Sustainability website at sustainability.domain.com.au.

Whistleblowing

Domain has a Speak Up Policy (Whistleblower Policy). The Speak Up Policy, including details of the Speak Up hotline, is available at Domain's Shareholder Centre website at shareholders.domain.com.au. The Speak Up Hotline is an independent externally managed hotline which also enables whistleblowing reports to be made anonymously.

To support recipients of whistleblower reports under the Speak Up Policy Domain has created Whistleblower Guidelines for those involved in receiving, coordinating or investigating a whistleblower report, or wishing to make reports and for recipients of Whistleblower reports.

Under the Speak Up Policy, Domain encourages employees to raise concerns about incidents via a range of methods, including the Speak Up Hotline, the CFO, the Group Director – Employee Experience, the CEO (for concerns relating to members of the Executive Leadership Team) and the Chairman.

Under the Speak Up Policy, the Audit and Risk Committee or the Board is to be provided with additional information about material incidents that are appropriate to be escalated to that Committee or the whole Board, subject to legally required levels of confidentiality.

Anti-Bribery and Corruption

The Company has an Anti-Bribery and Corruption Policy. The Anti-Bribery and Corruption Policy is available at Domain's Shareholder Centre website at shareholders.domain.com.au.

Under the Anti-Bribery and Corruption Policy, employees are to inform the CFO of any potential bribery or corruption in the Domain Group as soon as they become aware of it. Employees may also raise concerns relating to bribery and corruption via the Speak Up Hotline.

Under the Anti-Bribery and Corruption Policy, once raised, the Executive Leadership Team must immediately inform the Board, and the Board will determine next steps to be taken.

Diversity, Inclusion and Belonging

Inclusion and Belonging Commitment Statement (Diversity policy)

The Domain Group is committed to providing a workplace that is inclusive, embraces all forms of diversity and has a sense of belonging for all.

Domain recognises that each individual brings their own unique capabilities, experiences and characteristics to their work. Domain values, respects and encourages diversity of Directors, employees, interns, work experience students, temporary agency supplied staff, contractors, sub contractors and employees of contractors or subcontractors as well as customers and suppliers. Diversity includes differences in age, cultural background, disability, ethnicity, family responsibilities, gender identity, language, marital status, religious belief and sexual orientation. It may also include other ways in which people are different, such as education, life experience, work experience and socio-economic background.

By embracing a diverse and inclusive approach, there is naturally a larger pool of talented employees available for recruitment. It also enhances employee engagement and thereby supports retention and talent attraction. Continuing to focus on diversity and inclusion will assist the Company to achieve its strategic objectives and ultimately deliver greater financial performance and greater shareholder value. Domain recognises the benefits of an inclusive workplace, including reflecting the diversity of our customers, audiences and the communities in which we operate, having employees bring their 'whole selves' to work, and providing for collaboration, innovation and diversity.

The People and Culture Committee oversees Domain's diversity, inclusion and belonging approach and the setting and achievement of its goals, including measurable objectives for achieving gender diversity.

During the Reporting Period (May 2021), Domain adopted an Inclusion and Belonging Commitment Statement which is available at Domain's Shareholder Centre website at shareholders.domain.com.au. This replaced Domain's Diversity and Inclusion Guidelines which were in place at the beginning of the Reporting Period up to May 2021.

As set out in the Inclusion and Belonging Commitment Statement, Domain has put in place measures to drive inclusion and belonging, including:

- Reviewing all employee-related policies and guidelines with an inclusion lens;
- Providing training and education to all employees to ensure they understand their roles and responsibilities for managing diversity and inclusion in the workplace. The 'Inclusion at Domain' training module is compulsory for all employees, and is an annual activity;
- Seeking to deliver diverse shortlists as part of the recruitment process and challenging hiring managers to look for candidates that will be 'culture add' when joining the team;
- Having diverse interview panels for all roles;
- Monitoring salaries to identify, eliminate and rectify any gender equity gaps; and
- Providing flexibility to assist employees in balancing their work and personal responsibilities.

The Inclusion and Belonging Commitment Statement includes a requirement that it be reviewed by Domain's People and Culture Committee every two years or as required, and key parts of Domain's Environmental, Social and Governance Plan are initiatives to drive inclusion and belonging and requirements for the People and Culture Committee to receive reports on progress under these initiatives.

Measurable objectives

Domain is continuing to strive to improve its practices. Domain recognises the importance of setting measurable objectives to achieve diversity. The People and Culture Committee oversees Domain's diversity and inclusion goals, including measurable objectives for achieving gender diversity.

During the Reporting Period, the Company amended its measurable objectives for achieving gender diversity in the composition of the Board to be consistent with the ASX Recommendations.

During the Reporting Period, the Company's measurable objectives consistent with the ASX Recommendations, that by the end of 2021 there would be at least 40% female and 40% male (with a 20% swing variance) across the Board, the Executive Leadership Team and Senior Management (CEO-2) levels of the organisation and the workforce generally.

The Company's progress towards achieving the measurable objectives and its workforce gender demographics more generally as at 30 June 2021 were:

Measure	Male	Female	Change from 30 June 2020
Proportion of men and women who are Directors (including CEO)	71%	29%	No change
Proportion of men and women who are in the Executive Leadership Team (including CEO and CEO-1)	70%	30%	No change
Proportion of men and women who are in Senior Management (CEO-2)	51%	49%	FY20: 57% male 43% female
Proportion of men and women across workforce generally	52%	48%	No change

As shown in the table above, the Company has seen a significant narrowing of the gender gap at the Senior Management level as at 30 June 2021 compared to 30 June 2020.

Other diversity and inclusion responsibilities and initiatives

Domain complies with the *Workplace Gender Equality Act 2012* (Cth) (**WGEA Act**). It has lodged its 2020-2021 Public Report under the WGEA Act with the Workplace Gender Equality Agency and this Report will be made available at Domain's Shareholder Centre website at shareholders.domain.com.au later in 2021 after Domain has completed relevant procedures under the WGEA Act. Domain has made available its questionnaire, workplace profile and management statistics table for its 2020-2021 Public Report at Domain's Sustainability website at sustainability.domain.com.au.

During FY21, Domain completed gender pay gap analysis. When undertaking gender pay gap analysis, the Company uses Workplace Gender Equality Agency tools to look at 'like for like' roles and identify any potential gender pay equity issues and/or gaps to be addressed. Domain will continue the process of regularly undertaking gap analysis and taking any needed steps to adjust the remuneration of employees to address any gaps identified.

During the Reporting Period, Domain participated for the first time in the Australian Workplace Equality Index (**AWEI**), a benchmark for LGBTQI+ workplace inclusion. Domain intends to continue this participation in future reporting periods.

Domain has partnered with Reconciliation Australia to develop our first Domain Reflect Reconciliation Action Plan (**RAP**) which is scheduled to launch in early FY22.

Further information in relation to Domain's diversity initiatives, including its focus in FY21 on First Nations and LGBTQI+ inclusion, is set out in the Environmental, Social and Governance section on pages 19-34 of this Annual Report.

Supporting our Employees

Domain appreciates that attracting, developing and retaining high performing employees is key to its success.

During the Reporting Period, Domain introduced or updated a number of key employee wellbeing measures, including in relation to the following:

- Domestic violence: Domain updated its Domestic Violence Guidelines to grant permanent employees affected by domestic and family violence up to 10 days of special leave per year, which can be used for seeking medical or legal assistance, attending court appearances, safety arrangement planning and other matters. This special leave is distinct from and in addition to other forms of leave, such as personal and annual leave. In addition, counselling, financial advisory and other forms of support is available to Domain employees and immediate family members. Domain recognises the unique challenges faced by LGBTQI+ people in domestic and family violence situations, and the Guidelines identifies these challenges and sets out avenues for support.
- Harassment and bullying: Domain updated its Harassment, Discrimination and Bullying Policy to include more inclusive language to better reflects the diversity of its employees.
- Work health and safety: Domain updated its Work Health and Safety Statement – which sets out its commitment to providing a healthy and safe workplace for all people involved in its business operations – to include a focus on psychological safety and overall wellbeing.
- Employee Assistance Program (EAP): Domain's EAP program provides fee, confidential counselling for employees and their families. Domain has extended the availability of its EAP to customers to assist them in managing the challenges of the COVID-19 pandemic.

Further information in relation to Domain's arrangements and support for employees is set out in the Environmental, Social and Governance section on pages 19-34 of this Annual Report.

Human Rights Policy

Domain is committed to conducting its activities in a manner that respects human rights. Domain has a Human Rights Policy. The Company's approach to human rights is based on doing business in a way that respects the rights and dignity of people, avoids human rights abuses and upholds applicable legal requirements. A copy of the Human Rights Policy is available at Domain's Shareholder Centre website at shareholders.domain.com.au.

Domain recognises its ability to impact and influence the human rights of a variety of its stakeholders, including in its role as a provider of products and services, as an employer and as a procurer. Domain is committed to working closely with stakeholders to identify and understand its impact, to reduce negative impacts and to enhance positive ones.

This Human Rights Policy applies in addition to the Code of Conduct which captures the principles by which Domain will conduct its business and interact with its people, customers and broader communities and the Supplier Code which sets out the minimum standards that Domain expects of its suppliers.

Further information in relation to Domain's exposure to environmental and social risks, including human rights risks, is set out under 'Social sustainability risks' below.

Remuneration

The Remuneration Report on pages 51-82 of this Annual Report describes the Company's remuneration policies and practices for setting the level and composition of remuneration for Non-Executive Directors, the CEO and CFO, and their remuneration during FY21.

Risk Management

Risk management framework

The Board, with the support of the Audit and Risk Committee, oversees and monitors Domain's risk framework. The Domain Group's risk management framework was reviewed by the Audit and Risk Committee and considered by the Board during the Reporting Period.

During the Reporting Period, the Audit and Risk Committee worked with the CEO, CFO and members of management to review the Company's key risk areas, including contemporary and emerging risks (including cyber and data risks), and established a new reporting framework in respect of those key risks. The Audit and Risk Committee monitors and reviews the risks reported by management and makes recommendations to the Board based on Domain's risk appetite framework.

Management reports to the Audit and Risk Committee, the People and Culture Committee and the Board on risks, both with regard to financial and non-financial risks. Risks and risk management are also considered in the context of business planning, budgeting, forecasting, reporting, and performance management processes.

The Board will continue to assess Domain's risk management framework, including reviewing its risk appetite statements, and reporting protocols at least annually to ensure they continue to be sound and that the Company is operating with due regard to the risk appetite set by the Board.

Economic, environmental and social sustainability risks

The Board, with the support of the Audit and Risk Committee, considers economic, environmental and social sustainability risks and opportunities and how they may impact the Company.

Economic risks

As a business that delivers technology and services to the real estate industry, Domain is exposed to the economic conditions of the property market. Whilst property listing volumes are cyclical in nature, Domain has significant opportunities to grow revenue through increased take up of its premium listing products to offset market impacts.

Domain is expanding its business model beyond the typical six-month transaction window to service the entirety of the typical 10-year property ownership cycle. This broader focus and extension of the length of the engagement with consumers provides an opportunity for Domain to diversify and grow revenue with a view to lessening the economic impact of a property downturn.

Environmental risks

Domain acknowledges that climate change is an existential threat that will have increasingly significant environmental, social and economic impacts on all aspects of society. Although Domain does not consider it has a material exposure to climate change risk, the Company acknowledges that the scale and complexity of climate change make it uniquely challenging, especially in the context of economic decision making.

Information on environmental regulations applicable to Domain is set out in the Directors' Report on pages 37-50 of this Annual Report.

During FY21, Domain published its Environmental Statement. A copy of the Statement is available at Domain's Sustainability website at sustainability.domain.com.au. The Statement sets out how Domain's commitment to improving environmental performance will be achieved, including by continual assessment of environmental impacts of its operations and developing a Sustainability Strategy that will provide direction for Domain's business to operate in a zero-carbon emissions future.

Domain participates in the Carbon Disclosure Project (CDP), a global environmental disclosure system that supports thousands of companies, states and cities to measure and manage their risks and opportunities on climate change, water security and deforestation. Domain has commissioned Cushman & Wakefield to manage and report on Domain's greenhouse gas and energy consumption.

Further information about Domain's initiatives to reduce its impact on the planet, including its carbon disclosure activities, are set out in the Environmental, Social and Governance section on pages 19-34 of this Annual Report.

Social sustainability risks

Recognition and support of human rights is very important to Domain. Due to the nature of the Domain business, the Company does not consider that it has material exposure to risks in this area:

- The Company operates solely within Australia, a country with low frequency of current day human rights violations, and which is tightly monitored by the Australian Human Rights Commission.
- The Company's products are primarily online and are all developed within Australia.
- The Company's supply chain is relatively small meaning the Company has high visibility of suppliers in its supply chain. Most of the Company's suppliers are based in Australia.

Actions the Company is currently undertaking in relation to human rights risks include continually reviewing its supply chain, to identify and address any modern slavery risks in its operating and supply chain and investigating the potential to report on human rights issues in line with the UN Guiding Principles Reporting Framework.

Environmental, Social & Governance Policy and Plan

The Company has published an Environmental, Social & Governance Policy (ESG Policy) and an Environmental, Social & Governance Plan (ESG Plan).

Copies of these documents are available at Domain's Sustainability website at sustainability.domain.com.au.

The ESG Policy has been developed to help outline the Company's position on material ESG issues impacting our operations. The ESG Policy was developed following an ESG Materiality Assessment through an independent consultant, as a result of which the Company identified a range of current and emerging ESG risks and conversely opportunities that are likely to impact its business and its stakeholders over the short, medium and long term.

As set out in the ESG Policy, the critical risks that will become the focus for the Company moving forward are:

- Diversity and inclusion;
- Data security and privacy;
- Sustainable supply chain;
- Employee engagement;
- Customer satisfaction; and
- Systemic risk – Technology.

The ESG Policy sets out, for each of these risks, why it is important to the Company and how the Company is addressing the risk, and how the risk is linked to the United Nations Sustainable Development Goals.

The ESG Plan sets out, for each of these risks, the actions the Company intends to take to address the risk and a delivery timeframe for those actions.

Actions the Company is currently undertaking in relation to environmental risks include improving the energy efficiency of its assets, and developing its Sustainability Strategy that will provide direction for our business to operate in a zero-carbon emissions future.

More information on Environmental, Social and Governance

More information about Domain's approach to managing social sustainability is set out in the Environmental, Social and Governance section on pages 19-34 of this Annual Report.

Internal Audit

During the Reporting Period, Domain established an outsourced internal audit function to provide an independent and objective view on key strategic, operational and financial risks faced by Domain and the effectiveness of its internal controls implemented to address those risks.

Domain has engaged PwC to perform this outsourced internal audit function. The function is performed by a team at PwC, led by the National Leader of Internal Audit Services at PwC.

On administrative matters, the internal audit team reports to the CFO. Consistent with the ASX Recommendations, the internal audit team has a direct reporting line to and is accountable to the Audit and Risk Committee, and members of the team have full and free access to the Chair of the Audit and Risk Committee to raise relevant matters.

Periodic Corporate Reporting

Where the Company releases to the market any periodic corporate report (being an annual directors' report, annual and half yearly financial statements,periodic activity reports, or similar periodic reports prepared for the benefit of investors) that is not audited or reviewed by an external auditor, it adopts processes to ensure the integrity of these reports, including by having the data verified, statements reviewed by relevant members of management including the CFO and the Group General Counsel. The full year financial report is audited and the half year financial report is reviewed by the auditors.

Declarations from the CEO and CFO

Before it approves the financial statements for the half-year and full-year, the Board receives a declaration from the CEO and CFO consistent with the requirements of the *Corporations Act 2001* (Cth) and the ASX Recommendations (a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively).

These statements are made after the CEO and the CFO receive representation letters from appropriate management addressed to the CEO and CFO verifying material issues relating to their respective areas of responsibility and disclosing factors that may have a material effect on the financial performance of the Domain Group.

The Board also receives a statement from the CEO and CFO that their opinion has been formed on the basis of a sound system of controls which they believe to be operating effectively.

Tax Transparency

Domain is committed to maintaining a high standard of principled tax governance.

The Australian Taxation Office has established a Voluntary Tax Transparency Code (Tax Transparency Code) which sets out principles and minimum standards to guide businesses on public disclosure of tax information, with the purpose of encouraging greater transparency around tax matters. Different standards apply to businesses based on their status as a 'large' or 'medium' business.

Domain has welcomed the opportunity to provide more information in relation to its tax contributions and has voluntarily adopted the Tax Transparency Code with effect from FY19.

In FY20, Domain was a 'medium' business under the Tax Transparency Code. Domain's Tax Transparency Report for FY20 is available at Domain's Sustainability website at sustainability.domain.com.au. As set out in this report, Domain applied the minimum standards for medium businesses, and also provided an overview of tax contributions made to Australian State and Commonwealth governments, reflecting Domain's commitment to transparency and integrity across tax matters.

Domain intends to submit a Tax Transparency Report for FY21. Once submitted, it will be available at Domain's Sustainability website at sustainability.domain.com.au.

Role of the Auditor and Audit Independence

The Company's auditor audits Domain's full-year financial statements. The Audit and Risk Committee assists the Board by overseeing Domain's relationship with the external auditor. The Committee reviews the performance, independence and objectivity of the external auditor. It also monitors compliance with the Company's External Audit Policy and Charter of Audit Independence, which are attached to the Audit and Risk Committee Charter. The Charter of Audit Independence provides a framework for the Board and management to ensure that the external auditor is independent and seen to be independent. The purpose of an independent statutory audit is to provide shareholders with reliable and clear financial reports on which to base investment decisions.

The Charter sets out key commitments by the Board and procedures to be followed by the Audit and Risk Committee and management that aim to set a proper framework for audit independence.

Continuous Disclosure Policy

Domain is committed to complying with its continuous disclosure obligations under the *Corporations Act 2001* (Cth) and the ASX Listing Rules to keep the market fully informed of information concerning it that a reasonable person would expect to have a material effect on the price or value of Domain's securities.

Domain has a written Continuous Disclosure Policy to ensure that it complies with its disclosure obligations so that all investors have equal and timely access to material information concerning the entity – including its financial position, performance, ownership and governance. A copy of Domain's Continuous Disclosure Policy is available at Domain's Shareholder Centre website at shareholders.domain.com.au.

The Continuous Disclosure Policy sets out matters in respect of which Board approval and input for announcements is required, including in relation to significant profit upgrades or downgrades, dividend policy or declarations and company transforming events.

Where the Board does not approve announcements, Board members are provided with material market announcements promptly after they have been made, consistent with the ASX Recommendations.

Investor and Analyst Presentations

Consistent with the ASX Recommendations, the Company releases a copy of presentation materials on the ASX Market Announcements Platform ahead of new and substantive investor and analyst presentations.

During the Reporting Period, the Company released a copy of presentation materials on the ASX Market Announcements Platform on three occasions (20 August 2020, 16 February 2021 and 4 May 2021). In each case, the materials were released ahead of the presentation.

Shareholders and other interested parties are able to participate in all Company hosted investor events, and webcast details are made available in advance on the ASX Market Announcements Platform. In addition, replays and transcripts of these presentations are available at Domain's Shareholder Centre website at shareholders.domain.com.au.

Shareholder Communications and Investor Relations Program

The Company operates an investor relations program that facilitates two-way communications with investors. The Directors also meet with proxy advisers and representatives of retail shareholders to understand their key focus areas and share Domain's approach in relation to those matters.

Consistent with the ASX Recommendations, where significant comments or concerns are raised by investors or their representatives, they are conveyed to the Board and relevant senior executives. Shareholders have the option to receive communications from Domain and send communications to Domain and its share registry electronically. Domain's ASX announcements include details of its investor relations contact person and their contact details.

To ensure shareholders have access to relevant information, Domain puts information about itself and its governance (including Company announcements, analyst and investor briefings, financial results and other relevant information) at Domain's Shareholder Centre website at shareholders.domain.com.au.

Consistent with the ASX Recommendations, the Company has a dedicated 'Corporate Governance' landing page from where corporate governance information about Domain and its governance can be accessed.

Also consistent with the ASX Recommendations, the Shareholder Centre website also includes:

- Names, photographs and brief biographical information for Directors and Executive Leadership Team;
- The Company's Constitution;
- The Board Charter, Board Committee charters and policies;
- An overview of the Company's current business and brands;
- Slides for materials distributed at investor or analyst presentations (and, in some cases, webcast recordings);
- Historical information about the price of the Company's shares;
- Information about the Company's dividend or distribution history;
- Contact details for enquiries from security holders, analysts or media; and
- Contact details for its securities registry (from which key security holder forms can be accessed).

Domain also makes available at the Shareholder Centre website the full text of Notices of Meetings and explanatory materials for each Annual General Meeting (including directors' reports, financial statements and other corporate reports). The Chairman's and the CEO's addresses, proxy counts and results of shareholder resolutions for each Annual General Meeting are posted on the Shareholder Centre as soon as practicable after their release to ASX.

In addition to the Shareholder Centre website, Domain has a Sustainability website at sustainability.domain.com.au to provide investors with information about Domain's approach to responsible business practices, ensuring customer satisfaction, monitoring our supply chain, being an employer of choice, managing our environmental footprint, and supporting and investing in community development.

Shareholder Participation and Voting

Shareholders are encouraged to ask questions and are given a reasonable opportunity to comment on matters relevant to the Company (including management of the Company) at the Company's Annual General Meeting. The external auditor attends the Annual General Meeting and is available to answer shareholder questions about the audit and the Auditor's Report.

The Company facilitates and encourages participation at meetings of security holders by a range of methods, including:

- Allowing proxy forms to be submitted electronically, by fax, by post or delivery;
- Webcasting the Annual General Meeting so that security holders can view and hear proceedings online; and
- Allowing security holders to submit questions in writing ahead of the Annual General Meeting (including to the auditor), for those who are unable to attend the meeting or who prefer to register questions in advance.

Consistent with the ASX Recommendations, the above methods were adopted for the Company's Annual General Meeting held during the Reporting Period. The 2020 Annual General Meeting was held virtually due to the COVID-19 pandemic and for the safety of shareholders. Questions from shareholders were facilitated in the virtual environment.

At meetings of security holders, resolutions are decided by a poll rather than a show of hands, consistent with the ASX Recommendations. At the Company's Annual General Meeting held during the Reporting Period, all resolutions were decided by poll and it was flagged in the notice of meeting that the Chairman intended to put all resolutions to a poll.

Trading in Company Securities

Domain has a Securities Trading Policy that regulates when and how the Directors, the Executive Leadership Team and certain other key designated employees (collectively Designated People) may trade in its securities. The Securities Trading Policy also extends to trading in Nine securities because it is recognised that materially price sensitive information about Domain may be price sensitive in relation to Nine securities whilst Domain is a subsidiary of Nine.

The Securities Trading Policy is available at Domain's Shareholder Centre website at shareholders.domain.com.au.

The Securities Trading Policy sets out closed periods when no trading is to be undertaken by Designated People except in exceptional circumstances with prior written clearance. At all other times, Designated People cannot trade without authorisation. Designated People are also prohibited from short selling, from engaging in short term or speculative trading, or from trading in derivatives the value of which is based on Domain's or Nine's share value.

The Directors, Executive Leadership Team and Designated People are regularly reminded of the Securities Trading Policy and of the closed periods.

Equity-Based Remuneration Schemes

The Company has several equity-based remuneration schemes under the Domain Equity Incentive Plan and the Domain Executive Incentive Plan. Details of these schemes (as applicable to KMP) are set out in the Remuneration Report on pages 51-82 of this Annual Report. A summary of the Domain Equity Incentive Plan is set out on page 42 of the Scheme Booklet for the separation of the Company from Fairfax Media. The Scheme Booklet is available at Domain's Shareholder Centre website at shareholders.domain.com.au.

Securities issued via these schemes are subject to the Securities Trading Policy. The Securities Trading Policy also prohibits any employees from entering into any financial transactions (whether through a derivative, hedge or other arrangement) which would operate to limit their economic risk from holding unvested Domain securities that have been allocated to them as part of their remuneration, including under any of the above schemes. As set out in the Securities Trading Policy, any employee found not to have complied with the Policy risks disciplinary actions which could include termination of employment. The Securities Trading Policy is available at Domain's Shareholder Centre website at shareholders.domain.com.au.

Management Discussion and Analysis Report

Management Discussion and Analysis Report

For the financial year ended 30 June 2021

Trading Overview

For the financial year ended 30 June 2021 (**FY21**), Domain Holdings Australia Limited (**Company** or **Domain**) reported a statutory net profit after tax attributable to members of the Company of $34.3 million.

Operating earnings before interest, tax, depreciation and amortisation (**EBITDA**) (excluding significant items and disposals)[1] of $100.6 million was 21% above last year.

There was a significant change to accounting policy during FY21. Due to an International Financial Reporting Standards Interpretations Committee (**IFRIC**) agenda decision in April 2021 in respect of Software as a Service (**SaaS**), Domain changed its accounting policy during FY21 and reclassified capitalised costs relating to SaaS arrangements as operating expenses, impacting both FY21 and prior financial years. Domain has restated its results for the financial year ended 30 June 2020 (**FY20**) to account for this change.

Where this Management Discussion and Analysis Report (**Report**) compares performance in FY21 to FY20, it is a comparison to the restated results, some of which do not correspond to the FY20 financial report. Further information in relation to this change and restated FY20 results are set out in Note 1(B)(v) to the Financial Report on page 121 of this Annual Report.

All revenue, expense and earning amounts in this Report exclude significant items and disposals unless otherwise specified.[1]

Segment Performance

Core Digital

Revenue of $265.5 million increased 17% from FY20, with growth across all businesses in this segment.

Residential revenue increased 21%, with a significant acceleration in the second half as the property environment recovered, and volumes cycled the COVID-19 depressed lows of FY20. Domain's depth listings reached the highest level in the Company's history and revenue per listing growth significantly expanded.

Media, Developers & Commercial revenue increased 7%, with improving second half performance from all three businesses. Media was the strongest performing business of the three, accelerating its first half growth into the second half. Developers performance improved significantly in the second half to deliver solid growth for the full year despite challenging market conditions. Commercial Real Estate (**CRE**) saw a significant turnaround in second half performance reflecting the COVID-19-impacted base in FY20. Revenues were modestly down year-on-year, as strong growth in depth penetration largely offset the weak listings environment.

Agent & Property Data Solutions revenue increased 8%, as COVID-19-related support initiatives to agents were wound back, supporting a strong second half recovery at Pricefinder and Homepass. Real Time Agent (**RTA**) benefited from accelerating digital adoption, with ongoing momentum in new customer growth, expanded product uptake by existing customers, and a full year earnings contribution.

Expenses of $135.4 million increased 5% from the prior year, reflecting investment in staff to support the growth of the business and a full year contribution of RTA (acquired by Domain during FY20). EBITDA of $130.0 million increased 33% from the prior year, reflecting revenue growth.

1 No disposals in FY21

Consumer Solutions

Consumer Solutions revenue of $5.5 million was stable year-on-year, due to the conclusion of a lead generation arrangement at Domain Connections. Domain Home Loans' underlying revenue growth was 12%.

Expenses of $11.7 million increased 27% from FY20, reflecting investment in the businesses of Domain Home Loans and Domain Insure.

EBITDA was a loss of $(6.2) million compared with a loss of $(3.6) million in the prior year, reflecting the increased investment.

Print

Revenue of $17.8 million reduced 33% from the prior year reflecting paused print publications in the first half of FY21 to respond to the impact of the COVID-19 pandemic. Print revenue is experiencing a structural shift to digital and is exposed to property market volume related cyclicality.

Expenses of $14.9 million reduced 27%, reflecting ongoing cost initiatives, lower print volumes and the pausing of publications.

EBITDA of $2.8 million reduced 54% from the prior year, reflecting the paused print publications and management of costs in light of the continued revenue declines. Profitability was maintained despite the pausing of publications.

Financial Position

Operating earnings before interest and tax (**EBIT**) of $64.5 million increased 44% on the prior year. Depreciation and amortisation of $36.0 million decreased 6% on the prior year, largely due to lower amortisation of software and right-of-use assets.

FY21 recorded significant items of $(3.6) million net of tax attributable to members of the Company. The restructuring and redundancy costs of $8.5 million largely relate to the ongoing implementation of new finance systems, mergers and acquisitions (M&A) activity and restructuring charges.

Net cash inflow from operating activities of $52.1 million decreased 39% from the prior year, impacted by timing of receipts from customers and higher tax payments. Net cash outflow from investing activities was $12.1 million, with outflows predominantly being capital expenditure (total $17.7 million) offset by proceeds from disposal of businesses and sublease receipts. Dividends of $5.0 million were in respect of dividends paid to non-controlling interests in subsidiaries. Cash and cash equivalents of $94.2 million increased 44% on the prior year. Net assets as at 30 June 2021 of $950.7 million increased 5% from FY20.

Net debt was $79.0 million at 30 June 2021, down 25% from the prior year reflecting the cash and cash equivalents movement described above.

Business Strategies and Future Prospects

Domain has evolved from a property classifieds business to an online property marketplace that provides a range of solutions, services and data to consumers, agents and other parties with an interest in the Australian residential and commercial property markets.

Through the marketplace model Domain expands the role it can play to consumers, agents and other parties by offering a broader range of services and solutions, increasing our addressable market, the value we can contribute and our potential revenue streams. Playing a greater role in the property journey of our customers supports Domain's purpose of inspiring confidence for all of life's property decisions.

Underpinning Domain's marketplace model is the principle of 'better together'. This propels Domain to recognise not just the independent value of its solutions but the unique and new value it can create through close collaboration or integration of its solutions to have differentiated and strategic propositions in the market. Domain's strong track record of joint ventures, the breadth and quality of the property technology brands within the Domain Group, combined with the deep and rich data and its internal product capabilities make us well placed to deliver on Domain's 'better together' principle.

For consumers, Domain remains a leading destination to search for properties to buy or rent offering a seamless experience across web and mobile, attracting a quality high-intent audience. Domain supports consumers in their property journey with expert content, advice and insights to inspire confidence for their decisions. In recent years, Domain has expanded to offer Domain for Owners which gives owners greater tools, services and insights regarding financing and management of their home.

For agents, Domain provides an increasing suite of connected solutions to generate leads and drive efficiencies in their workflow alongside marketing solutions for their customers, the vendors. Through innovating, partnering and buying technology, combined with leveraging the power of our data and products being used together, Domain is enhancing the quality and breadth of agent solutions it offers.

Domain offers services and solutions to consumers and agents at different points of the property lifecycle including home loan and insurance brokerage, flexible payment solutions and residential utilities connection.

More recently, Domain has progressed its property data solutions capabilities. Currently, Domain supplies a range of data services to financial institutions, governments and industry bodies. Domain is working to make property data solutions available to an even wider set of stakeholders.

Underlying Drivers of Performance

The Group operates across three key segments with specific underlying drivers of performance. These are summarised below.

Core Digital

Residential: The majority of Residential revenue is through listings of 'for sale' and rental properties across desktop, mobile and social platforms with the balance coming from monthly subscriptions. Revenue is driven by residential property listing volumes and controllable yield performance driven by price changes and depth product penetration.

Media, Developers and Commercial: Media revenue is from digital display advertising. Developers revenue is from listings and advertising related to residential property developments. Commercial comprises digital subscription, listings and display advertising revenue for a range of sectors including office, retail and industrial.

Agent & Property Data Solutions: Agent & Property Data Solutions revenue is from a suite of products providing solutions to agents to grow their businesses, including:

- Pricefinder and Australian Property Monitors (APM) – which produce property data, insights and reporting tools to agents, financial institutions and other non-real estate businesses.
- RTA – which digitises key steps in the property journey, including agency agreements, auctions and contracts.
- Homepass – which provides open-for-inspection tools.
- MarketNow – which provides flexible payment options to support vendor marketing campaigns. MarketNow was launched in a joint venture with Limepay during FY21.

Consumer Solutions

Consumer Solutions revenue comprises commissions from Domain's home loans, insurance and utilities connections businesses. Domain Home Loans and Domain Insure operate as joint ventures with specialist providers, and Domain Connections is a residential utilities connection lead generation service.

Print

Print revenue comprises lifestyle and property listings advertising in the Domain, Domain Prestige, Allhomes and Domain Review magazines.

Expenses

Expenses of $189 million increased 6% as Domain invested in its business in the second half of FY21. Increases in staff and other costs offset cost reductions from lower promotion costs, print pauses and other efficiency initiatives. Further information in relation to expenses is set out in Note 3 to the Financial Report on pages 126-127 of this Annual Report.

Grants of $6.5 million from the Federal Government's JobKeeper scheme have been included in the results recorded at 30 June 2021 (EBITDA impact of $5.7 million which excludes $0.8 million transferred to capitalised labour costs). As a result of increased confidence in the property market outlook and robust performance of the business, on 16 August 2021 the Board made the decision to repay the JobKeeper grants received in FY21. This will impact results for the financial year ended 30 June 2022. Further information in relation to the repayment of JobKeeper benefits is set out in Note 18 to the Financial Report on page 150 of this Annual Report.

Investor Presentation

The impacts of changes in the underlying drivers of performance on the current year result are set out in Domain's Investor Presentation for its FY21 results and associated commentary presented by the Domain Management team. A copy of the Investor Presentation has been lodged with the ASX by the Company on the date of this Annual Report.

2021 Financial Report

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the financial year ended 30 June 2021

	Note	30 June 2021 $'000	Restated(i) 30 June 2020 $'000
Revenue from contracts with customers	2(A)	288,773	265,385
Other revenue and income	2(B)	6,084	16,027
Total revenue and income		**294,857**	**281,412**
Expenses from operations excluding impairment, depreciation, amortisation and finance costs	3(A)	(200,537)	(190,581)
Impairment	4	-	(256,068)
Depreciation and amortisation	3(B)	(36,042)	(38,833)
Finance costs	3(C)	(7,360)	(7,159)
Net profit/(loss) from operations before income tax expense		**50,918**	**(211,229)**
Income tax expense	20	(15,357)	(11,128)
Net profit/(loss) from operations after income tax expense		**35,561**	**(222,357)**
Other comprehensive income/(loss) for the year		-	-
Total comprehensive income/(loss) for the year		**35,561**	**(222,357)**
Net profit/(loss) is attributable to:			
Non-controlling interest		1,291	4,850
Owners of the parent		34,270	(227,207)
		35,561	**(222,357)**
Total comprehensive income/(loss) is attributable to:			
Non-controlling interest		1,291	4,850
Owners of the parent		34,270	(227,207)
		35,561	**(222,357)**
Earnings per share			
Basic earnings per share (cents)	16	5.87	(38.94)
Diluted earnings per share (cents)	16	5.82	(38.94)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying Notes.

(i) Certain amounts shown here do not correspond to the 2020 financial report. Refer to Note 1(B)(v) for changes to the significant accounting policy in respect of SaaS arrangements.

Consolidated Balance Sheet

as at 30 June 2021

	Note	30 June 2021 $'000	Restated(i) 30 June 2020 $'000
Current assets			
Cash and cash equivalents	23	94,151	65,497
Trade and other receivables	8	55,074	42,679
Sublease receivable	12	1,379	1,301
Total current assets		**150,604**	**109,477**
Non-current assets			
Intangible assets	6	1,100,025	1,110,156
Property, plant and equipment	11	11,787	13,170
Right of use assets	12	31,475	34,644
Sublease receivable	12	4,453	5,692
Total non-current assets		**1,147,740**	**1,163,662**
Total assets		**1,298,344**	**1,273,139**
Current liabilities			
Payables – related parties	19	2,620	5,303
Trade and other payables	9	45,558	37,624
Lease liability	12	10,516	9,979
Provisions	10	6,353	6,281
Current tax liabilities		9,180	16,890
Total current liabilities		**74,227**	**76,077**
Non-current liabilities			
Interest bearing liabilities	7	173,116	171,254
Lease liability	12	33,650	39,116
Provisions	10	3,676	3,002
Other payables	9	1,500	2,644
Deferred tax liabilities	20	61,445	74,997
Total non-current liabilities		**273,387**	**291,013**
Total liabilities		**347,614**	**367,090**
Net assets		**950,730**	**906,049**
Equity			
Contributed equity	14	1,296,462	1,294,420
Reserves	14	(23,361)	(35,426)
Retained losses		(325,008)	(358,780)
Total parent entity interest		**948,093**	**900,214**
Non-controlling interest		2,637	5,835
Total equity		**950,730**	**906,049**

The above Consolidated Balance Sheet should be read in conjunction with the accompanying Notes.

(i) Certain amounts shown here do not correspond to the 2020 financial report. Refer to Note 1(B)(v) for changes to the significant accounting policy in respect of SaaS arrangements.

Consolidated Cash Flow Statement

for the financial year ended 30 June 2021

	Note	30 June 2021 $'000	Restated(i) 30 June 2020 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		306,780	307,414
Payments to suppliers and employees (inclusive of GST)		(220,595)	(200,679)
Net income taxes paid		(29,425)	(14,996)
Finance costs paid		(4,069)	(5,213)
Net financing component of lease receipts and payments	12	(1,035)	(1,339)
Interest received		439	238
Net cash inflow from operating activities	23	52,095	85,425
Cash flows from investing activities			
Payment for property, plant and equipment and software		(17,656)	(18,226)
Payment for purchase of controlled entities (net of cash acquired)		(1,530)	(19,170)
Disposal of controlled entities (net of cash disposed of)		6,000	4,903
Receipts from sublease receivable – principal component	12	1,103	363
Loan to other party		-	(500)
Proceeds from sale of property, plant and equipment and software		-	4
Net cash outflow from investing activities		(12,083)	(32,626)
Cash flows from financing activities			
Payment of lease liabilities – principal component	12	(8,682)	(8,787)
Dividends paid to non-controlling interests in subsidiaries		(5,040)	(4,520)
Proceeds from borrowings by subsidiary with non-controlling shareholder		3,028	966
Payment for purchase of non-controlling interest	19(E)	(1,150)	-
Proceeds from issue of shares by subsidiary with non-controlling shareholder		486	2,120
Proceeds from borrowings		-	10,000
Dividends paid to shareholders		-	(34,985)
Payment of debt facility fees		-	(1,411)
Net cash outflow from financing activities		(11,358)	(36,617)
Net increase in cash and cash equivalents held		28,654	16,182
Cash and cash equivalents at the beginning of the year	23	65,497	49,315
Cash and cash equivalents at end of the year	23	94,151	65,497

The above Consolidated Cash Flow Statement should be read in conjunction with the accompanying Notes.

(i) Certain amounts shown here do not correspond to the 2020 financial report. Refer to Note 1(B)(v) for changes to the significant accounting policy in respect of SaaS arrangements.

Consolidated Statement of Changes in Equity

for the financial year ended 30 June 2021

			Reserves					
	Note	Contributed Equity $'000	Other Reserves $'000	Share-Based Payment Reserve $'000	Total Reserves $'000	Retained Losses $'000	Non-Controlling Interest $'000	Total Equity $'000
Balance at 30 June 2020	14	1,294,420	(38,777)	3,351	(35,426)	(358,780)	5,835	906,049
Profit for the year		-	-	-	-	34,270	1,291	35,561
Other comprehensive income		-	-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	34,270	1,291	35,561
Transactions with owners in their capacity as owners:								
Dividends paid or declared to non-controlling interests in subsidiaries		-	-	-	-	-	(5,029)	(5,029)
Non-controlling interest arising on business combination		-	-	-	-	-	140	140
Transactions with non-controlling interest		-	-	-	-	-	570	570
Acquisition of non-controlling interest		-	(2,130)	-	(2,130)	-	(170)	(2,300)
Release of employee incentive shares	14	2,042	-	(1,544)	(1,544)	(498)	-	-
Share-based payments, net of tax	14	-	-	15,739	15,739	-	-	15,739
Total transactions with owners		2,042	(2,130)	14,195	12,065	(498)	(4,489)	9,120
Balance at 30 June 2021		1,296,462	(40,907)	17,546	(23,361)	(325,008)	2,637	950,730

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying Notes.

Consolidated Statement of Changes in Equity

for the financial year ended 30 June 2021

	Note	Contributed Equity $'000	Reserves: Other Reserves $'000	Reserves: Share-Based Payment Reserve $'000	Total Reserves $'000	Retained Losses $'000	Non-Controlling Interest $'000	Restated[i] Total Equity $'000
Balance at 30 June 2019	14	1,289,658	(37,343)	2,372	(34,971)	(94,574)	3,411	1,163,524
Net effect of change in accounting policy[i]	1(B)(v)	-	-	-	-	(2,716)	-	(2,716)
Restated balance at 30 June 2019		**1,289,658**	**(37,343)**	**2,372**	**(34,971)**	**(97,290)**	**3,411**	**1,160,808**
Restated (loss)/profit for the year[i]		-	-	-	-	(227,207)	4,850	(222,357)
Other comprehensive income		-	-	-	-	-	-	-
Total comprehensive (loss)/income for the year		-	-	-	-	(227,207)	4,850	(222,357)
Transactions with owners in their capacity as owners:								
Issue of share capital	14	3,783	-	-	-	-	-	3,783
Dividends paid to shareholders	15	-	-	-	-	(34,985)	-	(34,985)
Dividends paid or declared to non-controlling interests in subsidiaries		-	-	-	-	-	(4,502)	(4,502)
Non-controlling interest arising on business combination		-	-	-	-	-	(44)	(44)
Transactions with non-controlling interest		-	-	-	-	-	2,120	2,120
Vesting of employee engagement shares	14	979	-	(979)	(979)	-	-	-
Release of employee engagement shares	14	-	-	(702)	(702)	702	-	-
Share-based payments, net of tax	14	-	-	2,660	2,660	-	-	2,660
Reclassification of asset revaluation reserve		-	(1,434)	-	(1,434)	-	-	(1,434)
Total transactions with owners		4,762	(1,434)	979	(455)	(34,283)	(2,426)	(32,402)
Balance at 30 June 2020		**1,294,420**	**(38,777)**	**3,351**	**(35,426)**	**(358,780)**	**5,835**	**906,049**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

(i) Certain amounts shown here do not correspond to the 2020 financial report. Refer to Note 1(B)(v) for changes to the significant accounting policy in respect of SaaS arrangements.

Notes to the Consolidated Financial Statements

for the financial year ended 30 June 2021

1. About This Report

A. Corporate information

Domain Holdings Australia Limited (**the Company**) is a for profit company limited by shares incorporated and domiciled in Australia, the shares are publicly traded on the Australian Stock Exchange (**ASX**). The financial report includes the consolidated entity consisting of the Company and its controlled entities (**the Group**). The ultimate parent of the Company is Nine Entertainment Co. Holdings Limited.

The Group is principally engaged in the provision of real estate media and classified advertising services. The Group's principal place of business is Pyrmont, Australia. Further information on the nature of the operations and principal activities of the Group is provided in the Directors' Report. Information on the Group's structure is provided in Note 19. Information on other related party relationships of the Group is provided in Note 19.

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the financial years presented, unless otherwise stated.

B. Basis of preparation

This financial report is for the 12 months from 1 July 2020 to 30 June 2021 (2020: 12 months from 1 July 2019 to 30 June 2020).

The financial report is a general purpose financial report and has been prepared:

- In accordance with the requirements of the *Corporations Act 2001* (Cth), Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (**AASB**);
- In accordance with the going concern basis of accounting; and
- On a historical cost convention except for contingent considerations that are measured at fair value.

The financial report also complies with International Financial Reporting Standards (**IFRS**) as issued by the International Accounting Standards Board.

For consistency purposes prior year balances have been remapped where appropriate.

i. New accounting standards, interpretations and amendments adopted by the Group

With the exception of interpretations on Software as a Service (**SaaS**) arrangements (refer to Note 1(B)(v) there were no new accounting standards, interpretations and amendments significantly impacting the Group in the financial year ended 30 June 2021.

ii. Standards issued but not yet effective

Certain new accounting standards, amendments and interpretations have been issued that are not yet effective for the financial year ended 30 June 2021. However, the Group intends to adopt the following new or amended standards and interpretations, if applicable, when they become effective with no significant impact being expected on the Consolidated Financial Statements of the Group:

- Amendments to AASB 101 *Classification of Liabilities as Current or Non-current*
- Amendments to AASB 3 *Reference to Conceptual Framework*

iii. Functional and presentational currency

All amounts are expressed in Australian dollars, which is the Group's presentation currency. Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency).

iv. Rounding of amounts

The amounts contained in the financial report have been rounded to the nearest $1,000 (where rounding is applicable) where noted ($'000) under the option available to the Company under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. The Company is an entity to which this legislative instrument applies.

v. Changes to significant accounting policy

SaaS arrangements

In April 2021, the IFRS Interpretations Committee (**IFRIC**) published an agenda decision for configuration and customisation costs incurred related to a SaaS arrangement. The Group has changed its accounting policy in relation to configuration and customisation costs incurred in implementing SaaS arrangements. The nature and effect of the changes as a result of changing this policy is described below.

The Group's accounting policy has historically been to capitalise costs related to the configuration of SaaS arrangements as intangible assets in the Consolidated Balance Sheet, where they meet the relevant definition. The adoption of the above IFRIC agenda decision resulted in a reclassification of these intangible assets to recognition as an expense in the Consolidated Statement of Profit or Loss and Other Comprehensive Income, impacting both the current and prior periods presented.

The new accounting policy is presented in Note 3.

Notes to the Consolidated Financial Statements

for the financial year ended 30 June 2021

Historical financial information has been restated to account for the impact of the change in accounting policy in relation to SaaS arrangements, as follows:

Consolidated Balance Sheet

30 June 2020 $'000	As Previously Reported	Adjustments	As Restated
Intangible assets	1,113,522	(3,366)	1,110,156
Total non-current assets	1,167,028	(3,366)	1,163,662
Total assets	1,276,505	(3,366)	1,273,139
Deferred tax liabilities	76,116	(1,119)	74,997
Total non-current liabilities	292,132	(1,119)	291,013
Total liabilities	368,209	(1,119)	367,090
Net assets	908,296	(2,247)	906,049
Retained losses	(356,533)	(2,247)	(358,780)
Total equity	908,296	(2,247)	906,049

1 July 2019 $'000	As Previously Reported	Adjustments	As Restated
Intangible assets	1,365,227	(3,880)	1,361,347
Total non-current assets	1,381,101	(3,880)	1,377,221
Total assets	1,476,424	(3,880)	1,472,544
Deferred tax liabilities	78,033	(1,164)	76,869
Total non-current liabilities	251,808	(1,164)	250,644
Total liabilities	312,900	(1,164)	311,736
Net assets	1,163,524	(2,716)	1,160,808
Retained losses	(94,574)	(2,716)	(97,290)
Total equity	1,163,524	(2,716)	1,160,808

Consolidated Statement of Profit or Loss and Other Comprehensive Income

30 June 2020 $'000	As Previously Reported	Adjustments	As Restated
Expenses from operations excluding impairment, depreciation, amortisation and finance costs	(188,189)	(2,392)	(190,581)
Depreciation and amortisation	(41,739)	2,906	(38,833)
Net (loss) from operations before income tax expense	(211,743)	514	(211,229)
Income tax expense	(11,083)	(45)	(11,128)
Net (loss) from operations after income tax expense	(222,826)	469	(222,357)
Net profit/(loss) is attributable to:			
Owners of the parent	(227,676)	469	(227,207)
Non-controlling interest	4,850	-	4,850
Earnings per share (cents)			
Basic earnings per share (cents)	(39.02)	0.08	(38.94)
Diluted earnings per share (cents)	(39.02)	0.08	(38.94)

Notes to the Consolidated Financial Statements

for the financial year ended 30 June 2021

Consolidated Cash Flow Statement

30 June 2020 $'000	As Previously Reported	Adjustments	As Restated
Payments to suppliers and employees	(198,287)	(2,392)	(200,679)
Net cash inflow from operating activities	87,817	(2,392)	85,425
Payment for property, plant and equipment and software	(20,618)	2,392	(18,226)
Net cash outflow from investing activities	(35,018)	2,392	(32,626)

C. Significant judgements, estimates and assumptions

The carrying amounts of certain assets and liabilities are determined based on estimates and assumptions of future events. Where applicable, the Group has incorporated judgements, estimates and assumptions specific to the impact of the COVID-19 pandemic in determining the amounts recognised in the financial statements. This was done based on conditions existing at balance sheet date, recognising that an element of uncertainty still exists.

The key estimates and assumptions which are most significant to the financial report are found in the following Notes:

- Note 3: Expenses
- Note 6: Intangible assets
- Note 8: Trade and Other Receivables
- Note 10: Provisions
- Note 12: Leases
- Note 21: Employee entitlements

D. Principles of consolidation

i. Controlled entities

Controlled entities are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Intercompany transactions, balances and unrealised gains on transactions between Group entities are eliminated.

ii. Non-controlling interests

Non-controlling interests in the earnings and equity of controlled entities are shown separately in the Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Balance Sheet and Consolidated Statement of Changes in Equity respectively.

2. Revenues

	Note	30 June 2021 $'000	30 June 2020 $'000
A. Revenue From Contracts With Customer			
Residential		195,280	161,632
Media, Developers and Commercial		46,029	43,004
Agent Services & Property Data Solutions		24,161	28,608
Core Digital		265,470	233,244
Consumer Solutions		5,536	5,603
Print		17,767	26,538
Total revenue from contracts with customers		288,773	265,385
B. Other Revenue and Income			
Interest income		690	388
Gain on sale of property, plant and equipment		-	295
Gain on sale of controlled entities	4	-	1,259
Revaluation on contingent and deferred consideration	4	4,577	10,935
Gain on debt refinance	4	-	650
Rental income		632	1,918
Other		185	582
Total other revenue and income		6,084	16,027
Total revenue and income		294,857	281,412

Accounting policy

Revenue from contracts with customers

Revenue from contracts with customers is recognised either over time (digital products and services) or when control of the good has been transferred (publication date), regardless of when payment is received. Amounts disclosed as revenue are net of commissions and discounts.

Listing services

The provision of listing services is accounted for as a single performance obligation, the provision of a listing being a distinct service. Revenue is recognised over the listing period. Where products are discounted the net revenue is recognised over the listing period.

Subscription services

Subscription services are treated as a single performance obligation; access to digital platforms and data under the subscription is a series of services substantially integrated with the same pattern of transfer. Accordingly, subscription revenue is recognised evenly over the subscription period.

Advertising services

Revenue from the provision of advertising on digital and print platforms is recognised over the period the advertisements are placed.

Commission income

Revenue from commission income is recognised on satisfaction of the performance obligation which is the delivery of the product or service by the principal or the settlement of the mortgage. Revenue in respect of trailing commissions is recognised at the net present value of amounts expected to be received.

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Bundling of products and services

Where products and/or services are sold as a bundled product, each product and service is treated as a separate performance obligation. In bundling products and services, these are priced at a discount to the standalone selling price. These discounts are applied proportionately to each separately identifiable performance obligation within the bundle.

Other services

Revenue from other services such as title searches, custom research and valuations is recognised when the services are rendered.

Financing Components

The Group does not have contracts where the period between the transfer of the promised product or services to the customer and payment by the customer exceeds one year. Consequently, the Group does not adjust any of the transaction prices for the time value of money.

Other income

Interest income

Interest income is recognised as it accrues based on the effective yield of the financial asset or the incremental borrowing rate of the sublease receivable.

Rental income

Rental income arising from subleased properties accounted for as operating leases is accounted for on a straight-line basis over the lease terms. It is included in other income in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

3. Expenses

	Note	30 June 2021 $'000	Restated[iii] 30 June 2020 $'000
A. Expenses From Operations Excluding Impairment, Depreciation, Amortisation and Finance Costs			
Staff and employee related costs[i]		95,568	81,098
Production and distribution costs		22,260	24,694
Promotions		35,768	38,706
Rent and outgoings		1,726	2,347
IT and communication costs		16,708	18,567
Fringe benefits tax, travel, entertainment and employee related costs		3,096	5,225
Revaluation on contingent and deferred consideration	4	3,000	-
Loss on sale of controlled entities	4	-	1,191
Restructuring and redundancy charges	4	8,536	6,068
Other		13,875	12,685
Total expenses from operations excluding impairment, depreciation, amortisation and finance costs		**200,537**	**190,581**
B. Depreciation and Amortisation			
Depreciation of plant and equipment	11	2,261	2,146
Depreciation of leasehold improvements	11	2,573	2,371
Depreciation of right of use assets	12	7,299	8,216
Amortisation of software	6	18,492	20,865
Amortisation of customer relationships and tradenames	6	5,417	5,235
Total depreciation and amortisation		**36,042**	**38,833**
C. Finance Costs			
External parties borrowing costs		6,084	5,705
Finance costs on leases	12	1,276	1,454
Total finance costs		**7,360**	**7,159**
D. Other Expense Disclosures			
Lease rental expense		719	762
Share-based payment expense[ii]		8,016	2,400
Total other expenses		**8,735**	**3,162**

(i) Staff and employee related costs are net of government grants of $5.7 million (2020: $4.7 million) relating to JobKeeper (total of $6.5 million (2020: $5.4 million) less $0.8 million (2020: $0.7 million) transferred to capitalised labour costs). During the period, a total of $8.3 million was received, of which $1.8 million relates to prior year.

(ii) Share-based payment expense of $8.0 million (2020: $2.4 million) excludes $0.6 million (2020: $0.1 million) transferred to capitalised labour costs related to Project Zipline. Refer to Note 21 for details of Project Zipline.

(iii) Certain amounts shown here do not correspond to the 2020 financial report. Refer to Note 1(B)(v) for changes to the significant accounting policy in respect of SaaS arrangements.

Accounting policy

Borrowing costs include interest, amortisation of discounts or premiums relating to borrowings and amortisation of ancillary costs incurred in connection with arrangement of borrowings.

Government grants related to income are accounted for in accordance with AASB 120 *Accounting for Government Grants and Disclosure of Government Assistance* and are presented as part of profit or loss and are deducted in reporting the related expense.

Significant judgements, estimates and assumptions

Note 1B describes the Group accounting policy in respect of customisation and configuration costs incurred in implementing SaaS arrangements. In the process of applying the Group accounting policy, management has made following judgements:

(i) Determining whether cloud computing arrangements contain a software licence intangible asset

The Group evaluates cloud computing arrangements to determine if it provides a resource that the Group can control. The Group determines that a software licence intangible asset exists in a cloud computing arrangement when both of the following are met at the inception of the arrangement:

- The Group has the contractual right to take possession of the software during the hosting period without significant penalty.
- It is feasible for the Group to run the software on its own hardware or contract with another party unrelated to the supplier to host the software.

(ii) Capitalisation of configuration and customisation costs in SaaS arrangements

Where the Group incurs costs to configure or customise SaaS arrangements and such costs are considered to enhance current on-premise software or provide code that can be used by the Group/Company in other arrangements, the Group applies judgement to assess whether such costs result in the creation of an intangible asset that meets the definition and recognition criteria in AASB 138 *Intangible Assets.*

4. Significant Items

The net profit after tax includes the following items whose disclosure is relevant in explaining the financial performance of the consolidated entity.

Significant items are those items of such a nature or size that separate disclosure will assist users to understand the financial statements.

	30 June 2021 $'000	Restated[i] 30 June 2020 $'000
Impairment of goodwill[i]	-	(256,068)
Restructuring and redundancy charges[ii]	(8,536)	(6,068)
Gain on debt refinance[iii]	-	650
Other	-	172
Income tax benefit	2,367	1,581
Restructuring charges, net of tax	(6,169)	(3,665)
Revaluation on contingent and deferred consideration[iv]	1,577	10,935
Net gain on sale of controlled entities[v]	-	68
Income tax expense	-	-
Gains on contingent consideration payable and sale of controlled entities, net of tax	1,577	11,003
Net significant items after income tax	(4,592)	(248,730)

(i) An impairment charge of $256.1 million was recognised in prior year in respect of goodwill within the Domain Digital Cash Generating Unit (CGU). Refer to Note 6 for further detail.

(ii) Restructuring charges of $8.5 million and $6.0 million pre-tax in June 2021 and June 2020 respectively, largely relate to the implementation of new finance systems, mergers and acquisitions activity, new pricing models and continued restructuring charges relating to the implementation of the new organisational restructure. This balance includes amounts of $2.3 million and $1.0 million in June 2021 and June 2020 respectively related to SaaS arrangements.

Certain amounts shown here do not correspond to the 2020 financial report. Refer to Note 1(B)(v) for changes to the significant accounting policy in respect of SaaS arrangements.

(iii) A gain of $0.7 million was recognised in prior year as part of the debt refinance in November 2019. Refer to Note 7 for details of the syndicated facility.

(iv) Revaluation on contingent and deferred consideration relates to an increase in the deferred consideration receivable for Commerce Australia Pty Ltd and a reduction in the deferred consideration payable for Bidtracker Holdings Pty Ltd Tranche 3 (combined gain of $4.6m) and the revaluation of contingent consideration payable for Commercialview.com.au Pty Limited Tranches 3A and 3B (expense of $3.0m). Prior year gain on contingent consideration related to the release of contingent consideration for Commercialview.com.au Pty Limited Tranche 2 and Tranche 3 and Review Property Pty Ltd Tranche 3.

(v) Prior year net gain on sale of controlled entities related to the sale of Mapshed Pty Ltd (loss of $1.2 million) and Commerce Australia Pty Ltd (gain of $1.3 million).

5. Segment Reporting

A. Description of segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors, CEO and CFO in assessing performance and in determining the allocation of resources.

Reportable Segment	Products and Services
Core Digital	Digitally focused real estate media and services business – providing residential, commercial and rural property marketing solutions and search tools, plus information for buyers, investors, sellers, renters and agents Australia-wide.
Consumer Solutions	Connecting consumers with services relevant to them at different property lifecycle stages, home loans, insurance, trade services and residential utilities connections.
Print	Real estate newspaper and magazine publishing.
Corporate	Comprises corporate entity results not included in the segments above.

B. Results by operating segment

The segment information provided to the Board of Directors, CEO and CFO for the reportable segments for the financial year ended 30 June 2021 is as follows:

	Segment Revenue $'000	Revenue From External Customers $'000	Restated[i] Underlying EBITDA[ii] $'000
30 June 2021			
Core Digital	265,470	265,470	130,028
Consumer Solutions	5,536	5,536	(6,204)
Print	17,767	17,767	2,820
Corporate	768	-	(26,055)
Total for the Group	289,541	288,773	100,589
30 June 2020			
Core Digital	233,244	233,244	99,620
Consumer Solutions	5,603	5,603	(3,645)
Print	26,538	26,538	6,132
Corporate	2,459	-	(17,421)
Total for the Group	267,844	265,385	84,686

(i) Certain amounts shown here do not correspond to the 2020 financial report. Refer to Note 1(B)(v) for changes to the significant accounting policy in respect of SaaS arrangements.

(ii) Underlying EBITDA is defined as earnings before interest, tax, depreciation and amortisation excluding significant items.

C. Other segment information

The Board of Directors, CEO and CFO assess the performance of the operating segments based on a measure of underlying EBITDA.

A reconciliation of underlying EBITDA to operating profit before income tax is provided as follows:

	30 June 2021 $'000	Restated(i) 30 June 2020 $'000
Underlying EBITDA from continuing operations	100,589	84,686
Significant income before tax (including significant interest income)	4,577	13,180
Significant expense before tax	(11,536)	(263,491)
Depreciation and amortisation	(36,042)	(38,833)
Interest income	690	388
Finance costs	(7,360)	(7,159)
Reported net profit before tax	50,918	(211,229)

(i) Certain amounts shown here do not correspond to the 2020 financial report. Refer to Note 1(B)(v) for changes to the significant accounting policy in respect of SaaS arrangements.

A summary of significant items before tax by operating segments is provided for the financial years ended 30 June 2021 and 30 June 2020.

	Impairment of Goodwill $'000	Restated(i) Restructuring Charges $'000	Gain On Contingent Consideration $'000	Net Gain On Sale of Controlled Entities $'000	Gain On Debt Refinance $'000	Other $'000	Restated(i) Total $'000
30 June 2021							
Core Digital	-	-	1,577	-	-	-	1,577
Consumer Solutions	-	-	-	-	-	-	-
Print	-	-	-	-	-	-	-
Corporate	-	(8,536)	-	-	-	-	(8,536)
Consolidated entity	-	(8,536)	1,577	-	-	-	(6,959)
30 June 2020							
Core Digital	(256,068)	-	10,935	68	-	337	(244,728)
Consumer Solutions	-	-	-	-	-	-	-
Print	-	-	-	-	-	-	-
Corporate	-	(6,068)	-	-	650	(165)	(5,583)
Consolidated entity	(256,068)	(6,068)	10,935	68	650	172	(250,311)

(i) Certain amounts shown here do not correspond to the 2020 financial report. Refer to Note 1(B)(v) for changes to the significant accounting policy in respect of SaaS arrangements.

Information provided to the Board of Directors, CEO and CFO in respect of assets and liabilities is presented on a group basis consistent with the Consolidated Financial Statements.

Accounting policy

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenue and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision makers to assess performance, make resource allocation decisions and for which discrete financial information is available.

6. Intangible Assets

	30 June 2021 $'000	Restated(ii) 30 June 2020 $'000
Brand and Tradenames	270,131	270,510
Goodwill	777,816	777,827
Software	12,567	18,452
Software (capital works in progress)(i)	4,668	3,486
Customer relationships	34,843	39,881
Total intangible assets	1,100,025	1,110,156

(i) $0.2 million (2020: $0.1 million) of capitalised works in progress relate to Project Zipline (refer to Note 21 for further details). Capitalised works in progress is net of $0.8 million (2020: $0.7 million) capitalised government grants related to JobKeeper.

(ii) Certain amounts shown here do not correspond to the 2020 financial report. Refer to Note 1(B)(v) for changes to the significant accounting policy in respect of SaaS arrangements.

The movement in intangibles during the year is primarily due to additions and amortisation in the ordinary course of business as well as changes to SaaS. Refer to Note 1(B)(v) for changes to the significant accounting policy in respect of SaaS arrangements.

Reconciliations

Reconciliations of the carrying amount of each class of intangible at the beginning and end of the financial year ended 30 June 2021 are set out below:

	Note	Brand and Tradenames $'000	Goodwill $'000	Software $'000	Software (Capital Works In Progress) $'000	Customer Relationships $'000	Total $'000
30 June 2021							
Balance at beginning of the year		270,510	777,827	18,452	3,486	39,881	1,110,156
Additions		-	-	1,233	12,556	-	13,789
Reclassification from works in progress		-	-	11,374	(11,374)	-	-
Disposals		-	(11)	-	-	-	(11)
Amortisation	3(B)	(379)	-	(18,492)	-	(5,038)	(23,909)
At 30 June 2021, net of accumulated amortisation and impairment		270,131	777,816	12,567	4,668	34,843	1,100,025
At 30 June 2021							
Cost		272,785	1,212,730	94,058	4,668	65,405	1,649,647
Accumulated amortisation and impairment		(2,654)	(434,914)	(81,491)	-	(30,562)	(549,622)
Net carrying amount		270,131	777,816	12,567	4,668	34,843	1,100,025

	Note	Brand and Tradenames $'000	Goodwill $'000	Software $'000	Software (Capital Works In Progress) $'000	Customer Relationships $'000	Restated[ii] Total $'000
30 June 2020							
Balance at beginning of the year		270,726	1,023,071	24,589	4,971	41,870	1,365,227
Net effect of change in accounting policy[ii]		-	-	(3,880)	-	-	(3,880)
Restated balance at beginning of the year		270,726	1,023,071	20,709	4,971	41,870	1,361,347
Additions		-	-	1,589	16,890	-	18,479
Reclassification from works in progress		-	-	17,332	(17,332)	-	-
Acquisition through business combinations[i]		225	20,749	2,385	-	2,805	26,164
Reclassification of asset revaluation reserve	14	-	(1,434)	-	-	-	(1,434)
Impairment	4	-	(256,068)	-	-	-	(256,068)
Disposals		-	(8,491)	(2,698)	-	-	(11,189)
Amortisation	3(B)	(441)	-	(20,865)	-	(4,794)	(26,100)
Net effect of change in accounting policy[ii]		-	-	-	(1,043)	-	(1,043)
At 30 June 2020, net of accumulated amortisation and impairment		**270,510**	**777,827**	**18,452**	**3,486**	**39,881**	**1,110,156**
At 30 June 2020 Cost		272,785	1,212,742	81,207	3,486	65,405	1,635,625
Accumulated amortisation and impairment		(2,275)	(434,915)	(62,755)	-	(25,524)	(525,469)
Net carrying amount		**270,510**	**777,827**	**18,452**	**3,486**	**39,881**	**1,110,156**

(i) Goodwill on acquisition through business combinations includes $0.1 million relating to the purchase price allocation for an acquisition which occurred in the financial year ended 30 June 2019.

(ii) Certain amounts shown here do not correspond to the 2020 financial report. Refer to Note 1(B)(v) for changes to the significant accounting policy in respect of SaaS arrangements.

A. Impairment testing of indefinite life intangible assets

The Group performed its annual impairment test in June 2021. The carrying amounts of goodwill and indefinite life intangibles are allocated to the Group's CGUs as follows:

Allocation to CGU Group's	Operating Segment	Goodwill $'000	Brand and Tradenames $'000	Total $'000
30 June 2021				
Domain Digital	Core Digital	734,373	257,231	991,604
Allhomes	Core Digital	35,091	-	35,091
Commercial Real Estate	Core Digital	8,352	-	8,352
Domain Home Loans	Consumer Solutions	-	6,019	6,019
Total intangible assets		**777,816**	**263,250**	**1,041,066**
30 June 2020				
Domain Digital	Core Digital	713,758	256,672	970,430
Allhomes	Core Digital	35,091	-	35,091
Commercial Real Estate	Core Digital	8,352	-	8,352
Bidtracker[i]	Core Digital	20,626	-	20,626
Domain Home Loans	Consumer Solutions	-	6,578	6,578
Total intangible assets		**777,827**	**263,250**	**1,041,077**

(i) Assets allocated to the Bidtracker CGU in prior year were allocated to the Domain Digital CGU at 30 June 2021. This is due to the integration of Bidtracker with the rest of the Domain Digital business in the period and the high interdependency of cash inflows of the CGUs. Impairment testing was carried out pre and post integration.

The recoverable amounts of the CGUs are determined based on fair value less costs of disposal, using a discounted cash flow methodology. The valuations used to support the carrying amounts of the intangible assets are based on forward looking key assumptions that are, by nature, uncertain. Any changes in the assumptions can lead to significant changes in the recoverable amounts of the CGUs. The Group has based its impairment testing upon conditions existing at 30 June 2021 and what the Management and the Directors believe can reasonably be expected at that date. The nature and basis of the key assumptions used to estimate future cash flows and the discount rates used in the projections, when determining the recoverable amount of each CGU, are set out below:

Key Assumptions	Domain Digital	Allhomes	Commercial Real Estate	Domain Home Loans
Based on Board-approved annual budget which considers the uncertain economic outlook due to the impact of the COVID-19 pandemic.	Year 1 cash flows	Year 1 cash flows	Year 1 cash flows	Year 1 cash flows
Revenue growth is in line with digital business industry trends, market maturity and Management's expectations of market development. Management forecasts the operating costs based on the current structure of the business and does not reflect any future restructurings or cost saving measures.	Year 2 – 10 cash flows	Year 2 – 5 cash flows	Year 2 – 10 cash flows	Year 2 – 10 cash flows

		Domain Digital	Allhomes	Commercial Real Estate	Domain Home Loans	Bidtracker[(i)]
30 June 2021						
Terminal growth rate	These rates are consistent with industry specific forecasts in which the CGU operates.	2.50%	2.50%	2.50%	2.50%	-
Discount rate (post tax)	Reflects current market assessment of the time value of money and the risks specific to the relevant market in which the CGU operates.	9.70%	9.70%	9.70%	13.10%	-
30 June 2020						
Terminal growth rate	These rates are consistent with industry specific forecasts in which the CGU operates.	2.50%	2.50%	2.50%	2.50%	2.50%
Discount rate (post tax)	Reflects current market assessment of the time value of money and the risks specific to the relevant market in which the CGU operates. An adjustment was made to consider the uncertainties due to the COVID-19 pandemic that are not already reflected in the cash flows. This adjustment was determined through use of downside scenarios.	10.20%	10.25%	10.27%	14.71%	13.10%

(i) Assets allocated to the Bidtracker CGU in prior year were allocated to the Domain Digital CGU at 30 June 2021. This is due to the integration of Bidtracker with the rest of the Domain Digital business in the period and the high interdependency of cash inflows of the CGUs. Impairment testing was carried out pre and post integration.

Each of the above factors is subject to significant judgement about future economic conditions and the ongoing structure of the digital real estate advertising industry.

Significant estimate: Impact of possible changes in key assumptions

(i) Domain Digital

The estimated recoverable amount of this CGU is in excess of the carrying amount. Future net cash flows of this CGU are based on the key assumptions noted above, each of which are subject to some uncertainty. Any reasonable change in the key assumptions would not result in the carrying amount materially exceeding its recoverable amount.

(ii) Allhomes

The impairment testing described above and performed at 30 June 2021 did not result in any impairment being recognised. However, due to the impact of the COVID-19 pandemic and the uncertainties around economic conditions, headroom is minimal at $6.9 million. As a result, the model will be sensitive to changes in assumptions. If the post-tax discount rate applied to the cash flow projections of this CGU had been 0.92% higher than Management's estimates (10.62% instead of 9.70%), the headroom would reduce to nil. If the forecast EBITDA margin is reduced by 3.18% from the next financial year compared to Management's estimate, the headroom would reduce to nil. If the forecast revenue growth is reduced by 2.36% from the next financial year compared to Management's estimate, the headroom would reduce to nil. Similarly, if the Group's terminal growth rate is 1.20% lower than Management's estimate (1.30% instead of 2.50%), headroom would reduce to nil.

(iii) Commercial Real Estate

The estimated recoverable amount of this CGU is in excess of the carrying amount. Future net cash flows of this CGU are based on the key assumptions noted above, each of which are subject to some uncertainty. Any reasonable change in the key assumptions would not result in the carrying amount materially exceeding its recoverable amount.

(iv) Domain Home Loans

The estimated recoverable amount of this CGU is in excess of the carrying amount. Future net cash flows of this CGU are based on the key assumptions noted above, each of which are subject to some uncertainty. Any reasonable change in the key assumptions would not result in the carrying amount materially exceeding its recoverable amount.

Accounting policy

Brand and Tradenames

The Group's brands and tradenames operate in established markets with limited licence conditions and are expected to continue to complement the Group's new media initiatives. On this basis, the Directors have determined that the majority of brands and tradenames have indefinite useful lives as there is no foreseeable limit to the period over which the assets are expected to generate net cash inflows for the Group. These assets are not amortised but are tested for impairment annually. Tradenames that have been assessed to have a finite useful life are amortised using a straight-line basis over their useful lives.

Goodwill

Goodwill represents the excess of cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired entity at the date of acquisition. Goodwill is not amortised but is tested for impairment annually. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's CGU that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Where goodwill has been allocated to a CGU and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the CGU retained.

Software, databases and websites

Internal and external costs directly incurred in the purchase or development of software (excluding SaaS costs) or databases are capitalised as intangible assets, including subsequent upgrades and enhancements, when it is probable that they will generate future economic benefits attributable to the Group.

Internal and external costs directly incurred in the development of websites are capitalised as intangible assets and amortised on a straight-line basis over their useful lives.

Customer relationships

Customer relationships purchased in a business combination are amortised on a straight-line basis over their useful lives.

Impairment of assets

Intangibles are tested for impairment where there is an indication that the asset may be impaired. Goodwill and other indefinite life assets are further tested at least annually in June each year. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. To determine the recoverable amount, Management's best estimate of future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment whenever there is an indication of a potential reversal and at least annually.

Amortisation

Amortisation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Tradenames (finite useful life)	5 – 20 years
Customer relationships	10 – 13 years
Software, databases and websites	2 – 4 years

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each reporting date. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount. These are included in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

7. Interest Bearing Liabilities

	Note	30 June 2021 $'000	30 June 2020 $'000
Non-current interest bearing liabilities – unsecured			
Bank borrowings	7(B)	173,116	171,254
Total non-current interest bearing liabilities		173,116	171,254
Net debt			
Cash and cash equivalents	23	(94,151)	(65,497)
Non-current interest bearing liabilities		173,116	171,254
Net debt		78,965	105,757

A. Financing arrangements

The Group's net debt was $79.0 million at 30 June 2021 (30 June 2020: net debt $105.8 million).

B. Bank borrowings

Facility	Interest Rate	Maturity	Financial Year 2021 Commitment	Financial Year 2020 Commitment
A – Revolving credit	BBSY + 1.20%	November 2022	$5.0 million	$5.0 million
B – Revolving loan	BBSY + 1.30% – 1.90%(i)	November 2022	$120.0 million	$120.0 million
C – Revolving loan	BBSY + 1.45% – 2.05%(i)	November 2023	$100.0 million	$100.0 million
D – Revolving loan	BBSY + 2.45%	n/a(ii)	-	$80.0 million
Total			$225.0 million	$305.0 million

(i) The interest rate margin is dependent on the Group's net debt to EBITDA ratio.

(ii) In March 2021, the Group cancelled the additional debt facility of $80.0 million obtained as part of its response to the COVID-19 pandemic. The Group has not utilised this additional facility during the period and are not forecasting the need for this additional facility given the ongoing improvement in property market conditions.

The interest rate for drawings under this facility is the applicable bank bill swap bid rate (**BBSY**) plus the relevant credit margin. At 30 June 2021, the Group had drawn $173.0 million (30 June 2020: $173.0 million) of the total available facility with $52.0 million (30 June 2020: $132.0 million) unused credit facilities.

C. Fair value measurement

The carrying value of bank borrowings approximate the fair value as at the reporting date.

Accounting policy

Subsequent to initial recognition at fair value (net of transaction costs), interest bearing liabilities are measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Consolidated Statement of Profit or Loss over the period of the borrowings using the effective interest method.

8. Trade and Other Receivables

	30 June 2021 $'000	30 June 2020 $'000
Current		
Trade debtors	41,975	29,113
Provision for doubtful debts	(298)	(999)
	41,677	28,114
Prepayments	3,873	2,450
Contingent consideration	-	3,488
Deferred consideration	2,860	2,000
Commissions	5,630	3,697
Other	1,034	2,930
Total current receivables	55,074	42,679

Impaired trade debtors

The Group's trade receivables represent balances from a large number of customers and financial institutions. The trade receivables are non-interest bearing and are generally on 14 to 45 day terms. As there is no significant financing component, the provision for doubtful debts is accordingly measured at an amount equal to 'lifetime expected credit losses'.

The Group has used a provision matrix to determine the expected credit loss (**ECL**) on its receivables. The provision matrix is based on historical loss rates, adjusted, if necessary, for forward looking information.

The Group increased the level of ECL by $0.5 million to reflect the uncertainty and downside risk to the economy caused by the COVID-19 pandemic at 30 June 2020. Based on evidence of lower credit loss experiences in the last 12 months there has been no adjustment to the ECL at 30 June 2021.

	Current	31-60 Days	61-90 Days	91-120 Days	120+ Days
Expected credit loss rate % at 30 June 2021	0.29%	3.35%	9.77%	27.58%	30.00%
Expected credit loss ($'000)	106	26	26	23	117
	Current	31-60 Days	61-90 Days	91-120 Days	120+ Days
Expected credit loss rate % at 30 June 2020	2.12%	4.19%	8.84%	15.55%	41.64%
Expected credit loss ($'000)	496	48	85	57	313

An analysis of trade debtors that are not considered impaired is as follows:

	30 June 2021 $'000	30 June 2020 $'000
Neither past due nor impaired	40,194	25,078
Past due 0 – 30 days	839	1,207
Past due 31 – 60 days	264	970
Past 60 days	380	859
Total trade debtors	41,677	28,114

Movements in the provision for doubtful debts are as follows:

	30 June 2021 $'000	30 June 2020 $'000
Balance at beginning of the year	(999)	(683)
Additional provisions	(1,606)	(1,278)
Receivables written off as uncollectible	603	448
Provision released during the year	1,704	514
Balance at end of the year	(298)	(999)

Accounting policy

Trade receivables are initially recognised at cost less the ECL calculated based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and economic environment. The Group's trade receivables book is very short dated, being non-interest bearing and generally on 14 to 45 day terms. As such, the forecast horizon is limited to a short period after financial year end. Notwithstanding the short-term nature of the trade receivables, the effect of forward-looking information was taken into consideration by the Group at 30 June 2021.

Significant judgements, estimates and assumptions

The provision matrix used to calculate ECL is initially based on the Group's historical observed default rates and the matrix is adjusted for forward-looking information. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECL is an estimate. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

9. Trade and Other Payables

	30 June 2021 $'000	30 June 2020 $'000
Current		
Trade and other payables	29,664	26,914
Contract liabilities	11,687	8,908
Interest payable	38	222
Deferred consideration	1,519	-
Contingent consideration	2,650	1,580
Total current payables	45,558	37,624
Non-current		
Contingent consideration	1,500	2,644
Total non-current payables	1,500	2,644

Accounting policy

Trade and other payables

Liabilities for trade creditors and other payables are carried at amortised cost which is the fair value of the consideration to be paid in the future for goods and services received. Trade payables are non-interest bearing and are generally on 30-day terms.

Contract liabilities

Revenue is recognised on an accruals basis in accordance with the substance of the relevant agreement. When cash is received for services not yet provided this income is deferred until the services have been fully performed. This income is recognised as a liability on the balance sheet to reflect the future obligations of the Group.

Contingent consideration

Contingent consideration to be transferred by the acquirer on business combinations is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration (deemed to be a liability) are recognised in accordance with AASB 9 *Financial Instruments* in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Contingent considerations resulting from business combinations are measured at the fair value of the Group's best estimate of the expenditure required to settle the present obligation at the reporting date. The determination of these fair values involves judgement around the forecast results of those businesses.

Deferred consideration

Deferred consideration to be transferred by the acquirer on business combinations is recognised at fair value at the acquisition date. This payable is recognised as a liability on the balance sheet until it falls due and is paid to reflect the future obligations of the Group.

10. Provisions

	30 June 2021 $'000	30 June 2020 $'000
Current		
Employee benefits	5,950	5,809
Restructuring and redundancy	208	87
Refund liability	166	345
Other	29	40
Total current provisions	6,353	6,281
Non-current		
Employee benefits	1,976	1,443
Property	1,406	1,313
Other	294	246
Total non-current provisions	3,676	3,002

Reconciliation

Reconciliations of the carrying amount of each class of provision, other than employee benefits, during the year are set out below:

	Restructuring and Redundancy $'000	Property $'000	Refund Liability $'000	Other $'000
30 June 2021				
Balance at beginning of the year	87	1,313	345	286
Additional provision	200	380	307	49
Revaluation	-	-	(410)	-
Utilised	(79)	(287)	(76)	(12)
Balance at end of the year	208	1,406	166	323
At 30 June 2021				
Current	208	-	166	29
Non-current	-	1,406	-	294
Total provisions, excluding employee benefits	208	1,406	166	323

	Restructuring and Redundancy $'000	Property $'000	Refund Liability $'000	Other $'000
30 June 2020				
Balance at beginning of the year	1,100	9,289	222	46
AASB 16 *Leases* transition(i)	-	(7,996)	-	-
Additional provision	2,650	4,282	185	244
Utilised	(3,663)	(4,262)	(62)	(4)
Balance at end of the year	87	1,313	345	286
At 30 June 2020				
Current	87	-	345	40
Non-current	-	1,313	-	246
Total provisions, excluding employee benefits	87	1,313	345	286

(i) $7.9 million of lease incentives remaining at 30 June 2019 were offset against the right of use (**ROU**) assets on transition to AASB 16 *Leases* at 1 July 2019.

Accounting policy

Provisions are recognised when the Group has a legal or constructive obligation to make a future sacrifice of economic benefits to others as a result of past transactions or events, it is probable that a future sacrifice of economic benefits will be required and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of Management's best estimate of the expenditure required to settle the present obligation at the reporting date using a discounted cash flow methodology. The risks specific to the provision are factored into the cash flows and as such a risk-free government or corporate bond rate relative to the expected life of the provision is used as a discount rate. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

A provision for dividends is not recognised as a liability unless the dividends are declared on or before the reporting date, and the distribution is no longer at the discretion of the Company.

Employee benefits

Current liabilities for wages and salaries, holiday pay, annual leave and long service leave are recognised in the provision for employee benefits and measured at the amounts expected to be paid when the liabilities are settled.

The employee benefit liability expected to be settled within twelve months from reporting date is recognised in current liabilities. The non-current provision relates to entitlements, including long service leave, which are expected to be payable after twelve months from reporting date and, where material, are measured as the present value of expected future payments to be made in respect of services, employee departures and periods of service. Expected future payments are discounted using market yields at reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

The Group recognises a provision and an expense for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation.

Restructuring and redundancy

The provision is in respect of amounts payable in connection with restructuring, including termination benefits, on-costs, outplacement and consultancy services.

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

Property

The provision for property costs is in respect of make good provisions. A corresponding make good asset was recognised and is amortised over the shorter of the lease term or the useful life of the assets.

Refund liability provision

The provision is in respect of amounts payable associated with certain print and digital listing services. These services provide a customer with a right of refund if specific conditions relating to the listing and sale of the property are met. Revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore, the amount of revenue recognised is adjusted for expected no sale services, which are estimated based on historical data. For services that are expected to generate a no sale outcome, instead of revenue, the Group recognises a refund liability.

11. Property, Plant and Equipment

	30 June 2021 $'000	30 June 2020 $'000
Leasehold improvements		
At cost	20,209	17,327
Accumulated depreciation and impairment	(10,253)	(7,815)
Total leasehold improvements	9,956	9,512
Plant and equipment		
At cost	10,320	15,173
Accumulated depreciation and impairment	(8,489)	(11,515)
Total plant and equipment	1,831	3,658
Total property, plant and equipment	11,787	13,170

Reconciliations

Reconciliations of the carrying amount of each class of property, plant and equipment during the year are set out below:

	Note	Leasehold Improvements $'000	Plant and Equipment $'000	Total $'000
30 June 2021				
Balance at beginning of the year		9,512	3,658	13,170
Additions		3,166	697	3,863
Disposals		(149)	(263)	(412)
Depreciation	3(B)	(2,573)	(2,261)	(4,834)
At 30 June 2021, net of accumulated depreciation and impairment		9,956	1,831	11,787
At 30 June 2021				
At cost		20,209	10,320	30,529
Accumulated depreciation and impairment		(10,253)	(8,489)	(18,742)
Net carrying amount		9,956	1,831	11,787

	Note	Leasehold Improvements $'000	Plant and Equipment $'000	Total $'000
30 June 2020				
Balance at beginning of the year		12,069	3,805	15,874
Additions		30	1,995	2,025
Acquisition through business combinations		-	4	4
Disposals		(216)	-	(216)
Depreciation	3(B)	(2,371)	(2,146)	(4,517)
At 30 June 2020, net of accumulated depreciation and impairment		9,512	3,658	13,170
At 30 June 2020				
At cost		17,327	15,173	32,500
Accumulated depreciation and impairment		(7,815)	(11,515)	(19,330)
Net carrying amount		9,512	3,658	13,170

Accounting policy

Property, plant and equipment is recorded at cost less accumulated depreciation and any accumulated impairment losses. Directly attributable costs arising from the acquisition or construction of fixed assets, including internal labour and interest, are also capitalised as part of the cost.

Recoverable amount

All items of property, plant and equipment are reviewed as part of the annual CGU impairment testing given the recoverable amounts for these assets cannot be determined individually.

Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Leasehold improvements	over the lease term; currently up to 7 years
Plant and equipment	up to 13 years

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount. These are included in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

12. Leases

The Group leases office space and car parking facilities in various locations around Australia. The leases typically run for a period of between five and ten years and may include extension options which provide operational flexibility. Lease payments are renegotiated on renewals to reflect market rentals.

Set out below are the carrying amounts of the ROU assets, sublease receivables and lease liabilities recognised and the related movements during the year:

	Right of Use Assets $'000	Sublease Receivable $'000	Lease Liabilities $'000
30 June 2021			
Balance at beginning of the year	34,644	6,993	(49,095)
ROU asset to sublease receivable transfer	4	(57)	-
Additions	4,213	-	(3,831)
Derecognition	(87)	-	78
Depreciation	(7,299)	-	-
Interest income/(expense)	-	241	(1,276)
Lease (receipts)/payments	-	(1,345)	9,958
At 30 June 2021	31,475	5,832	(44,166)
30 June 2020			
AASB 16 *Leases* initial recognition	49,924	-	(57,882)
ROU asset to sublease receivable transfer	(7,064)	7,356	-
Depreciation	(8,216)	-	-
Interest income/(expense)	-	115	(1,454)
Rental (income)/expense	-	(478)	10,241
At 30 June 2020	34,644	6,993	(49,095)

The cash receipts and payments are presented in the following lines of the Consolidated Cash Flow Statement:

	30 June 2021 $'000	30 June 2020 $'000
Receipts from sublease – principal component	1,103	363
Payment of lease liability – principal component	(8,682)	(8,787)
Financing component of lease receipts and payments	(1,035)	(1,339)
Net cash payments	(8,614)	(9,763)

The following table sets out a maturity analysis of the sublease receivable, showing the undiscounted lease payments to be received after the reporting date:

	30 June 2021 $'000	30 June 2020 $'000
Within one year	1,404	1,301
One to two years	1,459	1,352
Two to three years	1,507	1,405
Three to four years	1,507	1,451
Four to five years	281	1,451
Five years or more	-	282
Total undiscounted lease receivable	6,158	7,242
Unearned finance income	(326)	(249)
Sublease receivable	5,832	6,993

Accounting policy

Accounting where the Group is the lessee

Contract periods are generally fixed and may include multiple extension options. At contract commencement date, where the lease asset is available for use, leases are recognised as a ROU asset with a corresponding lease liability.

ROU assets

ROU assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. ROU asset costs include an amount equal to the lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. ROU assets are depreciated over the lease term on a straight-line basis and subject to impairment.

Lease liabilities

Lease liabilities are measured at amortised cost using the effective interest method calculated as the present value of lease payments over the lease term using the Group's incremental borrowing rate (IBR) at commencement date, if the interest rate implicit in the lease is not readily available. When the lease contains an extension or purchase option that the Group considers reasonably certain to be exercised, the cost of the option is included in the lease payments. Interest expense is recognised under Finance costs as disclosed in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. Lease liabilities are re-measured to reflect changes in future lease payments associated with changes in indices or rates, extension, purchase or termination options, modifications and residual value guarantee payments.

Discount rate

In calculating the present value of the lease payments, the Group uses its IBR at the lease commencement date. The Group applied a single discount rate to the portfolio of leases with reasonably similar characteristics. The IBR for lease liabilities was based on reference yield rates derived for the same term as the lease and adjusted for credit risk.

Lease term

The term of each lease is based on the original lease term unless Management is reasonably certain to exercise options to extend the lease.

Presentation

In the Consolidated Balance Sheet, the ROU asset, sublease receivable assets and lease liabilities are presented separately from other assets and liabilities.

Short-term leases and leases of low-value assets

The Group applies the short-term and low-value lease exemptions and does not recognise ROU assets or lease liabilities on such leases. Instead, lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

Accounting where the Group is the lessor

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The classification of the sublease is determined with reference to the ROU asset arising from the head lease.

Where the sublease is treated as a finance lease, the Group derecognises the ROU asset and recognises a sublease receivable with the difference taken to the Consolidated Statement of Profit or Loss and Other Comprehensive Income as a gain or loss. Sublease receivables are subsequently remeasured if there is a change in the lease term.

The sublease receivable is remeasured and assessed for impairment at each reporting date in accordance with AASB 9 *Financial Instruments*.

Significant judgements, estimates and assumptions

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its IBR to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the ROU asset in a similar economic environment. The IBR therefore reflects what the Group would have to pay, which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs when available and is required to make certain entity-specific estimates.

In determining the lease term, Management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

13. Financial and Capital Risk Management

Financial risk management

The Group's principal financial instruments comprise cash, short term deposits and bank loans. The main purpose of these financial instruments is to manage liquidity and to raise finance for the Group's operations. The Group has various other financial instruments, such as trade and other receivables and trade and other payables, which arise directly from its operations. The Group's risk management activities for interest rate and foreign exchange exposures are carried out centrally by the Company's Group Treasury department.

Capital risk management

The capital structure of Group entities is monitored using the net debt to EBITDA ratio. The ratio is calculated as net debt divided by underlying EBITDA. Net debt is calculated as total interest bearing liabilities less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, buy back shareholder equity, issue new shares, improve EBITDA, sell assets or reduce debt. The Group manages the capital structure to ensure:

- sufficient finance capacity for the business is maintained at a reasonable cost;
- sufficient funds are available for the business to implement its capital expenditure and business acquisition strategies; and
- all financial covenants are complied with. Note that the banking group agreed to a waiver of the Group's financial covenants at 30 June 2020 and 31 December 2020.

Risk factors

The key financial risk factors, including market risk, that arise from the Group's activities, including the Group's policies for managing these risks are outlined below.

A. Interest rate risk

Interest rate risk refers to the risks that the value of a financial instrument or future cash flows associated with the instrument will fluctuate due to movements in market interest rates.

Interest rate risk arises from interest bearing financial assets and liabilities that the Group utilises. Interest bearing assets are predominantly short-term liquid assets. The Group's borrowings which have a variable interest rate attached give rise to cash flow interest rate risk.

The Group's risk management policy for interest rate risk seeks to reduce the effects of interest rate movements on its asset and liability portfolio.

A reasonably possible change in interest rates would not have a material impact on the finance costs incurred by the Group.

Interest rate risk measurement and reporting

The Group may enter into transactions to provide protection against fluctuations in short term interest rates which may affect the economics of investment and financing decisions.

The following considerations are made to material interest rate transactions to ensure that the Group:

- is afforded some protection from significant increases in short term interest rates, thereby adding some degree of certainty to the financial budgeting process; and
- maintains sufficient interest rate flexibility to participate in normal yield curve environments without unduly paying up for term interest rate hedges; repay debt without significant swap (fixed rate) break costs; and undertake interest rate maturity extension trades as appropriate.

Measurement of interest rate risk

The interest rate exposure will be measured using:

- Forecast net debt (based on the rolling 12-month net debt forecast plus budget and Strategic Plan).
- Interest rate exposure will be recognised as the actual or forecast interest bearing liability (net of cash balances) over the appropriate period.
- The Group uses a stepped corridor approach to manage interest rate risk, whereby the minimum and maximum amount of fixed rate cover required declines in each maturity bucket. This allows for the higher level of certainty over debt levels in the earlier years and provides more flexibility for changes in debt levels in the later years.

B. Foreign currency risk

Foreign currency risk refers to the risk that the value or the cash flows arising from a financial commitment, or recognised asset or liability will fluctuate due to changes in foreign currency rates. The Group's foreign currency exchange risk arises primarily from firm commitments and/or highly probable forecast commitments and/or highly probable forecast transactions for receipts and payments settled in foreign currencies and prices dependent on foreign currencies respectively. None of these are material to the Group on an individual or collective basis hence foreign currency risk is not considered to be a key risk. The Group is exposed to foreign exchange risk from various immaterial currency exposures, primarily with respect to United States Dollars and New Zealand Dollars. The Group currently has no foreign currency hedges in place.

C. Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause the Group to make a financial loss. The Group has exposure to credit risk on all financial assets included in the Group's Balance Sheet. To help manage this risk, the Group:

- has a policy for establishing credit limits for the entities it deals with;
- may require collateral where appropriate; and
- manages exposures to individual entities it transacts with (through a system of credit limits).

Financial institutions and cash deposits

The Group has policies that limit the amount of credit exposure to any financial institution. Cash transactions are limited to financial institutions that meet minimum credit rating criteria in accordance with the Group's policy requirements. At 30 June 2021 counterparty credit risk was limited to financial institutions with S&P credit ratings ranging from -AA to A.

Trade receivables

The Group's credit risk is mainly concentrated across a number of customers and financial institutions. The Group does not have any significant credit risk exposure to a single or group of customers or individual institutions. The Group recognises trade receivables at cost less the lifetime expected credit loss calculated based on its historical credit loss experience, adjusted for forward-looking factors specific to the Group's customers and the economic environment in which the Group operates.

Refer to Note 9 for an ageing analysis of trade receivables and the movement in the allowance for credit loss. All other financial assets are not impaired and are not past due. Based on the credit history of these classes, it is expected that these amounts will be received when due.

D. Liquidity risk

Liquidity risk is the risk that the Group cannot meet its financial commitments as and when they fall due.

To help reduce this risk the Group:

- has liquidity management which targets a minimum level of undrawn committed facilities and cash relative to EBITDA;
- has readily accessible funding arrangements in place; and
- staggers maturities of financial instruments.

Refer to Note 7(B) for details of the Group's unused credit facilities at 30 June 2021.

The contractual maturity of the Group's financial liabilities is shown in the tables below. The amounts represent the future undiscounted principal and interest cash flows and therefore may not equate to the values disclosed in the balance sheet.

	1 Year or Less $'000	1 to 2 Years $'000	2 to 5 Years $'000	More Than 5 Years $'000	Total $'000
At 30 June 2021					
Related party payables	(2,620)	-	-	-	(2,620)
Payables	(45,558)	(1,500)	-	-	(47,058)
Lease liability	(10,516)	(11,178)	(24,885)	(143)	(46,722)
Interest bearing liabilities	(3,096)	(120,077)	(55,719)	-	(178,892)
Total	(61,790)	(132,755)	(80,604)	(143)	(275,292)
At 30 June 2020					
Related party payables	(5,303)	-	-	-	(5,303)
Payables	(37,624)	(2,644)	-	-	(40,268)
Lease liability	(9,979)	(9,843)	(30,588)	(2,569)	(52,979)
Interest bearing liabilities	(3,087)	(3,096)	(175,796)	-	(181,979)
Total	(55,993)	(15,583)	(206,384)	(2,569)	(280,529)

E. Fair value

The carrying value of a financial asset or liability will approximate its fair value where the balances are predominantly short-term in nature, can be traded in highly liquid markets, and incur little or no transaction costs.

14. Equity

	Note	30 June 2021 $'000	30 June 2020 $'000
Ordinary shares			
584,263,689 ordinary shares authorised and fully paid (2020: 584,263,689)	(A)	1,296,462	1,296,462
Unvested employee incentive shares			
Nil unvested employee incentive shares (2020: 632,791)	(B)	-	(2,042)
At 30 June 2021		1,296,462	1,294,420

Reconciliations

Movements for each class of contributed equity, by number of shares and dollar value, are set out below:

(A) Ordinary Shares	30 June 2021 No. of Shares	30 June 2020 No. of Shares	30 June 2021 $'000	30 June 2020 $'000
Balance at beginning of the year	584,263,689	583,077,789	1,296,462	1,292,679
Shares issues to owners of Review Property Pty Ltd(i)	-	1,185,900	-	3,783
Balance at end of the year	584,263,689	584,263,689	1,296,462	1,296,462

(i) On 28 February 2020 1,185,900 shares were issued to the owners of Review Property Pty Ltd to settle Tranche 3 of the acquisition consideration.

(B) Unvested Employee Incentive Shares	30 June 2021 No. of Shares	30 June 2020 No. of Shares	30 June 2021 $'000	30 June 2020 $'000
Balance at beginning of the year	(632,791)	(991,217)	(2,042)	(3,021)
Release of shares(i)	632,791	358,426	2,042	979
Balance at end of the year	-	(632,791)	-	(2,042)

(i) On 27 August 2020, 632,791 Engagement Shares vested under the Executive Engagement Plan. On 17 November 2019, 358,426 Retention Shares vested under the Executive Retention Plan. Refer to Note 21 for further details.

Accounting policy

Ordinary shares

Ordinary shares are classified as equity and entitle the holder to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person, or by proxy, at a meeting of the Company.

Incremental costs

Incremental costs directly attributable to the issue of new shares or options are recognised in equity as a reduction from the proceeds. Incremental costs directly attributable to the issue of new shares for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

Reserves

	Note	30 June 2021 $'000	30 June 2020 $'000
Other reserves	(A)	(40,907)	(38,777)
Share-based payment reserve	(B)	17,546	3,351
Total reserves		(23,361)	(35,426)
A. Other Reserves			
Balance at beginning of the year		(38,777)	(37,343)
Transactions with non-controlling interest(i)	19	(2,130)	-
Reclassification of asset revaluation reserve		-	(1,434)
Balance at end of the year		(40,907)	(38,777)

(i) Transactions involving non-controlling interests that do not result in the loss of control for the Company are recorded in the acquisition reserve. The acquisition reserve records the difference between the carrying value of the non-controlling interest and the consideration.

	30 June 2021 $'000	30 June 2020 $'000
B. Share-Based Payment Reserve		
Balance at beginning of the year	3,351	2,372
Vesting of employee engagement shares	-	(979)
Release of employee incentive shares	(1,544)	(702)
Share-based payment expense, net of tax	15,739	2,660
Balance at end of the year	17,546	3,351

The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including Key Management Personnel, as part of their remuneration. Refer to Note 21 for further details.

15. Dividends Paid

	Consolidated 30 June 2021 $'000	Consolidated 30 June 2020 $'000	Company 30 June 2021 $'000	Company 30 June 2020 $'000
A. Ordinary Shares				
Dividend: partially franked 4.0 cents – paid 4 September 2019	-	23,323	-	23,323
Interim 2020 dividend: fully franked 2.0 cents – paid 13 March 2020	-	11,662	-	11,662
Total dividends paid	-	34,985	-	34,985

B. Dividends Proposed and Not Recognised as a Liability

Since the end of the financial year, the Directors have resolved to pay a dividend of 4.0 cents per fully paid ordinary share, 100% franked at the corporate tax rate of 30%. The aggregate amount of the dividend to be paid on 9 September 2021 out of profits, but not recognised as a liability at the end of the year, is expected to be $23.4 million.

	Company 30 June 2021 $'000	Company 30 June 2020 $'000
C. Franked Dividends		
Franking account balance as at reporting date at 30% (2020: 30%)	29,437	8,058
Franking debits that will arise from the payment of dividends	(10,016)	-
Franking credits that will arise from the payment of income tax payable balances as at the end of the year	7,471	11,490
Total franking credits available for subsequent financial years based on a tax rate of 30%	26,892	19,548

Accounting policy

A provision for dividends is not recognised as a liability unless the dividends are declared, determined or publicly recommended on or before the reporting date.

16. Earnings Per Share

	30 June 2021	Restated[ii] 30 June 2020
Earnings per share (EPS)		
Basic EPS (in cents)	5.87	(38.94)
Diluted EPS (in cents)	5.82	(38.94)
Earnings reconciliation – basic		
Net profit/(loss) attributable to owners of the parent ($'000)	34,270	(227,207)
Earnings reconciliation – diluted		
Net profit/(loss) attributable to owners of the parent ($'000)	34,270	(227,207)
Weighted average number of ordinary shares used in calculating basic EPS	584,263,689	583,476,329
Weighted average number of ordinary shares used in calculating diluted EPS[i]	588,386,753	583,476,239

(i) Due to the statutory loss in FY20, the impact of certain share-based payment scheme shares was excluded because the effect would be anti- dilutive.

(ii) Certain amounts shown here do not correspond to the 2020 financial report. Refer to Note 1(B)(v) for changes to the significant accounting policy in respect of SaaS arrangements.

Accounting policy

i. Basic earnings per share

Basic EPS is calculated by dividing the net profit attributable to members, adjusted to exclude costs of servicing equity other than ordinary shares and debentures, by the weighted average number of ordinary shares and debentures outstanding during the year, adjusted for any bonus elements in ordinary shares issued during the year.

ii. Diluted earnings per share

Diluted EPS is calculated by dividing the basic EPS earnings adjusted by the after-tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the effect on revenues and expenses of conversion to ordinary shares associated with dilutive potential ordinary shares by the weighted average number of ordinary shares and dilutive potential ordinary shares adjusted for any bonus issue.

17. Commitments and Contingencies

At 30 June 2021, the Group had commitments of $0.9 million relating to the design and implementation of new financial reporting and billing systems. Prior year commitments were $3.3 million relating to the design and implementation of new financial reporting and billing systems and the Melbourne office fit-out.

18. Events Subsequent to Reporting Date

On 16 August 2021, the Board made the decision to repay benefits of $6.5 million received during the year ended 30 June 2021 from the Federal Government's JobKeeper scheme. This will impact the Domain Group's results in the year ended 30 June 2022 by reducing EBITDA by $5.7 million (this impact will exclude $0.8 million transferred to capitalised labour costs).

There were no other events that have occurred after the end of the year that would materially affect the reported results or would require disclosure in this report.

19. Related Parties and Entities

A. Ultimate parent

The ultimate parent of the Group is Nine Entertainment Co. Holdings Limited which is based and listed in Australia.

B. Key Management Personnel (KMP)

A number of Directors of the Company also hold directorships with other corporations which provide and receive goods or services to and from the Group in the ordinary course of business on normal terms and conditions. None of these Directors derive any direct personal benefit from the transactions between the Group and these corporations.

Transactions were entered into during the year with the Directors of the Company and its controlled entities or with Director-related entities, which:

- occurred within a normal employee, customer or supplier relationship on terms and conditions no more favourable than those which it is reasonable to expect would have been adopted if dealing with the Director or Director-related entity at arm's length in the same circumstances;
- do not have the potential to adversely affect decisions about the allocation of scarce resources or discharge the responsibility of the Directors; or
- are minor or domestic in nature.

Compensation of KMP of the Group

	30 June 2021 $	30 June 2020 $
Short-term benefits	3,102,979	2,710,200
Long-term benefits	28,642	23,400
Share-based payment	1,411,709	1,507,825
Total compensation paid to KMP	4,543,330	4,241,425

The amounts disclosed in the table are the amounts recognised as an expense during the year related to KMP.

Interests held by KMP under employee share plans

Shares and share options held by KMP under the Long Term Incentive Plan, Executive Engagement Plan and Executive Retention Plan to purchase ordinary shares have the following expiry dates and exercise prices:

Issue Date	Note	Exercise Price $	30 June 2021 Number Outstanding	30 June 2020 Number Outstanding
2021 (Performance Rights under Long Term Incentive Plan)	(i)	nil	612,310	-
2020 Executive Incentive Plan (EIP)	(ii)	nil	72,684	-
2020 (Options under Long Term Incentive Plan)	(i)	3.0169	2,238,888	2,238,888
2020 Share Rights Program (Project Zipline)	(iii)	nil	193,088	193,088
2019 (Options under Long Term Incentive Plan)	(i)	3.1606	-	2,121,052
Executive Engagement Plan	(iv)	nil	-	632,791
Total			3,116,970	5,185,819

(i) Refer to Long Term Incentive Plan in Section 9 of the Remuneration Report for details of vesting and expiry dates.

(ii) The share rights were granted during the year ended 30 June 2021 in lieu of cash. Refer to details of Executive Incentive Plan in Section 9.3 of the Remuneration Report.

(iii) The share rights vest 18 months after grant date. Refer to Note 21 for further details.

(iv) The shares vested during the financial year. Refer to details of Executive Retention Plan in Section 9 of the Remuneration Report.

C. Transactions with related parties

The following table provides the total value of transactions that were entered into with the ultimate parent company for the relevant financial year.

	Sales to Related Parties $'000	Purchases From Related Parties $'000	Amount Owed by Related Parties $'000	Amount Owed to Related Parties $'000
30 June 2021	3,619	(7,112)	311	(2,931)
30 June 2020	4,972	(6,663)	222	(5,525)

Accounting policy

Amounts payable to related parties are carried at amortised cost and interest payable is recognised on an accruals basis.

D. Parent entity information

The following disclosures relate to the Company as an individual entity, being the ultimate parent entity of the Group.

	30 June 2021 $000s	Restated(i) 30 June 2020 $000
Financial position of parent entity		
Current assets	58,244	43,731
Total assets	1,286,322	1,270,848
Current liabilities	(222,942)	(226,359)
Total liabilities	(350,080)	(374,222)
Net assets	**936,242**	**896,626**
Total equity of parent entity		
Contributed equity	1,296,462	1,294,420
Reserves	20,307	6,127
Profit reserve	24,639	1,245
Retained losses	(405,166)	(405,166)
Total equity	**936,242**	**896,626**
Result of parent entity		
Profit/(loss) for the year	23,394	(204,765)
Other comprehensive income	-	-
Total comprehensive (loss) for the year	**23,394**	**(204,765)**

(i) Certain amounts shown here do not correspond to the 2020 financial report. Refer to Note 1(B)(v) for changes to the significant accounting policy in respect of SaaS arrangements.

The Company has entered into a deed of cross guarantee with the effect that the Company guarantees debts in respect of its subsidiaries within the Closed Group. Further details regarding the deed are set out in Note 19(F).

At 30 June 2021, the Parent Company had commitments of $0.9 million relating to the design and implementation of new financial reporting and billing systems. Prior year commitments were $3.3 million relating to the design and implementation of new financial reporting and billing systems and the Melbourne office fit-out.

E. Controlled entities

The following entities were controlled as at the end of the year:

	Note	Country of Incorporation	Ownership Interest 30 June 2021 %	30 June 2020 %
Domain Holdings Australia Limited	(iii)	Australia		
Controlled entities				
Alldata Australia Pty Ltd	(iii)	Australia	100.00	100.00
Allhomes Pty Limited	(iii)	Australia	100.00	100.00
Australian Property Monitors Pty Limited	(iii)	Australia	100.00	100.00
Bidtracker Holdings Pty Ltd	(iii)	Australia	100.00	100.00
BH Two Pty Ltd	(iii)	Australia	100.00	100.00
Bidtracker IP Pty Ltd	(iii)	Australia	100.00	100.00
Bidtracker (VIC) Pty Ltd	(iii)	Australia	100.00	100.00
Bidtracker (NSW) Pty Ltd	(iii)	Australia	100.00	100.00
Commercial Real Estate Holdings Pty Limited	(iii)	Australia	100.00	100.00
Commercial Real Estate Media Pty Limited		Australia	67.37	67.37
Commercialview.com.au Pty Limited (previously Commercialview.com.au Limited)		Australia	67.37	67.37
Commercial Real Estate Media Nominees Pty Limited		Australia	100.00	100.00
Domain Group Finance Pty Limited	(iii)	Australia	100.00	100.00
Property Data Solutions Pty Ltd	(iii)	Australia	100.00	100.00
Property Data Solutions (2) Pty Ltd		Australia	100.00	-
Domain Home Loans Pty Limited		Australia	60.00	60.00
Domain Insure Pty Ltd		Australia	70.00	70.00
Homepass Pty Ltd	(iv)	Australia	100.00	68.50
Homepass Australia Pty Ltd		Australia	100.00	68.50
MarketNow Payments Pty Ltd	(v)	Australia	60.00	-
MMP Holdings Pty Ltd	(iii)	Australia	100.00	100.00
Metro Media Services Pty Ltd	(iii)	Australia	100.00	100.00
Metro Media Publishing Pty Ltd		Australia	92.55	92.55
MMP (DVH) Pty Ltd		Australia	63.00	63.00
MMP Bayside Pty Ltd		Australia	78.40	78.40
Review Property Pty Ltd	(iii)	Australia	100.00	100.00
MMP Eastern Pty Ltd		Australia	70.00	70.00
MMP Moonee Valley Pty Ltd		Australia	70.00	70.00
MMP (Melbourne Times) Pty Ltd		Australia	70.00	70.00
MMP Greater Geelong Pty Ltd	(i)	Australia	48.25	48.25
MMP (CGE) Pty Ltd	(iii)	Australia	100.00	100.00
MMP Community Network Pty Ltd	(iii)	Australia	100.00	100.00
National Real Estate Media Pty Limited	(iii)	Australia	100.00	100.00

	Note	Country of Incorporation	Ownership Interest 30 June 2021 %	30 June 2020 %
National Real Estate Nominees Pty Limited		Australia	100.00	100.00
South Australia Real Estate Media Pty Limited		Australia	50.00	50.00
Western Australia Real Estate Media Pty Limited		Australia	50.00	50.00
New South Wales Real Estate Media Pty Limited		Australia	50.00	50.00
Northern Territory Real Estate Media Pty Limited		Australia	50.00	50.00
Queensland Real Estate Media Pty Limited		Australia	50.00	50.00
Tasmania Real Estate Media Pty Ltd		Australia	50.00	50.00
Australian Capital Territory Real Estate Media Pty Limited		Australia	100.00	100.00
Non-Controlled Entities (Equity Accounted)				
Oneflare Pty Ltd	(ii)	Australia	20.80	20.80

(i) Where ownership is less than 50% control is achieved through the ability to direct the operations of the entity.

(ii) Unrecognised share of losses in Oneflare are $0.2 million for the 12 months ended 30 June 2021 and $0.6 million life to date.

(iii) The Company and the controlled entities incorporated within Australia are party to Corporations Instrument 2016/785 issued by the Australian Securities & Investment Commission. These entities have entered into a deed of cross guarantee dated November 2017 (as varied from time to time) under which each entity guarantees the debts of the others. These companies represent a Closed Group for the purposes of the Corporations Instrument and there are no other members of the Extended Closed Group. Under the Corporations Instrument, these entities have been relieved from the requirements of the *Corporations Act 2001* (Cth) with regard to the preparation, audit and publication of accounts.

(iv) On 1 March 2021, Domain Holdings Australia Limited acquired the remaining share capital in Homepass Pty Ltd. Total consideration was $2.3 million for the remaining 31.5% with $1.15 million contingent on future performance. Ownership interest after the acquisition is 100%. The transaction was accounted for in Equity as a transaction with Non-Controlling Interests.

(v) On 9 November 2020, MarketNow Payments Pty Ltd was incorporated with 10 shares issued to Domain Holdings Australia Limited at $1 each. On 13 November 2020 a further 209,990 shares were issued to Domain Holdings Australia Ltd and 140,000 shares were issued to non-controlling interest Limepay Pty Ltd for $1 each; ownership interest after the issue is 60%.

F. Deed of cross guarantee

The Company and certain wholly-owned entities (**the Closed Group**) identified at (E) in this Note are parties to a deed of cross guarantee under ASIC Corporations Instrument 2016/785. Pursuant to the requirements of that Corporations Instrument, a summarised Consolidated Balance Sheet as at 30 June 2021 and Consolidated Statement of Profit or Loss and Other Comprehensive Income for the financial year ended 30 June 2021, comprising the members of the Closed Group after eliminating all transactions between members are set out below:

Consolidated Balance Sheet

	30 June 2021 $000	Restated[i] 30 June 2020 $000
Current assets		
Cash and cash equivalents	94,072	63,402
Trade and other receivables	50,483	40,789
Sublease receivable	1,379	1,301
Total current assets	145,934	105,492
Non-current assets		
Shares in controlled entities	33,762	32,222
Intangible assets	1,090,426	1,094,987
Property, plant and equipment	11,583	13,175
Right of use assets	31,475	34,644
Sublease receivable	4,453	5,691
Deferred tax assets	40,311	33,118
Total non-current assets	1,212,010	1,213,837
Total assets	1,357,944	1,319,329
Current liabilities		
Payables	51,519	49,820
Lease liability	10,516	9,979
Provisions	9,002	17,862
Current tax liabilities	7,520	2,485
Total current liabilities	78,557	80,146
Non-current liabilities		
Interest bearing liabilities	173,116	171,032
Lease liabilities	33,650	39,116
Provisions	3,382	5,400
Other non-current liabilities	102,243	116,795
Total non-current liabilities	312,391	332,343
Total liabilities	390,948	412,489
Net assets	966,996	906,840
Equity		
Contributed equity	1,298,963	1,296,920
Reserves	24,520	12,620
Retained losses	(356,487)	(402,700)
Total equity	966,996	906,840

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	30 June 2021 $'000	Restated[i] 30 June 2020 $'000
Total revenue	246,503	215,605
Share of net losses of associates and joint ventures	-	-
Expenses before finance costs	(188,888)	(463,081)
Finance costs	(7,191)	(6,670)
Net profit/(loss) from operations before income tax expense	50,424	(254,147)
Income tax expense	(9,164)	(5,739)
Net profit/(loss) from operations after income tax expense	41,260	(259,886)

(i) Certain amounts shown here do not correspond to the 2020 financial report. Refer to Note 1(B)(v) for changes to the significant accounting policy in respect of SaaS arrangements.

20. Taxation

Consolidated Statement of Profit or Loss

The major components of income tax expense for the years ended 30 June 2021 and 2020 are as follows:

	30 June 2021 $'000	Restated[i] 30 June 2020 $'000
Current income tax		
Current income tax expense	22,917	14,156
Adjustments for current tax of prior periods	(1,234)	(225)
Deferred tax		
Deferred income tax expense/(benefit)	(5,690)	(1,850)
Adjustments for deferred tax of prior periods	(636)	(953)
Income tax expense in the Consolidated Statement of Profit or Loss	15,357	11,128

Consolidated Other Comprehensive Income

	30 June 2021 $'000	Restated[i] 30 June 2020 $'000
Current tax – credited directly to equity	-	-
Net deferred tax – debited/(credited) to equity	(7,226)	(372)
Total income tax charged to Other Comprehensive Income	(7,226)	(372)

Reconciliation of tax expense and the accounting profit multiplied by Australia's company tax rate for 2021 and 2020:

	30 June 2021 $'000	Restated(i) 30 June 2020 $'000
Net accounting profit/(loss) before income tax expense	50,919	(211,229)
Tax at the Australia tax rate of 30% (2020: 30%)	15,276	(63,368)
Tax effect of amounts that are not deductible/(taxable) in calculating taxable income:		
Adjustments in respect of current and deferred income tax of previous years	(1,870)	(1,178)
Deferred tax assets and deferred tax loss not recognised	2,578	1,976
Deferred tax assets and deferred tax loss recognised	(68)	-
Share-based payments	37	265
Non-temporary differences recognised on intangible and other asset write-offs	3	76,820
Non-assessable income	(369)	(5,400)
Non-deductible expenses	203	2,207
Other	(433)	(84)
At the effective income tax rate of 33% (2020: 36%)	15,357	11,238

(i) Certain amounts shown here do not correspond to the 2020 financial report. Refer to Note 1(B)(v) for changes to the significant accounting policy in respect of SaaS arrangements.

Deferred tax

Deferred tax assets and liabilities are attributable to the following:

	Consolidated Balance Sheet		Consolidated Statement of Profit or Loss and Other Comprehensive Income	
	30 June 2021 $'000	Restated(i) 30 June 2020 $'000	30 June 2021 $'000	Restated(i) 30 June 2020 $'000
Property, plant and equipment	9,358	8,968	366	817
Tradenames	(91,466)	(93,092)	1,625	1,578
ROU assets	(9,856)	(11,589)	2,187	2,465
Subleases	(1,336)	(903)	348	22
Provisions	3,988	3,614	260	744
Accruals	1,242	(53)	1,296	(540)
Leases	13,250	14,729	(2,601)	(2,647)
Share-based payments	10,509	523	2,787	317
Other	2,866	2,806	58	48
Deferred tax expense/(benefit)			6,326	2,804
Net deferred tax liabilities	(61,445)	(74,997)		
Reflected in the Consolidated Balance Sheet as follows:				
Deferred tax assets	41,329	33,988		
Deferred tax liabilities	(102,774)	(108,985)		
	(61,445)	(74,997)		

(i) Certain amounts shown here do not correspond to the 2020 financial report. Refer to Note 1(B)(v) for changes to the significant accounting policy in respect of SaaS arrangements.

Accounting policy

Current income tax

Current income tax liabilities are measured at the amount expected to be paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date. Current income tax relating to items recognised directly in equity is recognised in equity and not in the Consolidated Statement of Profit or Loss.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor the taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside the profit or loss is recognised in either other comprehensive income or directly in equity.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Tax consolidation

(i) Members of the tax consolidated group and the tax sharing arrangement

Domain Holdings Australia Limited (**Domain**) and its 100% owned Australian resident subsidiaries formed a tax consolidated group with effect from 22 November 2017. Domain is the head entity of the tax consolidated group. Members of the tax consolidated group have entered into a tax sharing agreement that provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts have been recognised in the financial statements in respect of this agreement on the basis that the possibility of default is remote.

(ii) Tax effect accounting by members of the tax consolidated group

The head entity and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. The Group has applied the group allocation approach in determining the appropriate amount of current taxes and deferred taxes to be allocated to members of the tax consolidated group.

The current and deferred tax amounts are measured in a systematic manner that is consistent with the broad principles in AASB 112 *Income Taxes*. The nature of the tax funding agreement is discussed further below.

Nature of the tax funding agreement

Members of the tax consolidated group have entered into a tax funding agreement. The wholly owned entities of Domain, fully compensate it for any current tax payable assumed, are compensated by the head entity for any transferred current tax receivable and deferred taxes relating to unused tax losses. The funding amounts are determined based upon accounting profit.

Tax losses

At the reporting date, the Group has unused Australian capital losses of $4.2 million (2020: $4.2 million) which are available indefinitely for offset against future capital gains subject to continuing to meet the relevant statutory tests. A deferred tax asset has not been recognised in association with these capital losses as it is not probable that there will be sufficient capital gains available against which these losses can be utilised in the foreseeable future.

At the reporting date, the Group has unused Australian revenue losses of $30.2 million (2020: $20.2 million) for which no deferred tax asset has been recognised on the balance sheet in respect of these revenue losses as it is not probable that there will be sufficient taxable income available against which these losses can be utilised in the foreseeable future.

Voluntary Tax Transparency Code

The Company has adopted the Voluntary Tax Transparency Code from the financial year ended 30 June 2019 which demonstrates the Company's commitment to transparency and integrity across tax matters.

GST

Revenues, expenses and assets are recognised net of the amount of GST. Cash flows are included in the Cash Flow Statement on a gross basis and the GST components of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

21. Employee Entitlements

A. Number of employees

At 30 June 2021 the Group employed 723 full-time employees (2020: 507) and 63 part-time and casual employees (2020: 203). 103 of the part-time and casual employees at 30 June 2020 elected to reduce working hours as part of Project Zipline (refer to Note 21(B) for further details) and are full-time employees at 30 June 2021.

B. Employee share plans

The Company had the following employee share plans during the year, the terms of which are set out below:

1. Long Term Incentive Plan

The Long Term Incentive Plan is available to certain permanent employees of the Group.

Options

For 2020, participants in the plan were granted Options. The Options have a vesting hurdle of absolute total shareholder return (**Absolute TSR**) over the three years from issue with no retest. Options do not carry any dividend or voting rights prior to exercise. Participants are also required to pay $3.0169 (2019: $3.1606) per Option to convert the Options into shares if the vesting criteria are met.

Vesting of the Options granted is subject to achieving an Absolute TSR performance hurdle. The test is based on the compound annual growth rate (**CAGR**) for the Company's Absolute TSR over the Performance Period. The Board will also take into account any dividends (or other distributions) paid on the Company's shares during the Performance Period in calculating the Absolute TSR. If the performance hurdle is satisfied, and the Company share price at the time is equal to or greater than the exercise price of the Options, the Options will vest and become exercisable.

A Monte Carlo simulation approach is used to value the Awards subject to the Absolute TSR performance conditions.

Within the Monte Carlo approach, the underlying stochastic process of the Company's Absolute TSR is assumed to follow Geometric Brownian motion under a risk-neutral measure and each simulation comprises of the following steps:

- Simulate Absolute TSR performance of the Company as at the end of the Performance Period.
- Proportion of Absolute TSR hurdled award vested is calculated based on the vesting schedule.
- Present value of Absolute TSR hurdled award vested is recorded.

The weighted average inputs to the valuation of options valued at grant date by an external specialist using the Monte Carlo option pricing model are as follows:

	LTI FY20 – FY24 (Absolute TSR)	LTI FY20 – FY22 (CEO Options)	LTI FY21 – FY23 (Relative TSR)	LTI FY21 – FY23 (CAGR EBITDA)
Dividend yield	2.44%	2.42%	1.78%	1.78%
Risk free interest rate	0.90%	0.90%	0.11%	0.11%
Expected volatility	36.0%	34.0%	38.0%	38.0%
Expected life	3.8 years	3.6 years	3.0 years	3.0 years
Share price at grant date	$3.3117	$3.1970	$4.42	$4.42
Fair value at grant date	$0.64	$0.54	$3.09	$4.22

Performance Rights

For 2021, participants in the plan were granted Performance Rights (**Rights**) being the right to acquire one fully paid ordinary Domain share or a cash payment in lieu of a share at the Company's discretion, which are subject to a three-year performance period. There are two tranches with specific vesting hurdles to be met – tranche 1 being relative total shareholder return (**Relative TSR**), and tranche 2 being CAGR of EBITDA. Rights do not carry any dividend or voting rights prior to exercise. There is no exercise price for the Rights.

Vesting of the Rights granted is subject to achieving a Relative TSR and EBITDA CAGR. The Relative TSR compares the growth in the Company's share price to a comparator group over the performance period. The Board will also take into account any dividends (or other distributions) paid on the Company's shares during the performance period. The EBITDA CAGR is based on the Company achieving a pre-set compound annual growth rate of EBITDA over the performance period. If the performance hurdle for each tranche is satisfied, the Rights will vest and become exercisable.

For allocation purposes, the value of each Performance Right has been worked out using an average price of Shares traded on the ASX, being the volume-weighted average market price (**VWAP**) of Shares over the 30 trading days beginning on 1 July 2020 ($3.3096).

2. CEO Executive Engagement Plan

Engagement Shares

The Executive Engagement Plan was approved by the Shareholders at the Annual General Meeting held on 20 November 2018. As part of his onboarding with the Company, Jason Pellegrino was offered an allocation of ordinary shares in the Company equivalent in value to $2.0 million (**Engagement Shares**). The allocation price was determined using a 30 day trading VWAP for the period 13 June to 24 July 2018 at a price of $3.1606. Engagement Shares are forfeited if Jason Pellegrino's employment ceases with the Company prior to the vesting date. On 27 August 2020, the Engagement Shares vested.

Options

As approved by the Shareholders at the Annual General Meeting held on 20 November 2018, Jason Pellegrino was awarded 1,515,789 Options over Company shares, equivalent in value to 120% of his total remuneration package. The number of Options to be allocated is calculated based on the value of each Option. The allocation price of each Option was equal to the VWAP of the Company's shares over the 30 day trading period beginning 15 trading days prior to the day of the announcement of his appointment on 3 July 2018 ($3.1606). Vesting hurdles and conditions for these shares are outlined under the Long Term Incentive Plan above.

As approved by the Shareholders at the Annual General Meeting held 11 November 2019, Jason Pellegrino was awarded 1,600,000 Options over Company shares, equivalent in value to 120% of his total remuneration package. The number of Options to be allocated is calculated based on the value of each Option. The allocation price of each Option was equal to the VWAP of the Company's shares over the 30 day trading period beginning on 01 July 2019 ($3.0169). Vesting hurdles and conditions for these shares are those outlined under the Long Term Incentive Plan above.

Performance Rights

As approved by the Shareholders at the Annual General Meeting held 10 November 2020, Jason Pellegrino was awarded 435,098 Performance Rights over Company shares, equivalent to 120% of his total remuneration package. The number of Rights to be allocated is calculated based on the value of each Right. The allocation price of each Right was equal to the VWAP of the Company's shares over the 30 trading period beginning on 01 July 2020 ($3.3096). Vesting hurdles and conditions for these Rights are those outlined under the Long Term Incentive Plan above.

3. Project Zipline

As a response to the COVID-19 pandemic employees and all Non-Executive Directors remunerated by the Company were offered the opportunity to participate in a Share Rights program. Employees could receive a percentage of their salary package as a one-off grant of share rights, or elect to reduce working hours, or to both receive a percentage of their salary package in share rights and reduce their hours, or to take a period of leave without pay. Non-Executive Directors remunerated by the Company could receive 50% of their directors' fees package as a one-off grant of share rights. The share rights have a vesting date of 7 November 2021. The total number of Share Rights per participating employee or Director is calculated by the total amount of forgone salary or directors' fees divided by the VWAP of the Company's shares over the 10-day trading period from 26 March 2020 to 8 April 2020 inclusive ($2.0093).

For further details refer to the Remuneration Report.

4. Domain Incentive Plan

The Domain Incentive Plan is available to certain permanent employees of the Group.

For FY21 only, there were two grants as detailed below:

1. FY21 Transition Grant: This was half the value of the participants target opportunity, with the performance against the financial measures of Group Revenue and Group EBITDA guaranteed at target, irrespective of business performance. This will be assessed at the end of the performance period (1 July 2020 to 30 June 2021) with the portion achieved vesting after this time.
2. FY21 DIP Grant: This was based on the participants opportunity and be assessed over the two-year performance period (1 July 2020 to 30 June 2022) with the portion achieved vesting after this time.

Participants in the plan were granted Performance Rights (**Rights**) being the right to acquire one fully paid ordinary Domain share or a cash payment in lieu of a share at the Company's discretion, which are subject to a two-year performance period. There are three tranches with specific vesting hurdles to be met for both grants – tranche 1 being personal performance, tranche 2 being Company EBITDA, and tranche 3 being Company Revenue. Rights do not carry any dividend or voting rights prior to exercise. There is no exercise price for the Rights. The allocation price of each Right was equal to the VWAP of the Company's shares over the 30-trading day period beginning on 1 July 2020 ($3.3096).

Vesting of the Rights granted is subject to achieving the above hurdles. Personal Performance is based on the relative assessment of holistic performance. The Company EBITDA is based on the Company meeting an EBITDA target in each performance year of the performance period. The Company Revenue requires the Company to meet a Revenue target in each performance year of the performance period. If the performance hurdle for each tranche is satisfied, the Rights will vest and become exercisable. If the Personal Performance tranche performance hurdle is not satisfied, then all three tranches will lapse in full.

The weighted average inputs to the valuation of Performance Rights valued at grant date by an external specialist using the Monte Carlo option pricing model are as follows:

	Transition DIP FY21 – FY22	DIP FY21 – FY23
Dividend yield	1.78%	1.78%
Risk free interest rate	0.11%	0.11%
Expected volatility	38.0%	38.0%
Expected life	1.0 years	2.0 years
Share price at grant date	$4.42	$4.42
Fair value at grant date	$4.22	$4.22

Accounting policy

Share-based compensation benefits can be provided to employees in the form of equity instruments. The cost of share-based payments is recognised over the period in which the performance and/or service conditions are fulfilled (the vesting period), ending on the date on which the relevant employees become entitled to the award (the vesting date).

At each reporting date until vesting, the cumulative charge to the Consolidated Statement of Profit or Loss and Other Comprehensive Income is the product of (i) the grant date fair value of the award; (ii) the current best estimate of the number of awards that will vest, taking into account such factors as the likelihood of employee turnover during the vesting period and the likelihood of non-market performance conditions being met; and (iii) the expired portion of the vesting period.

The market value at the grant date of equity instruments issued to employees for no cash consideration under the Long Term Incentive Plan is recognised as an employee benefits expense over the vesting period. Any shares purchased, but which have not yet vested to the employee as at reporting date are offset against contributed equity of the Group.

Significant judgements, estimates and assumptions

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option or appreciation right, volatility and dividend yield and making assumptions about them.

22. Remuneration of Group Auditors

During the year, the following amounts were paid or payable for services provided by the auditor of the Group:

	30 June 2021 $	30 June 2020 $
Amounts received or due and receivable by Ernst & Young Australia for:		
Audit and review of financial statements	1,166,018	835,468
Other assurance services and agreed upon procedures	27,560	4,160
Other services	18,025	-
Total remuneration of group auditors	1,211,603	839,628

23. Notes to the Cash Flow Statement

A. Reconciliation of net profit after income tax expense to net cash inflow from operating activities

	Note	30 June 2021 $'000	Restated[(i)] 30 June 2020 $'000
Net profit/(loss) for the year		35,561	(222,357)
Non-cash items			
Depreciation and amortisation	3(B)	36,042	38,833
Share-based payment expense		7,964	2,158
Fair value adjustment of contingent consideration	4	(1,577)	(10,935)
Loss/(gain) on disposal of investments and other assets		196	(364)
Impairment of intangibles and investments	4	-	256,068
Gain on debt refinance	4	-	(650)
Other non-cash items		537	(1,433)
Change in operating assets and liabilities, net of effects from acquisitions			
(Increase)/decrease in trade receivables		(14,839)	22,020
Increase in trade and other payables		1,582	3,998
Increase in provisions		665	1,957
Decrease in tax balances		(14,036)	(3,870)
Net cash inflow from operating activities		52,095	85,425

(i) Certain amounts shown here do not correspond to the 2020 financial report. Refer to Note 1(B)(v) for changes to the significant accounting policy in respect of SaaS arrangements.

B. Cash and cash equivalents

Reconciliation of cash and cash equivalents at end of the financial year (as shown in the Consolidated Cash Flow Statement) to the related item in the Consolidated Balance Sheet is as follows:

	30 June 2021 $'000	30 June 2020 $'000
Total cash and cash equivalents at the end of the year	94,151	65,497

Accounting policy

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short term investments with original maturities of three months or less that are readily convertible to cash and subject to insignificant risk of changes in value. Bank overdrafts are shown within interest bearing liabilities in current liabilities on the balance sheet.

Directors' Declaration

In accordance with a resolution of the Directors of Domain Holdings Australia Limited (**Company**), we declare that:

1. In the opinion of the Directors:
    a. the financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001* (Cth) including:
        i. giving a true and fair view of the Company's and Group's financial position as at 30 June 2021 and of its performance for the period ended on that date; and
        ii. complying with the Australian Accounting Standards and the *Corporations Regulations 2001* (Cth);
    b. as at the date of this declaration, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
    c. as at the date of this declaration, there are reasonable grounds to believe that the Company and the subsidiaries identified in Note 19(E) will be able to meet any obligations or liabilities to which they are or may become subject to, by virtue of the Deed of Cross Guarantee between the Company and those subsidiaries.
2. The Company has included in the notes to the financial statements, in accordance with the Australian Accounting Standards, an explicit and unreserved statement of compliance with international financial reporting standards. Note 1(B) to the financial statements notes that the financial statements and notes comply with International Financial Reporting Standards issued by the International Accounting Standards Board.
3. This declaration has been made after receiving the declarations required to be made to the Directors from the Chief Executive Officer and the Chief Financial Officer in accordance with section 295A of the *Corporations Act 2001* (Cth) for the financial year ended 30 June 2021.

On behalf of the Board

Nick Falloon
Chairman

Jason Pellegrino
Chief Executive Officer and Managing Director

Sydney
17 August 2021

Independent Auditor's Report

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Independent Auditor's Report

Building a better working world

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Independent Auditor's Report to the Members of Domain Holdings Australia Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Domain Holdings Australia Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated balance sheet as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a) Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2021 and of its consolidated financial performance for the year ended on that date; and

b) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

Building a better working world

1. Impairment Assessment of Goodwill and Other Intangible Assets

Why significant	How our audit addressed the key audit matter
At 30 June 2021 the Group's consolidated balance sheet includes goodwill and other intangible assets with a carrying value of $1,100 million, representing 85% of total assets. The Directors have assessed goodwill and other intangible assets for impairment at 30 June 2021. As disclosed within Note 6 to the financial statements, the assessment of the impairment of the Group's goodwill and other intangible assets incorporated significant judgments and estimates, based upon conditions existing as at 30 June 2021, specifically concerning factors such as forecast cashflows, discount rates and terminal growth rates. The estimates and assumptions relate to future performance, market and economic conditions. This was considered to be a key audit matter due to the significance of the intangible assets relative to total assets and the judgments and estimates exercised in the impairment testing.	Audit procedures we performed included the following: • Assessed the Group's determination of the CGUs used in the impairment model, based on our understanding of the Group's businesses and cash inflows • Assessed whether the impairment testing methodology used by the Group met the requirements of Australian Accounting Standards • Tested the mathematical accuracy of the impairment testing models including the consistency of relevant data with latest Board approved forecasts • Assessed the reasonableness of future cash flow forecasts used by the Group by considering the reliability of the Group's historical cash flow forecasts, our knowledge of the business and corroborating data with external information where possible • Evaluated the appropriateness of discount and terminal growth rates applied with involvement from our valuation specialists • Performed sensitivity analysis on key assumptions including discount rates, terminal growth rates and EBITDA forecasts for each of the Group's CGUs • Assessed the adequacy of the financial report disclosures contained in Note 6.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2021 Annual Report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

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

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

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 53 to 82 of the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Domain Holdings Australia Limited for the year ended 30 June 2021, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Ernst & Young

Ernst & Young

J Inglis

Jodie Inglis
Partner
Sydney
17 August 2021

Shareholder Information

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Remuneration Report
Corporate Governance
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Shareholder Information

Information about Securities

Classes of securities on issue

Domain has eight classes of securities on issue:

- Ordinary fully paid Shares;
- Two classes of Options over Ordinary Shares;
- Five classes of Share Rights (together the **Issued Share Rights**), being:
  - Project Zipline Share Rights;
  - Share Rights granted in respect of the short term incentive award under the Domain Equity Incentive Plan (**EIP STI Share Rights**);
  - Share Rights granted in respect of the long term incentive award under the Domain Equity Incentive Plan (**EIP LTI Share Rights**);
  - Share Rights granted in respect of the Domain Incentive Plan (DIP 1) under the Domain Equity Incentive Plan (**DIP 1 Share Rights**); and
  - Share Rights granted in respect of the Domain Incentive Plan (DIP 2) under the Domain Equity Incentive Plan (**DIP 2 Share Rights**).

There are no other classes of security on issue other than as described above.

Ordinary Shares

Each Ordinary Shareholder has the voting rights set out in rule 6.9 of the Company's Constitution. At a general meeting, each Ordinary Shareholder present has one vote on a show of hands and one vote for each share held at the Record Time (as defined in the Constitution). A copy of the Constitution is available on the Company's Shareholder Centre website at shareholders.domain.com.au.

Options over Ordinary Shares

Each Option entitles the Option holder to an Ordinary Share, subject to certain vesting conditions and the terms of the Domain Equity Incentive Plan. Unvested Options do not carry voting rights.

The two classes of Options use ASX Codes DHGAA and DHGAB.

Issued Share Rights

None of the classes of Issued Share Rights have voting rights.

Further details in relation to each class of Issued Share Rights

Class of Issued Share Right	Summary of material terms set out in	ASX Code
Project Zipline Share Rights	Appendices 3G lodged with ASX by the Company on 7 May 2020 and 19 November 2020	DHGAC
EIP STI Share Rights	Appendix 3G lodged with ASX by the Company on 8 October 2020	DHGAD
EIP LTI Share Rights	Appendix 3G lodged with ASX by the Company on 19 November 2020	DHGAE
DIP 1 Share Rights	Appendix 3G lodged with ASX by the Company on 19 November 2020	DHGAF
DIP 2 Share Rights	Appendix 3G lodged with ASX by the Company on 19 November 2020	DHGAG

Quotation of securities

Ordinary shares are quoted on the ASX.

Options and Issued Share Rights are not quoted on the ASX.

The Company's securities are not quoted on any stock exchange other than the ASX.

No on-market buy-backs

As at 10 August 2021, there is no current on-market buy-back of securities.

Quoted Securities (Ordinary Shares)

Number of holders of quoted securities

The following table sets out the number and distribution of holders of Ordinary Shares as at 10 August 2021.

Total number of holders of Ordinary Shares	14,012

Distribution of holders of quoted securities

The following table sets out a distribution schedule of the number of holders of Ordinary Shares as at 10 August 2021.

Number of Ordinary Shares	Number of Ordinary Shareholders	% of Ordinary Shares held
1 – 1,000	10,092	0.67
1,001 – 5,000	2,922	1.15
5,001 – 10,000	547	0.69
10,001 – 100,000	405	1.67
100,001 and over	46	95.82

Number of restricted securities and securities subject to voluntary escrow

The following table sets out the number of restricted securities and securities subject to voluntary escrow as at 10 August 2021.

Of the classes of securities on issue, only Ordinary Shares are subject to voluntary escrow.

Number of Ordinary Shares subject to voluntary escrow	Date escrow period ends
711,536	At the latest, third calendar quarter 2024

Number of holders with less than marketable parcels

The following table sets out the number of holders holding less than a marketable parcel of Ordinary Shares based on the closing market price on 10 August 2021.

Number of holders with less than a marketable parcel of Ordinary Shares (based on a closing market price of $4.63 as at 10 August 2021)	840

Securities purchased on-market during the reporting period

The following table sets out the number of securities purchased on-market under or for the purposes of an employee incentive scheme or to satisfy the entitlements of holders of options or other rights to acquire securities granted under an employee incentive during FY21.

	Total number of securities purchased during FY21	Average price per security at which the securities were purchased during FY21
Under or for the purposes of an employee incentive scheme (the Domain Executive Incentive Plan or the Domain Equity Incentive Plan)	73,248	$4.58
To satisfy the entitlement of the holders of options or other rights to acquire securities granted under an employee incentive scheme (the Domain Executive Incentive Plan or the Domain Equity Incentive Plan)	Not applicable – no options or other rights to acquire securities vested during FY21	Not applicable

Issues of securities approved under Corporations Act

As at 10 August 2021, there are no issues of securities approved for the purposes of item 7 of section 611 of the *Corporations Act 2001* (Cth) which have not yet been completed.

Unquoted Securities (Options and Issued Share Rights)

Number of holders of unquoted securities

The following table sets out the number of Options and each class of Issued Share Rights and the number of holders of each class of unquoted security as at 10 August 2021.

Unquoted security	Total number of unquoted securities	Total number of holders of unquoted securities
Options	8,144,497	11
Issued Share Rights	6,045,762	447

Names of holders of 20% or more of unquoted securities in a class

As the Options and Issued Share Rights were issued under an employee incentive scheme, the names of any persons that hold 20% or more of the Options and any class of Issued Share Rights and the number of Options and/or Issued Share Rights held by such persons are not set out in this section of this Annual Report.

Distribution of holders of unquoted securities

The following tables set out distribution schedules of the number of holders of Options and Issued Share Rights as at 10 August 2021.

Options

Number of Options	Number of holders of Options	% of Options held
1 – 1,000	0	0
1,001 – 5,000	0	0
5,001 – 10,000	0	0
10,001 – 100,000	0	0
100,001 and over	11	100

Issued Share Rights

Number of Issued Share Rights	Number of holders of Issued Share Rights	% of Issued Share Rights held
1 – 1,000	6	1.34
1,001 – 5,000	182	40.72
5,001 – 10,000	184	41.16
10,001 – 100,000	66	14.77
100,001 and over	9	2.01

20 Largest Ordinary Shareholders and Substantial Shareholders

20 Largest Ordinary Shareholders

The following table sets out the relevant interests in Ordinary Shares held by the Company's 20 largest holders of Ordinary Shares as at 10 August 2021.

Rank	Substantial shareholder name	Number of Ordinary Shares held by substantial holder and its associates	% holding of Ordinary Shares
1	Fairfax Media Limited	258,686,201	44.28
2	Fairfax SPV No 1 Pty Limited	86,230,689	14.76
3	HSBC Custody Nominees (Australia) Limited	71,684,010	12.27
4	J P Morgan Nominees Australia Pty Limited	62,212,604	10.65
5	Citicorp Nominees Pty Limited	33,666,403	5.76
6	National Nominees Limited	27,948,300	4.78
7	BNP Paribas Nominees Pty Ltd	2,758,127	0.47
8	Citicorp Nominees Pty Limited	2,024,376	0.35
9	Brispot Nominees Pty Limited	1,935,262	0.33
10	UBS Nominees Pty Ltd	1,770,396	0.30
11	BNP Paribas Noms Pty Ltd	1,254,321	0.21
12	Warbont Nominees Pty Ltd	741,502	0.13
13	Savanah Investments Pty Ltd	672,791	0.12
14	BNP Paribas Nominees Pty Ltd Six Sis Ltd	666,435	0.11
15	CS Third Nominees Pty Limited	577,173	0.10
16	Wilmar Enterprises Pty Ltd	500,000	0.09
17	Neweconomy Com Au Nominees Pty Limited	458,846	0.08
18	Powerwrap Limited	452,150	0.08
19	BNP Paribas Nominees Pty Ltd	434,313	0.07
20	Pacific Custodians Pty Limited	412,428	0.07

Substantial Shareholder Information

The following table sets out the names of substantial shareholders in the Company and the number of securities to which each substantial holder and its associates have a relevant interest as disclosed in substantial shareholder notices received by the Company as at 10 August 2021.

Substantial shareholder name	Number of shares held by substantial shareholder and its associates	% holding
Nine Entertainment Co. Holdings Limited	344,916,890	59.04
FIL Limited	44,231,746	7.57

Corporate Directory

Corporate directory

This section

The information in this section of this Annual Report in relation to Domain Holdings Australia Limited (**Company** or **Domain**) is current as at 10 August 2021.

Annual General Meeting

Domain's Annual General Meeting will be held at 10:00am on Thursday, 4 November 2021.

Domain's 2020 Annual General Meeting was held via virtual technology rather than at a physical location. Domain has not yet determined whether the same process will be adopted for the 2021 Annual General Meeting in light of the ongoing COVID-19 pandemic and the recent restrictions in force in Sydney (where Domain's registered office is located). The Board will monitor the feasibility and appropriateness of holding a meeting at a physical location and will notify shareholders of arrangements for the 2021 Annual General Meeting closer to November 2021. Whether or not it is held at a physical location, the Annual General Meeting will be facilitated and conducted in a way that will provide shareholders with a reasonable opportunity to participate.

The Company will provide shareholders with details of the Annual General Meeting, including technology to be used to hold the meeting, in the notice of meeting to be sent to shareholders prior to that meeting in accordance with the *Corporations Act 2001* (Cth) (the Act) and relief available to the Company under temporary modifications to the Act due to COVID-19.

Financial Calendar 2022

Interim Result – February 2022
Final Result – August 2022
Annual General Meeting – November 2022

Company Secretary

Catriona McGregor

Registered Office

Level 5, 100 Harris Street
Pyrmont NSW 2009
T: +61 2 9254 3222

Website

Corporate information, the Annual Report, ASX Announcements relating to the Company and other investor information can be found on the Company's Shareholder Centre website at shareholders.domain.com.au.

Share Registry

Link Market Services
Level 12, 680 George Street
Sydney NSW 2000
Locked Bag A14
Sydney South NSW 1235

P: +61 1300 138 914 (toll free within Australia)
F: +61 2 9287 0303

registrars@linkmarketservices.com.au
www.linkmarketservices.com.au

Securities Exchange Listing

The Company's Ordinary Shares are listed on the ASX as DHG.

Investor Relations

Jolanta Masojada
E: jolanta.masojada@domain.com.au

Media Enquiries

Sarah Macartney
E: sarah.macartney@domain.com.au

How to Obtain the Annual Report

The Company supports the use of electronic communications in seeking to protect the environment by minimising use of paper. The Company has notified all shareholders that they may elect to receive, free of charge, a copy of the Company's reports for each financial year as a hard copy or as an electronic copy. Each shareholder who has elected to receive a copy of the Company's Annual Report will receive a copy in the form they have chosen. Shareholders who have not elected to receive a copy of the Company's Annual Report, can access it at the Company's Shareholder Centre website at shareholders.domain.com.au.

Direct Payment to Shareholders' Accounts

The Company pays dividends by direct deposit to shareholders' bank accounts and does not issue cheques except in exceptional circumstances. Shareholders can obtain a direct deposit form at the Share Registry.

Payments are electronically credited on the dividend date and confirmed by payment advice which is either mailed or sent by email. Shareholders should notify the Share Registry of their tax file number so that dividends can be paid without tax being withheld.

Consolidating Shareholdings

Shareholders who wish to consolidate separate holdings of Domain shares into one account should notify the Share Registry in writing by post or by email.