DomaCom

Annual Report 2023

DomaCom Limited (ASX:DCL) and its Controlled Entities ABN 69 604 384 885

Table of Contents

DOMACOM LIMITED
ABN 69 604 384 885

CHAIRMAN'S REPORT
30 JUNE 2023

Dear Shareholders

A big year both operationally and financially

Your company achieved much from both an operational and financial perspective over the course of its 2023 financial year (FY23). Crucial to the long-term future of DomaCom, these achievements did not just pave the way for DomaCom to successfully relist on the Australian Securities Exchange (ASX). They also underwrote sustained growth in the DomaCom business – and set it up for continued growth over the years ahead.

DomaCom relists on the ASX in late calendar 2022.

Unwavering commitment by the entire DomaCom team to ensure your company met all the preconditions set down by the ASX before our shares could re-commence trading eventually achieved the desired result, with DomaCom relisting in December 2022.

These preconditions, progressively delivered in the first half of DomaCom's FY23, included:

- A $5 million private placement (completed in July 2022) that strengthened the company's balance sheet and provided additional funding to further develop DomaCom's existing product offerings, enhance the technology platform and progress new product initiatives;
- The successful renegotiation of an extension to the $2.95 million Thundering Herd Convertible Notes to February 2024; and
- Gaining shareholder approval for a selective share buy-back of approximately 2.27 million DomaCom ordinary shares.

Putting the DomaCom business on a path to long term growth

Other operational milestones delivered during our FY23 provided us with the runway to grow the core DomaCom business both over the past year and into the future. Thanks to these initiatives, the company's market leading fractional investing model has gained increased traction in its addressable markets. The latter feat was a testament to the entire DomaCom's team's efforts.

The growth reported in key financial metrics over DomaCom's FY23 was in large part due to the gradual implementation of the recovery strategy outlined at our FY22 AGM in November 2022. The key objectives of this plan were to:

- Ensure capital sustainability and deployment to meet corporate objectives and shareholder return and liquidity expectations;
- Drive connectivity and collaboration with distribution and commercial partners;
- Deliver broader, innovative and differentiated digital value propositions to diversify revenue base, increase market share and improve client experience; and
- As an employer of choice, attract, develop and retain top talent who are innovative and collaborative.

DomaCom also delivered a host of brand rejuvenation objectives during its FY23. These included an updated brand identity and online platform plus the launch of a new website.

I am happy to say that, aided by our recovery plan and related initiatives, DomaCom successfully leveraged off its reputation for innovative structures over the course of FY23. In the process, your company has made portfolio diversification a reality for a growing list of investors. Funds Under Management ('FUM') experienced growth, jumping by 61% to $216 million by end FY23. What underpinned this gain, including a steady expansion in both the number of customer accounts and sub-funds, is discussed more fully in the following DomaCom FY23 Annual Report's CEO Letter.

Looking to DomaCom's 2024 financial year

While some key strategic deliverables are already in place, your Board of Directors is committed to a further acceleration of the upscaling of the DomaCom business over the now underway 2024 financial year (FY24). Central to this process, which will help the company's continued transition towards earnings positive status, is an unrelenting strict adherence to the key business objectives central to our recovery strategy. They will be applied in the context of growth opportunities that continue to present in niche investment market segments outside of the plain vanilla sectors of money market, fixed interest and physical equities that make up most, if not all, of many investors' asset portfolios.

DomaCom is intent on enhancing a key aspect of its investment solution in FY24. This is its Secondary Market facility, which brings liquidity to assets within the DomaCom Platform. Thanks to this facility, investors will not only benefit from being able to invest in fractions of larger assets but will also have access to a mechanism that provides potential liquidity in those assets. DomaCom is also targeting other enhancements to its platform over the coming year that are expected to underwrite further growth in FUM.

I thank our shareholders for firstly, their patience while the DomaCom leadership team worked towards the company's successful relisting on the ASX, and secondly their loyalty as the upscaling of the DomaCom Fund began in earnest. I also want to thank our staff for their hard work and 'can do' attitude over the past 12 months. Our FY23 deliverables would not have been possible without their commitment. As FY24 gets underway in earnest, I am confident that your company will progressively report results that confirm the inherent value in our fractional investing model, taking DomaCom ever closer to creating a sustainable business with sound long-term growth prospects.

John Hewson

Chairman

2 October 2023

CEO'S REPORT
30 JUNE 2023

Dear Shareholders

The DomaCom business grew appreciably over the course of its 2023 financial year (FY23), a feat achieved despite intermittent bouts of volatility in domestic and international financial markets over this period. Much of this growth came as the recovery plan detailed in the earlier FY23 DomaCom Annual Report Chair Letter started to gain traction. That these strategic initiatives began to yield results so quickly was a testament to our staff, who were at the same time working hard over the first half of our FY23 to deliver on relisting on the Australian Securities Exchange.

DomaCom's growth over its FY23 was headlined by an uplift in Funds Under Management (FUM) and fee income. This as the company expanded its distribution channels and cultivated strategic partnerships with new commercial entities. This now wider range of customer solutions saw your company reinforce its position as a leading provider of innovative and comprehensive business solutions that meet the evolving needs of its growing client list.

Importantly, this upscaling of our business occurred without compromising our commitment to simultaneous delivery of cost efficiencies and included some key new hires over the past year that strengthened our risk and compliance and marketing/sales capabilities.

Good growth in the DomaCom Fund over FY23

The DomaCom Fund's FUM pushed up through the $200m barrier in April 2023, before eventually ending our FY23 at $216 million. This figure, up 61% on the level reported at the end of our FY22, was attributable to increased penetration of multiple property segments and varied asset classes. It came as DomaCom gave investors exposure to numerous niche property segments that effectively diversified their asset portfolios.

.

The increase in FUM over our FY23 was underwritten by an accompanying rise in sub-funds and client accounts. The number of sub-funds on the DomaCom Platform rose to 133 by the end of FY23, up 25% on its year earlier figure. DomaCom customer accounts numbered 2,330 at the close of our FY23, up 29% on the level reported at the end of our FY22.

In a clear pointer to DomaCom's push to re-engage with dealer groups has shown benefits, the FUM uplift was spread across multiple advisory groups. This achievement underscores the broad-based appeal and recognition of the company's investment solutions by various investment professionals. It would not have occurred without investment professionals in advisor groups and their clients seeing the value in investing in the assets packaged in the sub-funds on our platform. DomaCom remains committed to a further deepening and broadening of the investor base underpinning our innovative fractional investing model over time.

As the DomaCom Fund's FUM grew, so too did the revenues we generated from it. Annual fee revenue totalled $2.4m in our FY23, up 134% on that recorded in the preceding year. This strong uplift came despite some delays which occurred while incorporating improvements to our compliance regime. Once these new processes were put in place, we again ramped up the conversion of revenue opportunities in the pipeline.

CEO'S REPORT
30 JUNE 2023

DomaCom is targeting a stronger financial performance in its FY24

From a financial performance angle, the strategic plan we are continuing to action is expected to deliver strong growth in revenues and support in contain expenses over the coming 12-month period, leading to further improvement in cash flows and earnings over our 2024 financial year (FY24).

A big thank you to all our stakeholders

DomaCom has achieved much over its FY23 through the continued support of all our key stakeholder groups. Our staff have worked hard to implement a recovery strategy that is now generating results. Also, a big thank you to our patient shareholders who have remained on board as we lay the groundwork for the next stage in the company's growth process. Finally, I want to personally acknowledge the ongoing support of new and existing dealer groups and their clients as well as our corporate partners placing assets into sub-funds. They have been crucial to the DomaCom Fund's sustained growth over the past year.

We now look forward to working with all these stakeholders to further improve DomaCom's financial and operational performance over FY24. Success here will demonstrate the long-term sustainability of the DomaCom fractional investing model. The company will be ramping up efforts to build on its suite of investment solutions.

John Elkovich

Chief Executive Officer

2 October 2023

Your directors present their report on DomaCom Limited (the "Company") and its Controlled Entities (the "Group") for the year ended 30 June 2023.

1. Directors

The names of the directors in office throughout the year and to the date of this financial report are Dr John R Hewson, Mr Grahame D Evans, Mr Ross A Laidlaw, Mr George D Paxton, Ms Angela M Williams and Mr Hilal Yassine. Mr Steven C James was appointed as director of DomaCom Limited on 12 April 2023 and continued to be a director at the date of this financial report. Mr Matthew Roberts retired as a director of DomaCom Limited on 12 April 2023. The name of the company secretary in office throughout the year and to the date of this financial report is Mr Philip J R Chard. Details of qualifications, experience and special responsibilities of the Directors are as follows:

Professor John R Hewson AM – Chairman and Independent Non-Executive Director
Dr Hewson has had several careers in academia, bureaucracy, business, politics, and the media. He is currently a Professor in the Crawford School of Public Policy at ANU, and an Adjunct Professor at Curtin, UTS, Canberra and Griffith Universities, having been Professor and Head of the School of Economics at UNSW, and Professor of Management and Dean Macquarie Graduate School of Management at Macquarie University.

He has worked for The Australian Treasury (Census and Statistics), the IMF, the Reserve Bank, the UN (UNESCAP), and the ADB, and often advises senior public servants. In Business, he was a Founder of Macquarie Bank, Chairman ABN Amro Australia, and Chair/Director of a host of public and private companies, with current positions in renewable energy, investment banking, and funds management. He is Chair, Business Council for Sustainable Development Australia, and a Patron of the Smart Energy Council, the Ocean Nourishment Foundation and the Overseas Bankers Association.

In Politics, he has served as Advisor/Chief of Staff to two Federal Treasurers and Prime Minister, as Shadow Finance Minister, Shadow Treasurer, Shadow Minister for Industry and Commerce, and Leader of the Liberal Party, and of the Federal Coalition in Opposition.

In the media, he has been a regular Columnist since the early 80s for a range of domestic and international newspapers (presently The Saturday Paper) and publications, and comments widely on economics and politics on TV, radio, in print, and online, here and overseas.

Dr Hewson has also been active in charities and not-for-profits, main positions including Chair of KidsXpress, Chair of the Investment Advisory Committee of the Australian Olympic Foundation, and as Member, SteerCo Australian Sustainable Finance Roadmap, National Standing Committee for Energy and the Environment, and as an Ambassador Women for Election Australia. John has been a director since 3 April 2022.

Grahame D Evans – Deputy Chairman and Independent Non-Executive Director
Grahame has been extensively involved with the financial services industry for over 30 years. He has held a variety of board positions including Chairman of Australian, Canadian, Singaporean & Chinese investment & advisory businesses and also as a director of Malaysian and New Zealand companies. He is a regular speaker at conferences both in Australia and overseas and holds an MBA from the prestigious Australian Graduate School of Management. Grahame's executive roles have included CEO Investments for Tower Australia, Managing Director, AMP Consulting and Group Managing Director of Centrepoint Wealth. He is currently an executive director of listed Diverger Limited. Grahame has been a director since 23 February 2015.

Steven C James – Independent Non-Executive Director
Steven has over 30 years' experience in the financial services industry. He has held senior roles at the Commonwealth Bank of Australia, National Australia Bank and Westpac, and was also a foreign exchange dealer at Deutsche Bank and Bank of America. Steven has, over time, built up a detailed knowledge of the FX trading, financial planning and stock-broking financial market segments. While working in the stock-broking sector, Steven was a key figure in developing Australia's largest wholesale broking business. He is currently a Director at Aston Consulting, which provides specialist strategic advice services, covering areas like capital raising, marketing and implementation, product distribution and implementation, digital transformation and corporate change management. Steven is also a highly experienced Company Director. He has been on the boards of a wide range of listed and unlisted entities, including sporting bodies, financial services organisations and property industry

business groups.

He holds a Masters Degree in Financial Services Law from the Macquarie Graduate School of Management, a Master Stockbroker Qualification and a Diploma of Financial Markets. Steven is also a graduate of the Australian Institute of Company Directors and a Fellow of the Governance Institute of Australia. Steven has been a director since 12 April 2023

Ross A Laidlaw – Executive Director
Ross has spent over 30 years in Financial Services, and has deep and expansive experience within markets in Australasia, Europe and America. His strength lies in the development of start-up or green field developments and driving them into fully fledged and profitable businesses. Ross was CEO of the successful Skandia Platform for over 7 years, developing it into a leading Platform that was well supported by independent financial advisers. Ross is involved in both the strategic and operational aspects of the DomaCom business ensuring the business meets its regulatory requirements while also ensuring the business continues to innovate and remains relevant to its key distribution channels.

Ross is a qualified Chartered Accountant, holds a Bachelor of Economics (Monash), a Graduate Diploma of Financial Planning (Kaplan) and Applied Finance (Securities Institute of Australia) and is a Fellow of the Financial Services Institute of Australasia. His key role at DomaCom is as Chief Commercial Officer. Ross has been a director since 23 February 2015.

George D Paxton - Non-Executive Director
George is an experienced fund manager with a deep knowledge of international valuation techniques and methodologies and an extensive range of financial analytical skills. His previous experience has included senior positions providing banks and hedge funds with actionable intelligence and analysis. He is a proven leader of M&A, Equity and credit analysis teams across a range of different industries and products in the UK, Europe, Middle East, and Asia. George is a director of aaig and its listed subsidiary HALO Technologies Holdings Limited where he has been involved in every aspect of their success and growth. Through its subsidiaries, aaig is a significant investor in DomaCom Limited. George has been a director since 27 September 2019.

Angela Williams – Independent Non-Executive Director
Angela Williams is an internationally-trained multidisciplinary marketing expert and educator. Her career spans the US, Europe and Australia. With a strong background in entrepreneurial endeavors, she's worked across traditional and digital marketing, communications, business strategy and operations.

Currently, her focus is working with organisations in transformation stages and in building cohesive, high functioning teams. Angela has been a director since 3 April 2022.

Hilal Yassine – Non-Executive Director
Hilal Yassine is the Group Managing Director of First Quay Capital and an experienced businessman and Non-Executive Director. He currently serves as a non-executive director of Crescent Wealth, First Quay Capital, and the several private family companies. Hilal has over 20 years of executive experience, holding various roles as a senior executive at PricewaterhouseCoopers (PwC) Sydney and London based firm Clyde & Co in their Dubai Offices. He was also the Chief Operating Officer of the Austaxi Group (Lime Taxis) and the Managing Director of the Platinum Hearing Group. Hilal holds a BCom LLB (UNSW), LLM (UNSW) and MBA (WSU). Hilal has been a director since 17 March 2021.

Philip JR Chard – Chief Financial Officer, Company Secretary
Philip has over 30 years of experience in the financial services industry. As a senior manager at Deloitte he provided assurance and advisory services within the funds management and investment banking sectors. Subsequently he has held a broad range of financial control and reporting positions within the property, funds management and banking sectors. He has a strong understanding of the requirements of highly regulated industries and the reporting obligations of listed companies. He has a proven track record of designing and implementing robust internal control and reporting systems.

2. Directors' meetings

The number of Directors' meetings held that Directors of the Company were eligible to attend and the number of meetings attended during the year ended 30 June 2023 were:

	Board of Directors		Audit Committee		Risk Management Committee		Remuneration Committee	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Dr John R Hewson	9	9	-	-	1	1	-	-
Mr Grahame D Evans	9	7	4	4	1	1	2	2
Mr Steven C James	3	3	-	-	1	1	-	-
Mr Ross A Laidlaw	9	9	-	-	1	1	-	-
Mr George D Paxton	9	7	-	-	1	1	-	-
Mr Matthew Roberts	6	3	-	-	-	-	-	-
Ms Angela M Williams	9	9	4	3	1	1	-	-
Mr Hilal Yassine	9	5	4	3	1	-	2	2

3. Principal activity

During the year, the principal activities of entities within the Group were the development of a software platform to be used for the trading of fractional interests in property.

4. Operating results

The Group has incurred an operating loss of $3,781,255 (2022: $3,422,584).

5. Distributions paid or declared

No distributions were declared or paid in the current year.

6. Review of operations and financial results

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

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

Operational Review

DomaCom continued to significantly grow the scale of its operations during the Company's financial year ended 30 June 2023. This expansion occurred despite the challenging macroeconomic conditions experienced over this period.

The Funds Under Management in the DomaCom Fund as at end June 2023 totalled $216 million, which represented a 61% increase from the prior year. This growth was underpinned by a 25% increase in the number of sub-funds and a 29% increase in the number of investors in the DomaCom Fund platform over the Company's 2023 financial year.

Two key attractions of the DomaCom Fund underwrote its continued growth. Firstly, the Fund's fractional investing model provides a way for investors to diversify their asset portfolios by gaining exposure to an ever-widening range of assets that they would not otherwise be able to access. Secondly, the DomaCom Fund gives investors added liquidity, by virtue of the secondary market capabilities of the platform.

Implementation of Strategy

The Board continues to focus on growing the business by the consistent implementation of a strategy focusing on:

- Capital sustainability and deployment to meet corporate objectives and shareholder returns;
- Collaboration and connectivity with distribution and commercial partners;
- Innovative and differentiated digital value propositions; and
- People and culture.

By concentrating on the delivery of these key target deliverables, the Board expects to build on the growth trajectory established in the Company's FY23.

DomaCom successfully delivered on a host of brand rejuvenation objectives during its FY23. These included an updated brand identity and online platforms plus the launch of a new website.

Financial Performance

The Group reported an operating loss of $3,781,255 in its 2023 financial year (2022: $3,422,584). No distributions were declared or paid in the current year.

Revenue for the year ended 30 June 2023 totalled $2,449,229, comprising campaign management fees of $1.5m and ongoing management fees of $0.9m. This combined fee income number was up 134% on the prior year combined fee revenue of $1.0m.

$250,000 (excluding GST) was received during the year ended 30 June 2023 under the Settlement Agreement with Global Meat Exports. In total, $950,000 has now been received of the $2,500,000 due under the agreement. The recoverability of this receivable has been assessed and provisioned for expected credit losses.

DomaCom continued to carefully monitor costs during the year. Total expenses for the year ended 30 June 2023 were $6.3m, improved on the$7.0m figure reported in the year ended 30 June 2022. After the exclusion of finance costs and depreciation/amortisation, total expenses were $4.6m for the year ended 30 June 2023, broadly in line with the figure reported in the year ended 30 June 2022.

7. Risks associated with DomaCom

As part of implementing its strategy there are a number of risks. These risks may affect the future strategy, operating and financial performance of DomaCom and the value of DomaCom shares.

(a) Solvency Risk

The ability of the Company to continue to meet its cash requirements to maintain its operations and meet its financial obligations as they fall due depends on continuing to grow the business, increase revenue and control costs. Failure to grow the business may result in the Company not being able to meet it financial obligations as they fall due.

(b) Failure to attract investors and grow assets under management

DomaCom is dependent on growing its investor base, increasing the number and value of properties and other assets in the DomaCom Fund and in turn the assets under management based on which it derives a management fee in order to more than offset its running expenses. Failure to attract investors and grow funds under management will negatively impact the DomaCom Group's financial position and prospects.

Failure to attract investors to the DomaCom Fund may also impact the secondary market on the Platform, which in turn could impact the ability of investors to trade Fractional Interests on the price achieved. The reputational consequences of this could negatively impact DomaCom Fund's growth and accordingly DomaCom revenues and financial position.

(c) Failure to execute the planned growth strategy

DomaCom's growth strategy is focused on increasing the number of members of the DomaCom Fund and the value of Funds Under Management. To the extent DomaCom is not able to execute its strategy, its business and growth prospects may be adversely impacted. This in turn could impact its financial position.

(d) Competition

There is a risk that existing financial service providers or new players enter this market or duplicate DomaCom's technology and business model.

The key industries in which the DomaCom operates are all competitive markets which are expected to remain competitive. Examples of factors that may impact on DomaCom competitive position include:

- level of innovation relative to that of competitors;
- commercial factors, including pricing and liability terms;
- ability to keep up with technological or regulatory change;
- ability to respond to client preferences for products and services; and
- ability to maintain strong relationships with existing clients by upholding the consistency and quality of its services.

In addition, DomaCom needs to respond effectively to any changes in the competitive landscape, which may evolve as a result of a number of factors, including the entry of new competitors into the market and the consolidation of existing market participants.

Increased competition may adversely affect DomaCom's business, financial performance and financial condition. Increased competition may also result in pressure on the management fees charged by DomaCom.

(e) Termination of the Investment Management Agreement

DomaCom Australia is the investment manager appointed by the Responsible Entity of the DomaCom Fund under an investment management agreement dated 18th October 2017 and renewed on 5 October 2021 (Investment Management Agreement). If the Responsible Entity as trustee of the DomaCom Fund terminates the Investment Management Agreement, DomaCom Australia could lose its primary source of income.

(f) Reliance on platform technology

The DomaCom Fund relies on an online technology solution which is delivered by the DomaCom Platform to facilitate the application process, the on boarding of clients and assets and regular on-going reporting. There is a risk of cyber-attacks which could lead to loss, theft or corruption of data. This could render the DomaCom Platform unavailable for a period of time and the unauthorised disclosure of client data.

There is a risk of disruption of DomaCom Platform services due to:

- inability of the system to handle increase in capacity of clients and transactions or errors or omissions that may occur in performing certain tasks and transactions; or
- a force majeure event that affects the systems and in turn the clients of or suppliers to DomaCom.

(g) Product Development

DomaCom has completed significant product development and is now in the phase of leveraging developed products into their targeted markets. However, there will be a continual need to refine and enhance DomaCom's products, so they remain relevant to the market. If these enhancements take longer to develop and/or obtain necessary regulatory approvals (if applicable), this could result in further investment than anticipated and / or slower progress in sales.

(h) Failure to be included on Approved Product Lists

DomaCom Australia's distribution strategy is an intermediated model. DomaCom is required to provide products and features that are relevant to financial planners and their investors including SMSF investors. DomaCom is also required to provide training on its products to financial planners.

DomaCom plans to leverage the networks of financial advisers to grow the DomaCom Fund. Most Australian financial planners are connected to Dealer Groups who provide the master AFSL through which the advisers are regulated. This means that financial planners can only recommend products that have been incorporated onto their Dealer Group's Approved Product List (APL). DomaCom's financial performance and financial condition may be negatively impacted if it is not included on APLs.

(i) Regulatory changes

DomaCom Australia operates within a registered managed investment scheme environment. Changes to laws, regulations, taxation, standards and practices applicable to the industry in which DomaCom Australia operates could adversely impact its business.

(j) Key personnel risk

DomaCom relies on a number of key personnel to conduct the business including certain personnel who are named as key persons on the DomaCom AFSL. If such key personnel were to leave the business or for other reasons could not perform their duties, and there was an inability to recruit suitable replacements, this could result in an inability to continue to promote or operate the DomaCom business and the DomaCom Fund in accordance with DomaCom's business plan.

(k) Compliance with regulations

DomaCom Australia operates a registered managed investment scheme (the DomaCom Fund) that is subject to regulations, laws, standards and practices. DomaCom Australia holds an AFSL required for the conduct of its regulated activities. Failure to comply with the terms of this licence could have significant consequences for DomaCom Australia, including removal of the AFSL resulting in DomaCom Australia no longer being able to operate or promote the DomaCom Fund. Failure to comply with the regulations could result in an inability of the business to operate, suspension of its licence and reputational damage to its brand.

(l) Reputational damage

DomaCom's brand is important in attracting and retaining clients to the DomaCom Fund. There is a risk that the brand may be tarnished by incidents such as negative publicity, a data security breach or one-off unforeseen events that negatively impact DomaCom's operations. Even though the DomaCom Group is not involved in the selection of properties that the DomaCom Fund invests in, the failure of fractional investments could indirectly have a negative impact on DomaCom's brand and reputation. The occurrence of any such incidents may lead to client loss and the failure to attract new clients and grow FUM, which, in turn, may have an adverse impact on DomaCom's financial performance.

8. Significant Changes in State of Affairs

There were no significant changes in the state of affairs of the Group during the year.

9. Post Balance Date Events

Subsequent to balance date and prior to the issuing of this report, the following events have occurred. Further details of the proposed capital raise are included in Note 3(q) Going Concern.

Short-term funding of $350,000 was received in September and October 2023. The repayment has been deferred until Tranche 2 of the proposed Capital Raise detailed below.

As part of ongoing capital management, the Group will commence a capital raise that will see the issue of up to $6 million secured convertible notes with a 5-year maturity date (Proposed Capital Raise). The new Convertible Notes will have a conversion price of $0.08 and annual interest of 12% paid quarterly in arrears. The capital raising is being carried out in two separate tranches. Tranche 1 is a $2m underwritten issue of convertible notes to wholesale investors only with a target completion date in October 2023. The convertible notes issued under Tranche 1 will use the capacity available under ASX Listing Rule Listing Rule 7.1 and will therefore not require shareholder approval. Tranche 2 will be the issue of up to $4m of convertible notes to wholesale investors only and is expected to complete before February 2024. Tranche 2 will be subject to shareholder approval that will be sought at the forthcoming Annual General Meeting in November 2023.

The proceeds of the capital raise, if fully subscribed, will be allocated to repay the Existing Convertible Notes, provide working capital and fund the costs of the capital raise. In the event that only Tranche 1 is issued (raising $2million before costs), the proceeds will be used for working capital, partially repay the Existing Convertible Notes for an amount of $500,000 and to fund the costs of the offer and the Company will need to raise additional funds in order to repay the remainder of the Existing Convertible Notes by their maturity date of 1 February 2024.

Binding underwriting agreements have been signed by HC Securities Pty Ltd and two further DomaCom Shareholders to fully underwrite Tranche 1.

DomaCom have received consent from existing Secured Convertible Noteholders in accordance with the requirements of the Convertible Note Trust Deed for DomaCom to proceed with the proposed capital raise, An intercreditor deed is being drawn up as a result of the consent.

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

10. Future Developments

The Group is expected to continue to develop its software platform and increase the level of Funds Under Management in the DomaCom Fund (Managed Investment Scheme) for which the Group will earn management fees for its role as Investment Manager.

11. Unissued shares under Performance Rights and Options

No performance rights or options were granted or are outstanding at the date of this report.

12. Remuneration Report (audited)

The Directors present the Remuneration Report for Non-Executive Directors, Executive Directors and other Key Management Personnel, prepared in accordance with the Corporations Act 2001 and the Corporations Regulations 2001.

The Remuneration Report is set out under the following main headings:

a Principles used to determine the nature and amount of remuneration;
b Details of remuneration;
c Service agreements;
d Share-based remuneration; and
e Other information

a) Principles used to determine the nature and amount of remuneration

The principles of the Group's executive strategy and supporting incentive programs and frameworks are:

- to align rewards to business outcomes that deliver value to shareholders
- to drive a high performance culture by setting challenging objectives and rewarding high performing individuals; and
- to ensure remuneration is competitive in the relevant employment marketplace to support the attraction, motivation and retention of executive talent.

The remuneration structure that has been adopted by the Group consists of the following components:

- fixed remuneration being annual salary; and
- long term incentives, being equity-based incentive plans.

Long Term Incentives

The Group has established a long term equity-based incentive plan for Directors and staff in order to:

- assist in the retention and motivation of directors and employees; and
- provide an incentive to grow shareholder value by providing an opportunity to receive an ownership interest in the Company.

The plan provides for the award of Performance Rights to directors, executives, employees and consultants.

Although no Performance Rights were issued during the year ended 30 June 2023 (2022: nil) and no Performance Rights were in existence at 30 June 2023 (2022: nil), the Directors consider the Long Term Incentive Plan to be a part of the ongoing remuneration strategy.

b) Details of remuneration

	Year	Cash salary and fees	Superannuation	Separation	Long service leave	Total	Performance based % of remuneration
Executive Directors							
Arthur Naoumidis	2023	78,819	8,276	92,034	-	179,129	0%
Director and CEO	2022	232,876	23,288	-	19,888	276,052	0%
Ross Laidlaw	2023	182,649	19,178	-	3,721	205,548	0%
Director and COO	2022	182,649	18,265	-	3,825	204,739	0%
Non-executive directors							
John Hewson	2023	100,000	10,500	-	-	110,500	0%
Chairman & Non-Executive Director	2022	16,667	1,667	-	-	18,334	-
Grahame Evans	2023	60,000	-	-	-	60,000	0%
Deputy Chairman & Non-Executive Director	2022	10,000	-	-	-	10,000	0%
David Archbold	2023	-	-	-	-	-	-
Non-Executive Director	2022	9,154	-	-	-	9,154	0%
Peter Church	2023	-	-	-	-	-	-
Non-Executive Director	2022	9,154	-	-	-	9,154	0%
Steven James	2023	9,154	961	-	-	10,115	0%
Non-Executive Director	2022	-	-	-	-	-	-
George Paxton	2023	36,614	3,844	-	-	40,458	0%
Non-Executive Director	2022	6,102	610	-	-	6,712	0%
Matthew Roberts	2023	27,460	2,883	-	-	30,343	0%
Non-Executive Director	2022	6,102	610	-	-	6,712	0%
Angela Williams	2023	36,614	3,844	-	-	40,458	0%
Non-Executive Director	2022	6,102	610	-	-	6,712	-
Hilal Yassine	2023	36,614	3,844	-	-	40,458	0%
Non-Executive Director	2022	6,102	610	-	-	6,712	0%

	Year	Cash salary and fees	Superannuation	Separation	Long service leave	Total	Performance based % of remuneration
Other Key Management Personnel							
John Elkovich	2023	300,000	31,500	-	1,116	332,616	0%
CEO	2022	75,000	7,500	-	82	82,582	-
Philip Chard	2023	164,025	17,222	-	4,588	185,835	0%
CFO / Company Secretary	2022	162,000	16,200	-	4,754	182,954	0%
2023 Total		1,031,949	102,052	92,034	9,425	1,235,460	
2022 Total		721,908	69,360	-	28,549	819,817	

The relative proportions of remuneration that are linked to performance and those that are fixed are as follows:

Employee	Fixed Remuneration	At risk: Performance Rights
Executive Directors		
Ross Laidlaw	100%	-
Non-Executive Directors	100%	-
Other Key Management Personnel		
John Elkovich	100%	-
Philip Chard	100%	-

Arthur Naoumidis resigned as a Director and as the Chief Executive Officer on 3 April 2022 and continued to be paid a salary and superannuation until his employment ended on 5 October 2022. In addition, Arthur Naoumidis received further payments of $92,034 for unused leave and long service leave in the year ended 30 June 2023. The compensation for termination benefits was $nil (2022: $nil).

Remuneration and other terms of employment for executive directors and senior executives are formalised in letters of employment that provide for various conditions in line with market practice including:

- an annual remuneration package and benefits including superannuation.
- the basis of termination or retirement and the benefits and conditions as a consequence; and
- agreed provisions in relation to annual leave and long service leave, confidential information and intellectual property.

c) Service agreements

No key management personnel are employed under a service agreement.

d) Share-based remuneration

No Performance Rights were issued during the year ended 30 June 2023.

e) Other information

The number of ordinary shares in the Company held during the financial year ended 30 June 2023 held by key management personnel, including their related parties, are set out below:

	Balance at start of year	Acquisition of shares	Held at end of reporting period
Non-Executive Directors			
Grahame Evans	1,431,099	-	1,431,099
Hilal Yassine (i)	8,333,333	-	8,333,333
George Paxton	-	3,179,605	3,179,605
Executive Directors			
Ross Laidlaw	2,391,924	-	2,391,924
Executives			
Philip Chard	361,713	-	361,713

(i) Hilal Yassine is the beneficial owner of 8,333,333 Shares held through FQC Fintech 2 Pty Ltd.

At 30 June 2023 there were no Performance Rights held the Directors (2022: nil) or Executives (2022: nil). There were no Performance Rights issued during the year ended 30 June 2023 (2022: nil).

There were no loans to key management personnel during the year.

There were no other transactions with key management personnel during the year.

End of audited Remuneration Report.

13. Environmental Issues

The Group currently has no material exposure to environmental regulations under either Commonwealth or State legislation.

14. Indemnification and insurance of Officers or Auditor

During or since the end of the financial year, the Group has given indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

During the year, the Group has paid premiums in respect of an insurance contract to indemnify officers against liabilities that may arise from their position as officers of the Group. Officers indemnified include all directors and all executive officers participating in the management of the Group.

Further disclosure required under section 300(9) of the Corporations Act 2001 is prohibited under the terms of the contract.

15. Proceedings on Behalf of the Group

No person has applied for leave of court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of their proceedings.

16. Auditor's Independence Declaration

A copy of the auditor's independence declaration as required by section 307C of the Corporations Act 2001 is set out in the following report.

17. Corporate Governance Statement

The Board of DomaCom has adopted the following Corporate Governance policies and practices which are in accordance with the ASX Corporate Governance Council's "Corporate Governance Principles and Recommendations (4th Edition)" (ASX Guidelines) unless otherwise stated.

Role and responsibility of the Board (Principle 1.1)

The Board is responsible for the overall corporate governance of the Company, including establishing and monitoring key performance goals. The Board monitors the operational and financial position and performance of the Company and oversees its business strategy, including approving the strategic goals of the Company and considering and approving an annual business plan (including a budget). The Board is committed to maximising performance, generating appropriate levels of Shareholder value and financial return and sustaining the growth and success of the Company. In conducting the Company's business with these objectives, the Board seeks to ensure that the Company is properly managed to protect and enhance Shareholder interests, and that the Company and its Directors, officers and personnel operate in an appropriate environment of corporate governance. Accordingly, the Board has created a framework for managing the Company, including adopting relevant internal controls, risk management processes and corporate governance policies and practices which it believes are appropriate for the Company's business and which are designed to promote the responsible management and conduct of the Company.

- The Board is responsible for the strategic direction of the company.
- The Board reviews and approves the Company's proposed strategy. The objectives of the Company are clearly documented in a long-term corporate strategy and an annual business plan together with achievable and measurable targets and milestones.
- The Board approves budgets and other performance indicators and reviews performance against them and initiates corrective action when required.
- The Board ensures that the risks facing the company have been identified, assessed and that the risks are being properly managed.
- The Board ensures that policies on key issues are in place and are appropriate. The Board also reviews compliance with policies.
- The Board adopts the most effective structure that best assists the governance process. The selection of Directors is based on obtaining the most relevant and required skills, while also recognising the need to have a diversity of skills and experience on the Board.
- The Board approves and fosters an appropriate corporate culture matched to the Company's values and strategies.
- The Board appoints the Chief Executive Officer and evaluates his or her ongoing performance against predetermined criteria. **(Principle 1.6)**
- The Board approves remuneration for the Chief Executive Officer and remuneration policy and succession plans for the Chief Executive Officer and senior management. **(Principle 1.6)**

Board Charter (Principle 1.1)

A Board charter prepared having regard to the ASX Corporate Governance Principles and Recommendations, has been adopted by the Board and covers the independence of directors, the Board's responsibility for overall governance of the Company, the Board members' roles, powers and responsibilities.

A copy of the Company's Board Charter is available on the Company's Website at:
https://domacom.com.au/corporate/governance/

Board Committees (Principle 1.2)

The Board has established 2 standing committees to facilitate and assist the Board in fulfilling its responsibilities. It may also establish other committees from time to time to assist in the discharge of its responsibilities.

Audit Committee (Principle 4)

The Board has established a Board Audit Committee.

The purpose of the Committee is to assist the Board in the effective discharge of its responsibilities in relation to the external audit function, accounting policies, financial reporting, funding, financial risk management and certain compliance matters.

The Committee has authority from the Board to review and investigate any matter within the scope of its Charter and make recommendations to the Board in relation to the outcomes. The Committee has no delegated authority from the Board to determine the outcomes of its reviews and investigations and the Board retains its authority over such matters.

The Committee must have at least three members, the majority of whom must be independent non-executive directors.

At least one member of the Committee should have significant expertise in financial reporting, accounting or auditing. The Chairman of the Committee should act independently and must not be the Chairman of the Board.

During the year the Audit Committee members were:

- Grahame Evans Chairperson and Independent Non-Executive Director
- Angela Williams Independent Non-Executive Director
- Hilal Yassine Non-Executive Director

The composition of the Audit Committee will continue to evolve to ensure it contains significant expertise in financial reporting, accounting or auditing.

The Board has received declarations from the CEO and CFO that 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. **(Principle 4.2)**

A copy of the Company's Audit Committee Charter is available on the Company's Website at: https://domacom.com.au/corporate/governance/.

Remuneration and Nomination Committees (Principle 1.2/ 2.1/ 8.1-8.3)

The Remuneration Committee was formed on 2 May 2022 to consider matters of remuneration.

During the year the Remuneration Committee members were:

- Grahame Evans Chairperson and Independent Non-Executive Director
- Hilal Yassine Non-Executive Director

The Board considers that at this stage a Remuneration Committee of two Directors is appropriate considering the Company's operations and size. A charter for the committee is currently being developed.

The Board considers that at this stage assuming the duties of a Nomination Committee is appropriate considering the Company's operations and size, and the size of the Board. All of the Directors believe that they will be able to, individually and collectively, analyse the issues before them objectively in the best interests of all shareholders and in accordance with their duties as Directors.

The Board also addresses board succession issues and ensures that it has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.

The Board Charter outlines duties relating to Remuneration and Nomination and is made available on the Company website.

The Company has established a long-term incentive plan (LTIP) to assist in the motivation, reward and retention of executive directors and all other employees. The LTIP is designed to align participants' interests with the interests of Shareholders by providing participants an opportunity to receive shares through the granting of performance rights.

Composition of the Board (Principle 2.3, 2.4 & 2.5)

At 30 June 2023, the Board currently comprises seven directors. One director is also an executive of DomaCom. One director is also a director of an entity that has a substantial security holding in DomaCom. In addition, one director is a director of a separate entity that has a significant business interest with DomaCom. The majority of the directors are independent. Independence is maintained through a combination of ensuring conflicts are declared, requiring conflicted directors to be excluded from discussions and decision making that may be materially impacted by conflicted interests and having an Independent Chairman.

The names, biographical details and length of service of the directors are set out above.

Terms of appointment (Principle 1.3 & 2.6)

The Board has adopted a letter of appointment that contains the terms on which non-executive directors are to be appointed, including the basis upon which they will be indemnified by the Company. Non-Executive directors are entitled to take independent advice at the cost of the Company in relation to their role as members of the Board. In addition, an induction process for incoming directors is coordinated by the Company Secretary. The Board receives regular updates at Board meetings, industry workshops, meetings with customers and site visits. These assist directors to keep up to date with relevant market and industry developments.

Areas of Competence and skills of the Board of Directors (Principle 2.2)

Area	Competence	Total out of 7 directors and CEO*
Leadership	Business Leadership, public listed company experience	8
Business, Finance and Governance	Business strategy, competitive business analysis, corporate advisory, finance and accounting, governance, audit assurance and risk management	8
International	International business management	8
Market & Sales, Distribution	Financial service expertise	8
Technology	Product Development, product life cycle management	4
Real Estate	Domestic and International Property market analysis	2

*This column represents the number of directors and the CEO rated as being 'competent' or higher in respect of the relevant skill.

Company Secretary (Principle 1.4)

The Company Secretary 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 ensuring that Board procedures are complied with and that governance matters are addressed. The Company Secretary is also responsible for communications with the ASX about listing rule matters, including making disclosures to the ASX. All directors have direct access to the Company Secretary. The appointment and removal of the Company Secretary is a matter for decision by the Board.

Review of Board performance (Principle 1.6 & 1.7)

The Board has a program that reviews the performance of the Board. The evaluation includes a review of:

- the Board's membership and the charters of the Board and its committees (if any);
- Board processes and its committees' (if any) effectiveness in supporting the Board; and
- the performance of the Board and its committees (if any).

A review of each Director's performance is undertaken by the Chairman, after consultation with the other directors, prior to a director standing for re-election.

The performance of the Board was last reviewed during the year ended 30 June 2023.

Policies

The Company has adopted the following policies, each of which has been prepared or revised having regard to the ASX Corporate Governance Principles and Recommendations and is available on the Company's website at https://domacom.com.au/corporate/governance/ .

Continuous Disclosure Policy (Principle 5.1)

The Board has adopted a Continuous Disclosure Policy to ensure that it complies with its disclosure obligations under the Corporations Act and the ASX Listing Rules, which applies to all Directors, officers, employees and consultants of the Company. The Board has also delegated the authority to certain authorised spokespersons to manage the Company's compliance with its disclosure obligations and the Continuous Disclosure Policy.

Code of Conduct Policy (Principle 3.1)

This policy sets out the standards of ethical behaviour that the Company expects from its Directors, Officers, and Employees. The Board has adopted a Code of Conduct of which sets out the way in which the Group seeks to conduct business, namely in an honest and fair manner, acting only in ways that reflect well on the Group and to act in compliance with all laws and regulations.

Communication Policy (Principle 6.1-6.4)

This policy sets out practices which the Company will implement to ensure effective communication with its Shareholders.

The Company has informed shareholders of all major developments affecting the Group's state of affairs as follows:

- placing all relevant announcements made to the market on the Website after they have been released to ASX;
- publishing all corporate governance policies and charters adopted by the Board on the Company Website;
- releasing information provided to analysts or media during briefings to ASX and placing such information on the Website;
- encouraging attendance and participation of shareholders at general meetings to receive updates from the CEO and Chairman on the Group's performance, ask questions of the Board and the Company's auditors regarding the conduct of the audit and preparation and content of the auditor's report;
- providing investor feedback and encouraging they seek further information about the Company via the Company website;
- Management or Directors being available to meet with shareholders from time to time upon request and respond to any enquiries they may make; and
- Investors being able to communicate with the Company's registry electronically by emailing the registry or via the registry's website.

Diversity Policy (Principle 1.5)

DomaCom aspires to attract and develop diverse talent at all levels of the Company and the Board is aware of the benefits. Whilst we have had reasonable diversity in past years, due to changes and the current size of the business, the Diversity Policy objectives are not presently what the Board aspires to.

The Diversity Policy sets out the Company's objectives for achieving diversity amongst its Board, management and employees and aims:

- to articulate commitment to diversity within the Company at all levels (including employee level, senior executive level and Board level);
- to establish objectives and procedures which are designed to foster and promote diversity within the Company; and
- ensure a work environment is in place where people are treated fairly and with respect notwithstanding their gender, ethnicity, disability, age or educational experience.

The Board has set the following measurable objectives for achieving gender diversity:

- Increase gender diversity on the Board and senior executive positions and throughout the Group. The Company currently has 22% female representation across the entire group as at 30 June 2023. The objective will be to lift this percentage across the company with the intention that a 1/3 (33%) of the employees are female on a full or part time basis by 30 June 2025.
- Promote flexible work practices to provide managers and staff with the tools to tailor flexible work options that suit both the business and the individual's personal requirements;
- Selection of new staff, the development, promotion and remuneration of staff based solely on their performance and capability; and
- Annually assess gender diversity performance against objectives set by the Board.

The Company's current performance against its diversity policy objectives is as follows:

Gender Representation	**30-Jun-23**		**30-Jun-22**	
	% Female	**% Male**	**% Female**	**% Male**
Non-Executive Directors	17%	83%	17%	83%
Employees				
Executive Directors	0%	100%	0%	100%
Executives and Managers	25%	75%	0%	100%
Staff	25%	75%	38%	63%
Total Employees	22%	78%	18%	82%

Risk Management Policy (Principle 7.1-7.4)

This policy sets out how the Company evaluates the effectiveness of its risk management framework to ensure that its internal control systems and processes are monitored and updated on an ongoing basis.

The Board is responsible for reviewing the Company's risk management framework, including adopting relevant internal controls, risk management processes and corporate governance policies and practices which it believes are appropriate for the Company's business and which are designed to promote the responsible management and conduct of the Company.

The Board at least annually reports on the effectiveness of the Company's risk management and internal control policies and practices. The Company does not currently have an internal audit function. The current structure for reviewing risks, controls and procedures within the Board is considered appropriate at the Company's current stage of growth and size.

The Board has reviewed the risk management framework during the financial year ending 30 June 2023.

The Company monitors its exposure to all risks, including economic, environmental and social sustainability risks and believes that it does not have any material exposure to environmental or social risks. Material business risks are described in the annual report, which also outlines the Company's activities, performance during the year, financial position and main business strategies.

Compliance with ASX Corporate Governance Principles and Recommendations

The Board has evaluated the Company's current corporate governance policies and practices in light of the ASX Corporate Governance Principles and Recommendations. A summary of the approach currently adopted by the Company is set out below:

The Company complies with all of the ASX Corporate Governance Principles and Recommendations including, as not specifically addressed above:

- At each AGM, the external auditor attends and is available to answer questions from security holders relevant to the audit. **(Principle 4.3)**
- That shareholders have the option to receive communications from, and send communications to, the entity and its security registry electronically. **(Principle 6.4)**

except in relation to the following:

- Recommendation 2.1.(a) – the Board should establish a nomination committee comprising at least 3 members, a majority of independent directors and chaired by an independent director, and should not be the same person as the CEO of the entity.
- Recommendation 7.1.(a) –the Board should have a committee or committees to oversee risks comprising at least 3 members, a majority of independent directors and chaired by an independent director, and should not be the same person as the CEO of the entity.
- Recommendation 8.1.(a) – the Board should establish a remuneration committee comprising at least 3 members, a majority of independent directors and chaired by an independent director, and should not be the same person as the CEO of the entity.

The Board has carefully considered its size and composition, together with the specialist knowledge of its directors, and formed the view that based on its current composition, it has the necessary skills and motivation to ensure that the Company performs strongly, and there is sufficient accountability in the structure of the Board, to ensure the outcomes and objectives sought by the ASX Guidelines are achieved. Having regard for the size of the DomaCom Group, the Board considered that incorporating the risk management and nomination procedures into the function of the Board has been an appropriate way of addressing the accountability and efficiencies sought to be achieved by the ASX Guidelines. In addition, the Board considers having a remuneration committee of 2 members is sufficient having regard for the size of the DomaCom Group. The charter for the renumeration committee is currently being developed.

For part of the year the majority of the Board were not independent as one director was also an executive of the Company, two directors were also directors of an entity that has a substantial security holding in the Company and one director was also a director of an entity that has a significant business interest with DomaCom. Independence was maintained through a combination of ensuring conflicts were declared, requiring conflicted directors to be excluded from discussions and decision making that may have been materially impacted by conflicted interests and having an Independent Chairman. With the change of Directors effective 12 April 2023, the majority of the Board became independent Directors.

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

John R Hewson
Chairman

Grahame D Evans
Deputy Chairman

Grant Thornton Audit Pty Ltd
Level 22 Tower 5
Collins Square
727 Collins Street
Melbourne VIC 3008
GPO Box 4736
Melbourne VIC 3001

T +61 3 8320 2222

Auditor's Independence Declaration

To the Directors of DomaCom Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of DomaCom Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

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

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

D G Ng
Partner – Audit & Assurance

Melbourne, 2 October 2023

DOMACOM LIMITED
ABN 69 604 384 885

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2023

		30 June 2023	30 June 2022
		$	$
Revenue			
Fund management and campaign management revenues	4	2,449,229	1,047,543
Other Income			
Interest Income		41,777	504
Other income		28,004	2,500,210
Total Other Income	4	69,781	2,500,714
Expenses			
Employee benefits expenses	13	(1,958,050)	(2,122,420)
Fund administration		(173,448)	(163,160)
Rent	8	(192,592)	(49,149)
Depreciation and Amortisation		(515,728)	(545,452)
Insurance		(443,255)	(379,112)
Advertising		(141,299)	(265,981)
Travel expenses		(33,172)	(19,897)
IT expenditure		(96,839)	(93,447)
IT consulting and outsourced services		(171,301)	-
Professional fees		(618,582)	(589,039)
Finance costs		(1,268,910)	(1,463,976)
Gain/(loss) on modifying convertible notes	14	119,525	(258,651)
Loss on derecognition of convertible notes	14	(21,899)	(83,826)
Director Fees		(306,456)	(69,383)
Impairment losses of financial assets	24	(223,000)	(431,000)
Other expenses		(255,259)	(436,348)
Total Expenses		(6,300,265)	(6,970,841)
Loss before income tax		(3,781,255)	(3,422,584)
Income tax expense	5	-	-
Loss for the period		(3,781,255)	(3,422,584)
Other comprehensive income			
Items that may be reclassified subsequently to profit and loss			
Exchange differences on translating foreign operations		(6,491)	(392)
Other comprehensive income for the period		(6,491)	(392)
Total comprehensive loss for the period		(3,787,746)	(3,422,976)
Earnings per share			
Basic Loss per share	17	(0.01)	(0.01)
Diluted Loss per share	17	(0.01)	(0.01)

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

DOMACOM LIMITED
ABN 69 604 384 885

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	Note	30 June 2023 $	30 June 2022 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	486,464	3,542,931
Receivables	7	778,912	975,788
Prepayments and other assets		169,227	214,197
TOTAL CURRENT ASSETS		1,434,603	4,732,916
NON-CURRENT ASSETS			
Receivables	7	260,000	507,000
Property, plant and equipment	8	6,863	7,210
Right-of-use asset	9	-	11,282
Intangible assets	10	1,525,771	1,740,019
Financial assets at fair value through profit and loss		13,146	26,816
TOTAL NON-CURRENT ASSETS		1,805,780	2,292,327
TOTAL ASSETS		3,240,383	7,025,243
LIABILITIES			
CURRENT LIABILITIES			
Payables	11	620,527	1,095,972
Provisions	12	134,963	269,487
Lease liabilities	9	-	11,622
Borrowings	14	3,232,949	3,232,949
TOTAL CURRENT LIABILITIES		3,988,439	4,610,030
NON-CURRENT LIABILITIES			
Provisions	12	137,001	218,354
TOTAL NON-CURRENT LIABILITIES		137,001	218,354
TOTAL LIABILITIES		4,125,440	4,828,384
NET ASSETS		(885,057)	2,196,859
EQUITY			
Issued capital	15	44,987,083	40,897,789
Other contributed equity	15	-	3,498,636
Reserves	16	1,486,168	2,109,382
Accumulated Losses		(47,358,308)	(44,308,948)
TOTAL EQUITY		(885,057)	2,196,859

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

DOMACOM LIMITED
ABN 69 604 384 885

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

	Issued Capital	Contributed Equity	Reserves	Accumulated Losses	Total
2023	**$**	**$**	**$**	**$**	**$**
Opening balance at 1 July 2022	**40,897,789**	**3,498,636**	**2,109,382**	**(44,308,948)**	**2,196,859**
Issue of share capital after capital raising costs	740,658	-	-	-	740,658
Issue of share capital from other contributed capital	3,498,636	(3,498,636)	-	-	-
Share buy-back	(150,000)	-	-	-	(150,000)
Transfer to retained earnings for expired share based payments	-	-	(249,600)	249,600	-
Transfer of equity option reserve to retained earnings for expired options	-	-	(482,295)	482,295	-
Convertible Notes Extension of Maturity Date	-	-	115,172	-	115,172
Transactions with owners recorded directly in equity	4,089,294	(3,498,636)	(616,723)	731,895.00	705,830
Loss for the period to 30 June 2023	-	-	-	(3,781,255)	(3,781,255)
Other comprehensive income	-	-	(6,491)	-	(6,491)
Total comprehensive income for the period	-	-	(6,491)	(3,781,255)	(3,787,746)
Balance at 30 June 2023	**44,987,083**	**-**	**1,486,168**	**(47,358,308)**	**(885,057)**

	Issued Capital	Contributed Equity	Reserves	Accumulated Losses	Total
2022	**$**	**$**	**$**	**$**	**$**
Opening balance at 1 July 2021	**37,562,168**	**-**	**1,963,567**	**(40,886,364)**	**(1,360,629)**
Issue of share capital	3,335,621	-	-	-	3,335,621
Other contributed equity		3,498,636	-	-	3,498,636
Convertible Notes Extension of Maturity Date	-	-	146,207	-	146,207
Transactions with owners recorded directly in equity	3,335,621	3,498,636	146,207	-	6,980,464
Loss for the period to 30 June 2022	-	-	-	(3,422,584)	(3,422,584)
Other comprehensive income	-	-	(392)	-	(392)
Total comprehensive income for the period	-	-	(392)	(3,422,584)	(3,422,976)
Balance at 30 June 2022	**40,897,789**	**3,498,636**	**2,109,382**	**(44,308,948)**	**2,196,859**

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

DOMACOM LIMITED
ABN 69 604 384 885

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

	Note	30 June 2023 $	30 June 2022 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		2,449,231	1,053,914
Receipts from other income		291,672	700,000
Payments to suppliers and employees		(4,476,736)	(4,098,924)
Finance costs		(522,347)	(517,716)
Net cash used in operating activities	18	(2,258,180)	(2,862,726)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant and equipment		(3,995)	(4,336)
Payments for intangible assets		(275,857)	(460,199)
Amounts advanced to related parties		(497,880)	(677,520)
Amounts repaid by related parties		468,124	696,448
Interest Received		41,777	504
Net cash used in investing activities		(267,831)	(445,103)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from share issue after capital raising costs		121,339	3,954,940
Payment for share buy-back		(150,000)	-
Proceeds from other contributed equity		-	3,498,636
Repayment of convertible notes		(489,689)	(815,726)
Repayment of lease liabilities		(11,699)	(140,389)
Net cash provided by financing activities		(530,049)	6,497,461
Net increase/(decrease) in cash and cash equivalents		(3,056,060)	3,189,632
Cash and cash equivalents at the beginning of period		3,542,931	353,204
Net foreign exchange difference		(407)	95
Cash and cash equivalents at the end of period	6	486,464	3,542,931

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

NOTE 1: GENERAL INFORMATION AND STATEMENT OF COMPLIANCE

The financial report includes the financial statements and notes of DomaCom Limited (the "Company") and its Controlled Entities (the "Group").

The consolidated general purpose financial statements of the Group have been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. Compliance with Australian Accounting Standards results in full compliance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). DomaCom Limited is a for-profit entity for the purpose of preparing the financial statements.

The financial statements for the year ended 30 June 2023 were approved and authorised for issue by the Board of Directors on 2 October 2023.

NOTE 2: NEW ACCOUNTING STANDARDS ISSUED

New and amended standards and interpretations adopted by the Group

The new and revised standards and interpretations issued by the Australian Accounting Standards Board ("AASB") that are relevant to its operations and effective for the year ended 30 June 2023 did not have a material impact on the financial statements of the Group.

New standards and interpretations not yet adopted

There are other Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective, and have not been early adopted by the Group for the annual reporting period ended 30 June 2023. The Group has not applied the following new and revised Australian Accounting Standards, interpretations and amendments that have been issued but are not yet effective. None of these are expected to have a material impact on the financial statements of the Group.

Effective for annual reporting periods beginning on or after	Standard/Amendment
1 January 2023	AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction
1 January 2023	AASB 2022-1 Amendments to Australian Accounting Standards – Initial Application of AASB 17 and AASB 9 – Comparative Information
1 January 2024	AASB 2022-5 Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback
1 January 2023	AASB 2022-6 Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants

NOTE 3: SUMMARY OF ACCOUNTING POLICIES

(a) Overall considerations

The significant accounting policies that have been used in the preparation of these financial statements are summarised below.

The financial statements have been prepared using the measurement bases specified by Australian Accounting Standards for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below.

Segmental Reporting
Financial information reported internally used for the allocation of resources and assessing performance does not have segments. Therefore profit and loss, revenues and expenses and assets and liabilities have been presented without segmentation.

(b) Basis of consolidation

The Group financial statements consolidate those of the Parent Company and all of its subsidiaries as of 30 June 2023. The Parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of 30 June.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group Companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a Group perspective. Amounts reported in the financial statements of Subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the period are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable. Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's profit or loss and net assets that is not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the Parent and the non-controlling interests based on their respective ownership interests.

(c) Foreign currency translation

Functional and presentation currency
The consolidated financial statements are presented in Australian Dollars ($AUD), which is also the functional currency of the Parent Company.

Foreign currency transactions and balances
Foreign currency transactions are translated into the functional currency of the respective Group entity, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items at year end exchange rates are recognised in profit or loss.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the date of the transaction), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

Foreign operations
In the Group's financial statements, all assets, liabilities and transactions of Group entities with a functional currency other than the $AUD are translated into $AUD upon consolidation. The functional currency of the Entities in the Group has remained unchanged during the reporting period.

NOTE 3: SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

(c) Foreign currency translation (continued)

Foreign operations (continued)

On consolidation, assets and liabilities have been translated into $AUD at the closing rate at the reporting date. Goodwill and fair value adjustments arising on the acquisition of a foreign entity have been treated as assets and liabilities of the foreign entity and translated into $AUD at the closing rate. Income and expenses have been translated into $AUD at the average rate over the reporting period. Exchange differences are charged / credited to other comprehensive income and recognised in the currency translation reserve in equity. On disposal of a foreign operation the cumulative translation differences recognised in equity are reclassified to profit or loss and recognised as part of the gain or loss on disposal.

(d) Revenue and other income

To determine whether to recognise revenue, the Group follows a 5-step process:
1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied.

Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised services to its customers.

The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. Similarly, if the Group satisfies a performance obligation before it receives the consideration, the Group recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due. Interest income is reported on an accruals basis.

DomaCom Australia Limited is a wholly owned subsidiary of DomaCom Limited and acts as the Investment Manager of the DomaCom Fund. The DomaCom Fund is a Managed Investment Scheme. Revenue arises mainly from the investment management services provided to the DomaCom Fund.

Management fees are categorised as Campaign Management Fees and Ongoing Management Fees.

The terminology has been updated from the previous financial reports to correct any misunderstanding as to their nature. In addition, further information has been included to clarify the respective performance obligations. The recognition and measurement of the fees has not been impacted by the correction in terminology.

<u>Campaign Management Fees</u>

Campaign Management Fees are recognised when DomaCom satisfies the performance obligation by transferring the promised services to its customers. The promised service is to set up and manage a campaign to create a sub-fund that the investors have agreed to through the acceptance of a supplementary product disclosure statement (SPDS). The service includes various steps that that are required to satisfy the performance obligation. The following are indicative and summarised, and do not include all of the individual steps required in the campaign management process:

- risk and project viability assessment
- management and coordination of capital raise, including debt financing
- due diligence of parties involved in a project
- running process of validating underlying assets, including valuations and inspections
- control legal review of key documentation
- managing pledges made to participate in a campaign

NOTE 3: SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

(d) Revenue and other income (continued)

- co-ordination fund registry processes
- consideration of tax and regulatory requirements, including Target Market Determinations
- creation and acceptance of SPDS

The fee is recognised at a point in time when the performance obligation of setting up a sub-fund in accordance with the requirements of the SPDS is met. No fee is recognised if the sub-fund is not set up.

<u>Ongoing Management Fees</u>
DomaCom provides ongoing management services to the sub-funds that form the DomaCom Fund at normal commercial rates. Management and service fees earned from the sub-funds are calculated based on an agreed percentage of the respective funds under management as disclosed in the respective supplementary product disclosure statements and are recognised as performance obligations are satisfied over time.

(e) Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or as incurred.

(f) Intangible assets

Recognition of other intangible assets

Acquired intangible assets
Acquired computer software is capitalised on the basis of the costs incurred to acquire and install the specific software.

Internally developed intangibles
Expenditure on the research phase of projects to develop the software platform is recognised as an expense as incurred.

Costs that are directly attributable to a project's development phase are recognised as intangible assets, provided they meet the following recognition requirements:
- the development costs can be measured reliably
- the project is technically and commercially feasible
- the Group intends to and has sufficient resources to complete the project
- the Group has the ability to use or sell the asset
- the software will generate probable future economic benefits

Development costs not meeting these criteria for capitalisation are expensed as incurred.

Subsequent measurement

All intangible assets, including the internally developed software platform, are accounted for using the cost model whereby capitalised costs are amortised on a systematic basis over their estimated useful lives and are subject to impairment testing where indicators of impairment are identified. Residual values and useful lives are reviewed at each reporting date. Any capitalised internally developed asset that is not yet complete is not amortised but is subject to annual impairment testing. The following useful lives are applied:

- Software: 5 years
- Software platform costs: 5 years (see Note 3r)

NOTE 3: SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

(f) Intangible assets (continued)

Subsequent measurement (continued)

The DomaCom Group may be entitled to claim a refundable tax credit for eligible research and development expenditure (e.g. the Research and Development Tax Incentive regime in Australia or other investment allowances). The DomaCom Group accounts for a claim as an offset against eligible capitalised R&D expenditure to the extent the claim relates to capitalised expenditure.

Subsequent expenditures on the maintenance of computer software and the software platform will be expensed as incurred.

When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset, and is recognised in profit or loss within other income or other expenses.

(g) Property, plant and equipment

Plant and equipment is initially recognised at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Group’s management.

Plant and equipment is subsequently measured using the cost model, cost less subsequent depreciation and impairment losses.

Depreciation is recognised on a straight-line basis to write down the cost less estimated residual value of plant and equipment. The following useful lives are applied:

- Furniture & fittings: 5 years
- Plant & office equipment: 5 years
- Computer equipment: 3 years

Material residual value estimates and estimates of useful life are updated as required, but at least annually.
Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within other income or other expenses.

(h) Leased assets

The Group as a lessee

For any new contracts entered into, the Group considers whether a contract is, or contains a lease. A lease is defined as ‘a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration’. To apply this definition the Group assesses whether the contract meets three key evaluations which are whether:

• the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group
• the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract
• the Group has the right to direct the use of the identified asset throughout the period of use. The Group assess whether it has the right to direct ‘how and for what purpose’ the asset is used throughout the period of use.

NOTE 3: SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

(h) Leased assets (continued)

Measurement and recognition of leases as a lessee

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

(i) Impairment testing of non-financial assets

For impairment assessment purposes, assets are grouped at the lowest levels below which they do not produce independent cash inflows. As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

Individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If the intangible asset is in development phase or goodwill it is tested annually

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures is directly linked to the Group's latest forecasts. Discount factors are determined individually for each cash-generating unit and reflect current market assessments of the time value of money.

Impairment losses for cash-generating units reduce first the carrying amount of any goodwill allocated to that cash-generating unit. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

An impairment charge is reversed if the cash-generating unit's recoverable amount exceeds its carrying amount. The reversal is made only to the carrying value had the asset not been previously impaired.

NOTE 3: SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

(j) Financial instruments

Financial Assets

Financial assets are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, it's carrying value is written off.

Financial assets at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

NOTE 3: SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

(j) Financial instruments (continued)

Financial Liabilities

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

The Group's financial liabilities include trade and other payables, and related party loans.
Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at FVTPL.

Financial liabilities are measured subsequently at amortised cost using the effective interest method.

Compound Instruments

The component parts of convertible loan notes issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option. Transaction costs that relate to the issue of the convertible loan notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible loan notes using the effective interest method.

(k) Income taxes

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, the Australian Taxation Office (ATO) and other fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements.

Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill, or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with investments in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted by the end of the reporting period.

NOTE 3: SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

(k) Income taxes (continued)

Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income, based on the Group's forecast of future operating results which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full.

Deferred tax assets and liabilities are offset only when the Group has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income (such as the revaluation of land) or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

(l) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

(m) Equity, reserves and dividend payments

Share capital represents the fair value of shares that have been issued. Any transaction costs associated with the issuing of shares are deducted from share capital, net of any related income tax benefits.

Retained earnings includes all current and prior period retained profits.

Dividend distributions payable to equity shareholders are included in other liabilities when the dividends have been approved in a general meeting prior to the reporting date.

All transactions with owners of the parent are recorded separately within equity.

(n) Employee benefits

Short-term employee benefits

Short-term employee benefits, including annual leave entitlement, are current liabilities included in employee benefits, measured at the undiscounted amount that the Group expects to pay as a result of the unused entitlement.

Share-based employee remuneration

The Group operates equity-settled share-based remuneration plans for its employees. None of the Group's plans are cash-settled. All goods and services received in exchange for the grant of any share-based payment are measured at their fair values.

Where employees are rewarded using share-based payments, the fair value of employees' services is determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example, profitability and sales growth targets and performance conditions).

All share-based remuneration is ultimately recognised as an expense in profit or loss with a corresponding credit to retained earnings . If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of performance rights expected to vest.

NOTE 3: SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

(n) Employee Benefits (continued)

Share-based employee remuneration (continued)

Non-market vesting conditions are included in assumptions about the number of performance rights that are expected to become exercisable. Estimates are subsequently revised if there is any indication the number of performance rights expected to vest differs from previous estimates. Any adjustment to cumulative share-based compensation resulting from a revision is recognised in the current period. The number of vested performance rights ultimately exercised by holders does not impact the expense recorded in any period.

(o) Provisions, contingent liabilities and contingent assets

Provisions for legal disputes, onerous contracts or other claims are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Group and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognised.

(p) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST. Cash flows are presented in the statement of cash flows on a gross basis, except for the GST components of investing and financing activities, which are disclosed as operating cash flows.

NOTE 3: SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

(q) Going Concern

As a developing business the Group has experienced a loss of $3,781,255 and negative operating cash flows as set out in the Consolidated Statement of Cash Flows. The Group has negative net working capital of $2,553,836 and a net liability position of $885,057.

The negative net working capital and net liability position is largely driven by the Convertible Notes that have an extended maturity date of 1 February 2024.

The continuing viability of the Group and its ability to continue as a going concern is dependent upon undertaking capital raising activities as part of ongoing capital management, the Group increasing fee revenue through growing Funds under Management ("FUM") within the DomaCom Fund, the conversion, extension or refinancing of the Convertible Notes and the continued controlling of costs.

The Group has demonstrated an ability to grow FUM. During the last 12 months the FUM in the DomaCom Fund has increased from $134 million to $216 million at 30 June 2023 which represents a 61% increase. Revenue for the year ended 30 June 2023 includes fee revenue of $2.4m, representing 134% increase on the prior year fee revenue of $1.0m. Customer accounts have increased to 2,330 at 30 June 2023, up 29% from 1,800 accounts at 30 June 2022. From an investment offering perspective, 27 new sub-funds were added during the year ended 30 June 2023. A steady pipeline of business will continue to support this growth in FUM and Revenue.

DomaCom has a proven record of raising capital. Most recently a private placement completed in July 2022 for $5.0m. As part of ongoing capital management, the Group has commenced a capital raise that will see the issue of up to $6 million secured convertible notes with a 5-year maturity date (Proposed Capital Raise). The new Convertible Notes will have a conversion price of $0.08 and annual interest of 12% paid quarterly in arrears. The capital raising is being carried out in two separate tranches. Tranche 1 is a $2m underwritten issue of convertible notes to wholesale investors only with a target completion date in October 2023. The convertible notes issued under Tranche 1 will use the capacity available under ASX Listing Rule Listing Rule 7.1 and will therefore not require shareholder approval. Tranche 2 will be the issue of up to $4m of convertible notes to wholesale investors only and is expected to complete before February 2024. Tranche 2 will be subject to shareholder approval that will be sought at the forthcoming Annual General Meeting in November 2023. The capital raise will provide ongoing working capital and also will allow the repayment of the current convertible notes that have a maturity date of 1 February 2024. $500,000 of the amounts raised under Tranche 1 will be used to part repay $500,000 of the existing secured convertible notes. Binding underwriting agreements have been signed by HC Securities Pty Limited and two further DomaCom Shareholders to fully underwrite Tranche 1. DomaCom have received consent from existing Secured Convertible Noteholders in accordance with the requirements of the Convertible Note Trust Deed for DomaCom to proceed with the proposed capital raise. An intercreditor deed is being drawn up as a result of the consent.

Short-term finance was of $350,000 was obtained in September and October 2023 and is not repayable until funds are received as part of Tranche 2 of the proposed capital raise.

DomaCom entered into a Deed of Settlement on 24 March 2022 with Global Meat Exports Pty Ltd ("GME") that sets out the settlement terms agreed as a result of AustAgri not being onboarded onto the DomaCom Platform. The terms include GME paying DomaCom $2.5 million plus GST in instalments to be completed by no later than December 2023 (which may be accelerated in certain circumstances). Payments of $700,000 plus GST were received in the prior year. A further $250,000 (plus GST) has been received in the year ended 30 June 2023. The uncertainty relating to the ability of DomaCom to recover the remaining $1,550,000 (plus GST) is reflected in the partial provisioning carried out by management based on the latest available information.

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

(q) Going Concern (continued)

report relating to the recoverability and classification of the asset carrying amounts or the amount and classification of liabilities that might be necessary should the Group not continue as a going concern.

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

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

Significant management judgements

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

Assessment of recoverability of amounts due under the GME Settlement Agreement

Assessing the recoverability of amounts due under the GME Settlement Agreement requires judgement. Management has taken account of all available information to carry out analysis of the lifetime expected credit loss and has adjusted the value of the receivable accordingly (see Note 24 for further details).

Capitalisation of internally developed software platform and impairment indicators

Distinguishing the research and development phases of the internally developed software platform and determining whether the recognition requirements for the capitalisation of development costs are met requires judgement.

Internally developed software platform impairment indicators

Management monitors whether the recognition requirements continue to be met for internally developed software and whether there are any indicators that capitalised costs may be impaired. Although the Group achieved the announced revenue target, growth in underlying Funds Under Management was below budget and was determined a trigger for carrying out an impairment assessment in accordance with *AASB 136 Impairment of Assets*.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures is directly linked to the Group's latest forecasts. Discount factors are determined individually for each cash-generating unit and reflect current market assessments of the time value of money.

Useful economic life of internally developed software platform

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

Recognition of deferred tax assets

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

Derecognition and modification of Convertible Notes

Modifications were made in the current year to the exercise price and maturity date of the convertible notes issued by Group in prior periods. Management reviewed the qualitive and quantitative aspects of the changes made to consider whether they represented substantial modifications that required the extinguishment of the existing liability and recognition of a new liability.

NOTE 4: REVENUE & OTHER INCOME

	2023	2022
Revenue	**$**	**$**
Campaign management fees	1,549,548	523,857
Ongoing management fees	899,681	523,686
	2,449,229	1,047,543
Services recognised at a point in time	1,549,548	523,857
Services recognised over time	899,681	523,686
	2,449,229	1,047,543
Other Income		
Interest income	41,777	504
Income from settlement agreement	-	2,500,000
Other Income	28,004	210
	69,781	2,500,714
Total revenue and other income	2,519,010	3,548,257

Campaign management fees

Campaign Management Fees are recognised when DomaCom satisfies the performance obligation by transferring the promised services to its customers. The promised service is to set up and manage a campaign to create a sub-fund that the investors have agreed to through the acceptance of a supplementary product disclosure statement (SPDS).

Ongoing management fees

DomaCom provides ongoing management services to the sub-funds that form the DomaCom Fund. Management and service fees earned from the sub-funds are calculated based on an agreed percentage of the respective funds under management as disclosed in the respective supplementary product disclosure statements and are recognised as the performance obligation is satisfied over time.

Other Income

DomaCom entered into a Revenue Recognition Agreement with AustAgri Group Ltd (“AustAgri”) and Global Meat Exports Pty Ltd (“GME”), under which there was a conditional agreement to onboard AustAgri into a DomaCom Sub-Fund (“Scheme”) and a termination fee of $8.5 million plus GST if the Scheme was not implemented within the deadline provided for in that agreement. As the Scheme was not implemented it was DomaCom’s position that the termination fee was payable under the Revenue Recognition Agreement and there was a debt due and owing to DomaCom. It was on this basis that DomaCom issued an invoice and statutory demand to GME for $8.5 million plus GST. GME disputed that there was a debt owing by it under the Revenue Recognition Agreement and filed an application in the Supreme Court of Victoria to set aside the statutory demand. The application to set aside the statutory demand was filed on 20 January 2022. On 25 March 2022 DomaCom announced that a settlement had been reached with GME under which a settlement fee of $2.5m plus GST was payable to DomaCom in instalments. DomaCom withdrew the statutory demand and the Supreme Court proceedings brought by GME were dismissed by consent. During the year ended 30 June 2022, $2,500,000 was recognised as Other Income as DomaCom has a legal entitlement to the settlement amount. $950,000 plus GST had been received under the Settlement Agreement at 30 June 2023. The remaining amount was included as a receivable and assessed for recoverability using expected credit loss modelling.

DOMACOM LIMITED
ABN 69 604 384 885

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 5: INCOME TAX EXPENSE

	2023 $	2022 $
Loss before income tax	(3,781,255)	(3,422,584)
Prima facie tax on loss before income tax at 25% (2022: 25%)	(945,314)	(855,646)
Tax effect of amounts which are taxable / (non-deductible) in calculating taxable income:		
Non-deductible research and development expenses	(71,464)	(115,050)
Other non-deductible expenses	2,558	614
Effect of different tax rate of subsidiaries operating in other jurisdiction (17%)	336	747
Unused tax losses not recognised as DTAs	1,152,319	1,027,096
Tax offsets not recognised for deferred tax	(138,435)	(57,761)
Income tax expense	-	-
Components of tax expense		
Temporary differences	-	-
	-	-

Deferred taxes arising from temporary differences and unused tax losses calculated at a tax rate of 25% (2022: 25%) disclosed in the table below have not been recognised due to uncertainty over future taxable profits in the consolidated tax group.

	2023 $	2022 $
Deferred tax assets not recognised at the reporting date:		
Unused tax losses at 25% Australia, 17% Singapore (2022: 25% & 17%)	9,729,234	9,049,200
Equity raising and company restructure costs	157,285	226,546
Accruals & Provisions	92,293	137,160
	9,978,812	9,412,906
Tax Losses and deductible temporary differences from which no deferred tax asset has been recognised		
Unused tax losses	38,332,434	35,741,265
Equity raising and company restructure costs	629,141	906,183
Accruals & Provisions	369,173	548,640
	39,330,748	37,196,088

	2023	2022
	$	$
NOTE 6: CASH AND CASH EQUIVALENTS		
Cash at bank	446,464	3,502,931
Cash on deposit	40,000	40,000
	486,464	3,542,931

Cash and cash equivalents carries a weighted average effective interest rate of 2.59% (2022: 023%).

	2023	2022
NOTE 7: RECEIVABLES		
CURRENT		
Amount receivable under Settlement Agreement	1,200,000	1,200,000
Allowance for credit losses	(564,000)	(338,000)
Trade Debtors	16,897	7,770
Amount receivable from related party	126,015	96,259
Other debtors	-	9,759
	778,912	975,788
NON-CURRENT		
Amount receivable under Settlement Agreement	350,000	600,000
Allowance for credit losses	(90,000)	(93,000)
	260,000	507,000

Receivables are non-interest bearing. The Group reviews all receivables for impairment. All receivables were assessed for expected credit losses. Any receivables which are doubtful are provided for based on the expected credit loss.

DomaCom entered into a Revenue Recognition Agreement with AustAgri Group Ltd ("AustAgri") and Global Meat Exports Pty Ltd ("GME"), under which there was a conditional agreement to onboard AustAgri into a DomaCom Sub-Fund ("Scheme") and a termination fee of $8.5 million plus GST if the Scheme was not implemented within the deadline provided for in that agreement. As the Scheme was not implemented it was DomaCom's position that the termination fee was payable under the Revenue Recognition Agreement and there was a debt due and owing to DomaCom. It was on this basis that DomaCom issued an invoice and statutory demand to GME for $8.5 million plus GST. GME disputed that there was a debt owing by it under the Revenue Recognition Agreement and filed an application in the Supreme Court of Victoria to set aside the statutory demand. The application to set aside the statutory demand was filed on 20 January 2022. On 25 March 2022 DomaCom announced that a settlement had been reached with GME under which a settlement fee of $2.5m plus GST was payable to DomaCom in instalments. DomaCom withdrew the statutory demand and the Supreme Court proceedings brought by GME were dismissed by consent.

At 30 June 2023 $1,550,000 remained receivable under the Settlement Agreement. The amount receivable is unsecured and has been subject to expected credit loss provisioning. Note 24 includes disclosures relating to the credit risk exposures and analysis relating to the allowance for expected credit losses.

NOTE 8: PLANT AND EQUIPMENT

	Furniture & fittings	Plant and office equipment	Computer Equipment	Total
	$	$	$	$
Year ended 30 June 2023				
Opening net book amount	-	-	7,210	7,210
Additions	-	-	3,995	3,995
Depreciation charge	-	-	(4,342)	(4,342)
Closing net book value	-	-	6,863	6,863
At 30 June 2023				
Cost	9,677	3,633	81,424	94,734
Accumulated depreciation	(9,677)	(3,633)	(74,561)	(87,871)
Net book value	-	-	6,863	6,863
Year ended 30 June 2022				
Opening net book amount	-	-	6,671	6,671
Additions	-	-	4,336	4,336
Depreciation charge	-	-	(3,797)	(3,797)
Closing net book value	-	-	7,210	7,210
At 30 June 2022				
Cost	9,677	3,633	79,625	92,935
Accumulated depreciation	(9,677)	(3,633)	(72,415)	(85,725)
Net book value	-	-	7,210	7,210

NOTE 9: LEASES

	2023	2022
	$	$
Right of Use Asset		
Year ended 30 June		
Opening net book amount	11,282	10,832
Additions	-	135,386
Amortisation	(11,282)	(134,936)
Closing net book value	-	11,282
At 30 June		
Cost	-	135,386
Accumulated depreciation	-	(124,104)
Net book value	-	11,282

With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. The Right of Use Asset relates to the non-cancellable Melbourne office lease that completed on 31 July 2022.

NOTE 9: LEASES (CONTINUED)

The Group was prohibited from selling or pledging the underlying leased asset as security. The Group kept the property in a good state of repair. The depreciation of Right of Use Asset was expensed to profit and loss.

Lease Liability	2023 $	2022 $
Opening lease liability	11,622	11,622
Recognition of lease liability	-	135,386
Interest charge	77	5,002
Repayment of lease	(11,699)	(140,388)
Closing lease liability	-	11,622
At 30 June		
Current	-	11,622
Non-Current	-	-

The Group has elected not to recognise a lease liability for short-term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. The expense relating to payments not included in the measurement of a lease liability is $72,330 (2022: $49,149) for the Sydney Office and $120,262 (2022: $nil) for the Melbourne office.

NOTE 10: INTANGIBLE ASSETS	Software platform	Computer software	Total
	$	$	$
Year ended 30 June 2023			
Opening net book amount at 1 July 2022	1,740,019	-	1,740,019
Amounts capitalised and additions	285,857	-	285,857
Amortisation	(500,105)	-	(500,105)
Closing net book value at 30 June 2023	1,525,771	-	1,525,771
At 30 June 2023			
Cost	5,942,087	100,057	6,042,144
Accumulated depreciation	(4,416,316)	(100,057)	(4,516,373)
Net book value	1,525,771	-	1,525,771
Year ended 30 June 2022			
Opening net book amount at 1 July 2021	1,685,914	23,250	1,709,164
Amounts capitalised and additions	460,199	-	460,199
Disposals	-	(22,625)	(22,625)
Amortisation	(406,094)	(625)	(406,719)
Closing net book value at 30 June 2022	1,740,019	-	1,740,019
At 30 June 2022			
Cost	5,656,230	100,057	5,756,287
Accumulated depreciation	(3,916,211)	(100,057)	(4,016,268)
Net book value	1,740,019	-	1,740,019

NOTE 10: INTANGIBLE ASSETS (CONTINUED)

Amortisation methods and useful lives

The Group amortises intangible assets with a limited useful life using the straight-line method over the following periods:
- Software platform costs (all internally generated): 5 years
- Computer software 5 years

See Note 3 (r) for management's judgement applied in determining the useful life of intangible assets and the presence of any impairment indicators.

NOTE 11: PAYABLES	**2023 $**	**2022 $**
CURRENT		
Trade creditors	589,523	432,059
Equity raising costs	-	274,257
Equity raising receipts repayable	-	305,062
Equity raised subject to shareholder approval	-	40,000
Sundry creditors and other accruals	31,004	44,594
	620,527	1,095,972

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

Equity raising receipts repayable are for monies received under a Private Placement from investors who did not meet the criteria for investing in the Placement. The monies were returned to investor after 30 June 2022. Equity raised subject to shareholder approval relates to amounts received for a Private Placement from a related party that requires shareholder approval.

NOTE 12: PROVISIONS	**2023 $**	**2022 $**
CURRENT:		
Employee entitlements	134,963	269,487
NON-CURRENT		
Employee entitlements	137,001	218,354

NOTE 13: EMPLOYEE REMUNERATION		
Wages, salaries	1,678,073	1,789,222
Pensions - defined contribution plans	195,843	277,579
Other employment benefits	84,134	55,619
	1,958,050	2,122,420

The Director Long Term Incentive Plan and Employee Long Term Incentive Plan (LTIP) was established as a retention strategy and an incentive for staff and directors to continue to work hard for the DomaCom Group. Through obtaining equity, staff are motivated to strive to make the DomaCom Group successful as they will ultimately share in the success. No performance rights were issued during the year ended 30 June 2023 (2022: nil). No performance rights were outstanding at 30 June 2023 (2022: nil).

NOTE 14: BORROWINGS

	2023 $	2022 $
CURRENT		
Unsecured Convertible Notes	588,985	588,985
Secured Convertible Notes	2,643,964	2,643,964
	3,232,949	3,232,949

	Unsecured Convertible Notes subject to derecognition($)	Unsecured Convertible Notes ($)	Secured Convertible Notes ($)	Total ($)
Opening balance at 1 July 2022	588,985	-	2,643,964	3,232,949
Derecognition of convertible security	(650,000)	-	-	(650,000)
Loss on derecognition of convertible notes	21,899	-	-	21,899
Issue of notes	-	650,000	-	650,000
Equity component of convertible notes issued	-	(115,172)	-	(115,172)
Payments made to modify convertible notes	-	-	(335,689)	(335,689)
Cost of modifying convertible notes	-	-	(119,525)	(119,525)
Interest expense and payments	39,116	54,157	455,214	548,487
Closing balance as at 30 June 2023	-	588,985	2,643,964	3,232,949

	Unsecured Convertible Notes subject to derecognition($)	Unsecured Convertible Notes ($)	Secured Convertible Notes ($)	Total ($)
Opening balance at 1 July 2021	566,174	-	2,658,474	3,224,648
Derecognition of convertible security	(650,000)	-	-	(650,000)
Loss on derecognition of convertible notes	83,826	-	-	83,826
Issue of notes	-	650,000	-	650,000
Equity component of convertible notes issued	-	(146,207)	-	(146,207)
Payments made to modify convertible notes	-	-	(733,226)	(733,226)
Cost of modifying convertible notes	-	-	258,651	258,651
Interest expense and payments	-	85,192	460,065	545,257
Closing balance as at 30 June 2022	-	588,985	2,643,964	3,232,949

NOTE 14: BORROWINGS (CONTINUED)

Unsecured Convertible Notes

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

Unsecured Convertible Notes (Derecognition July 2021)

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

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

The loss on derecognition of $83,826 separately disclosed in the Consolidated Statement of Profit and Loss and Other Comprehensive Income is the difference between the $566,174 value of the existing Unsecured Convertible Notes calculated at the date of the modification and the $650,000 contracted value of the modified Unsecured Convertible Notes. The $650,000 modified Unsecured Convertible Notes were recognised as compound financial instruments resulting in the allocation of an equity component of $146,207 to the Convertible Note Equity Reserve. The equity component was calculated as the difference between the contracted net cash flows discounted at the market rate of interest and the contracted value of the modified Unsecured Convertible Notes.

Unsecured Convertible Notes (Derecognition November 2022)

The 650,000 Unsecured Convertible Notes were subject to a further significant amendment and as a result were derecognised on 4 November 2022 resulting in a loss on derecognition of $21,899. The Unsecured Noteholders have entered into a sub-ordination agreement such that they will not be repaid before the Secured Convertible Noteholders. As a result of the amendment to the maturity date of the Secure Convertible Notes, the effective maturity date of the Unsecured Convertible Notes was also extended to 1 February 2024.

650,000 Unsecured Convertible Notes were re-recognised on 4 November 2022 with the same annual coupon of 10% payable quarterly in arrears. The holder of each note has the right to convert into one share at the same conversion price of $0.10 up 1 February 2024. The notes have been accounted for partly as debt and partly as equity.

The loss on derecognition of $21,899 separately disclosed in the Consolidated Statement of Profit and Loss and Other Comprehensive Income is the difference between the $628,101 value of the existing Unsecured Convertible Notes calculated at the date of the modification and the $650,000 contracted value of the modified Unsecured Convertible Notes. The $650,000 modified Unsecured Convertible Notes were recognised as compound financial instruments resulting in the allocation of an equity component of $115,172 to the Convertible Note Equity Reserve. The equity component was calculated as the difference between the contracted net cash flows discounted at the market rate of interest and the contracted value of the modified Unsecured Convertible Notes.

Secured Convertible Notes

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

NOTE 14: BORROWINGS (CONTINUED)

Secured Convertible Notes (Modifications)

Modifications were made on 22 July 2021 to the Secured Convertible Notes to extend the maturity date to 1 July 2022 and amend the exercise price to $0.06551. An additional modification was made effective 22 December 2021 to further extend the maturity date to 1 February 2023. A further modification was made on 4 November 2022 to further extend the maturity date to 1 February 2024.

In accordance with *AASB 9 Financial Instruments*, quantitative and qualitative tests concluded that the modifications were not substantial for accounting purposes and, as a result, the carrying value of the Secured Notes were subject to modification rather than derecognition and rerecognition. In the year ended 30 June 2023, payments were made for $335,689 for the modifications. The revised future payments were discounted at the existing effective interest rate to calculate the revised carrying value of the Secured Convertible Notes, with the change to the carrying value of $119,525 recognised to Profit and Loss. In the year ended 30 June 2022, payments were made for $733,226 for the modifications. The revised future payments were discounted at the existing effective interest rate to calculate the revised carrying value of the Secured Convertible Notes, with the change to the carrying value of $258,651 recognised to Profit and Loss.

The Secured Convertible Notes are classified as Current at 30 June 2023.

NOTE 15: ISSUED CAPITAL	2023 $	2022 $
Ordinary shares fully paid (a)	44,987,083	40,897,789
Other contributed equity (b)	-	3,498,636
	44,987,083	44,396,425

(a) Ordinary shares	**No.**	**$**
2023		
Opening balance	372,786,578	40,897,789
Ordinary shares fully paid issued during the period	64,987,922	4,289,203
Ordinary shares fully paid bought back during the period	(2,272,727)	(150,000)
Share issue cost	-	(49,909)
Closing balance as at 30 June 2023	435,501,773	44,987,083
2022		
Opening balance	305,793,814	37,562,168
Ordinary shares fully paid issued during the period	66,992,764	3,844,074
Share issue cost	-	(508,453)
Closing balance as at 30 June 2022	372,786,578	40,897,789

NOTE 15: ISSUED CAPITAL (CONTINUED)

(b) Other contributed equity

2023	**$**
Opening balance	3,498,636
Other contributed equity issued as Ordinary Shares	(3,498,636)
Closing balance as at 30 June 2023	-

2022	**$**
Opening balance	-
Other contributed equity	3,498,636
Closing balance as at 30 June 2022	3,498,636

On 10 November 2021 the Company issued 30,506,852 Ordinary Shares at a price of $0.06551 representing $1,998,504 (before costs) raised through a Private Placement to sophisticated and professional investors. $562,500 was received in the year ended 30 June 2021, with the remaining $1,436,004 received in the year ended 30 June 2022.

A further $1,673,070 (before costs) was raised via an Entitlement Offer with Shortfall Offer at $0.066 per share. 2,806,870 Ordinary Shares were issued under the Entitlement Offer on 8 September 2021 and 22,542,679 Ordinary Shares were issued under Shortfall Offer on 2 December 2021.

DomaCom carried out an additional Private Placement capital raising to sophisticated and professional investors in three tranches.

Tranche 1: 11,136,363 Ordinary Shares were issued at $0.066 per Share on 27 May 2022 raising $735,000 (before costs).
Tranche 2: At 30 June 2022 the shares had not been issued under Tranche 2. Monies and completed applications had been received for $3,498,636 and were recognised as Other contributed equity at 30 June 2022. A further $590,567 was received in in the year ended 30 June 2023.
Tranche 3: At 30 June 2022 an application had been received and accepted to raise a further $200,000 from the issue of 3,030,303 Ordinary Shares at $0.066 to a Director of DomaCom (Tranche 3). As the share issue was to a related party, prior shareholder approval was required under ASX Listing Rules. At 30 June 2022 $40,000 of the $200,000 had been received. The remaining $160,000 was received during the year ended 30 June 2023. 3,030,303 Ordinary Shares were issued on 7 October 2022 once Shareholder approval had been obtained.

On 30 November 2022, 2,272,727 shares were subject to a share buy-back for $150,000.

The amount of franking credits available for subsequent reporting periods are:

	2023 **$**	**2022** **$**
Deferred debit balance of franking account at the beginning of the reporting period	5,650,273	5,650,273
Deferred debit that will arise from the receipt of the R&D tax offset for the current year	-	-
Balance of franking account adjusted for deferred debits arising from past R&D offsets received and expected R&D tax offset to be received for the current year	5,650,273	5,650,273

NOTE 15: ISSUED CAPITAL (CONTINUED)

The Group has the capital management objective of ensuring the Group's ability to continue as a going concern. Management assesses the Group's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. The Group manages the capital structure and adjusts it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may issue new shares.

NOTE 16: RESERVES	2023 $	2022 $
Share based payment reserve	-	249,600
Convertible Note Reserve	1,484,253	1,369,081
Equity Option Reserve	-	482,295
Foreign Currency Translation Reserve	1,915	8,406
	1,486,168	2,109,382

2023	Share based payment reserve ($)	Convertible Note Equity Reserve ($)	Equity Option Reserve ($)	Foreign Currency Translation Reserve ($)	Total ($)
Opening balance	249,600	1,369,081	482,295	8,406	2,109,382
Recognition of convertible notes	-	115,172	-	-	115,172
Translation of foreign operation net assets and results	-	-	-	(6,491)	(6,491)
Transfer of reserves to retained earnings	(249,600)	-	(482,295)	-	(731,895)
Closing balance	-	1,484,253	-	1,915	1,486,168

2022	Share based payment reserve ($)	Convertible Note Equity Reserve ($)	Equity Option Reserve ($)	Foreign Currency Translation Reserve ($)	Total ($)
Opening balance	249,600	1,222,874	482,295	8,798	1,963,567
Recognition of convertible notes	-	146,207	-	-	146,207
Translation of foreign operation net assets and results	-	-	-	(392)	(392)
Closing balance	249,600	1,369,081	482,295	8,406	2,109,382

The convertible note equity reserve is used to recognise the equity portion of compound instruments as set out in Note 3(j). The share based payment reserve is used to recognise the grant date fair value of shares issued to employees by the Group or Shareholders. As there are no outstanding share based payments, the balance of the reserve has been transferred to retained earnings during the year ended 30 June 2023. The equity option reserve is used to record the equity element of options issued. As there are no outstanding options, the balance of the reserve has been transferred to retained earnings during the year ended 30 June 2023. Exchange differences relating to the translation of results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency are recognised in other comprehensive income and accumulated in the foreign currency reserve.

NOTE 17: EARNINGS PER SHARE

Both the basic and diluted earnings per share have been calculated using the profit attributable to shareholders of the Parent Company (DomaCom Limited) as the numerator (i.e. no adjustments to profit were necessary in 2023 or 2022). The weighted average number of shares used in the calculation of the earnings per share is as follows:

	2023	2022
Amounts in thousands of shares:		
- weighted average number of shares used in the basic earnings per share	433,937	341,644

NOTE 18: RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES

	2023 $	2022 $
Loss for the period	(3,781,255)	(3,422,584)
Adjustments for:		
Depreciation and amortisation	515,728	545,453
Loss on disposal of asset	-	22,625
Loss/(gain) on revaluation of investment	13,670	6,162
Net interest (received)/paid included in investing and financing	(41,700)	4,499
Financing costs	648,859	1,283,733
Net foreign exchange (gain)/loss	(6,084)	(487)
Changes in assets and liabilities:		
Decrease/(increase) in trade and other receivables	474,602	(1,355,013)
Increase/(decrease) in trade payable and accruals	133,877	(50,415)
Increase/(decrease) in employee provisions	(215,877)	103,301
Net cash used by operating activities	(2,258,180)	(2,862,726)

NOTE 19: AUDITOR REMUNERATION

Audit and review of financial statements		
Auditors of DomaCom Limited - Grant Thornton Audit Pty Ltd		
Remuneration from audit and review of financial statements	84,300	93,000
Total auditor's remuneration	84,300	93,000
Other Services		
Auditors of DomaCom Limited - Grant Thornton Audit Pty Ltd		
- taxation compliance	11,500	9,500
- other	16,928	1,945
Total other service remuneration	28,428	11,445
Total auditor's remuneration	112,728	104,445

NOTE 20 RELATED PARTY TRANSACTIONS	2023 $	2022 $
Key management personnel compensation		
Salaries	725,493	652,525
Separation payment	92,034	-
Total short term employee benefits	817,527	652,525
Long service leave	9,425	28,549
Total other long-term benefits	9,425	28,549
Pensions - defined contribution plans	76,176	65,253
Total post-employment benefits	76,176	65,253
Total remuneration	903,128	746,327

Transactions between the Group and its related parties

During the financial year ended 30 June 2023, the following transactions occurred between the Group and its other related parties:

<u>DomaCom Australia</u>

- DomaCom Australia Limited, a controlled entity of the Company, received fees for the campaign management and ongoing management of the DomaCom Fund. Fees recognised during the financial year were $2,449,229 (2022: $1,047,543).

- DomaCom Australia Limited held cash in the DomaCom Fund. Interest earned during the financial year was $736 (2022: $8). At 30 June 2023, cash held in the DomaCom Fund amounted to $40,351 (2022: $7,402).

DomaCom Australia had an unsecured receivable balance with the DomaCom Fund of $126,015 (2022: $96,259) representing upfront sub-fund set-up costs to be subsequently reimbursed by the DomaCom Fund. During the year ended 30 June 2023 payments totalling $497,880 (2022: $677,520) were made by DomaCom Australia to 3rd parties and receipts were received from the Fund of $468,124 (2022: $696,448).

<u>DomaCom Loan Administration Pty Ltd</u>

DomaCom Loan Administration Pty Ltd is 100% owned by DomaCom Limited and the Trustee of the DomaCom Loan Fund.

In the year ended 30 June 2023 DomaCom Mortgage Sub-Funds that form part of the DomaCom Fund did not enter into or increase separate loan agreements with DomaCom Loan Administration Pty Ltd acting as Trustee of the DomaCom Loan Fund (2022: $2,300,400).

In the year ended 30 June 2023 one DomaCom sub-Fund terminated a loan agreement with DomaCom Loan Administration Pty Ltd acting as Trustee of the DomaCom Loan Fund totaling $240,601 (2022: $5,630,000). Simultaneously DomaCom Loan Administration Pty Ltd acting as Trustee of the DomaCom Loan Fund terminated the loan agreement with one Property sub-fund for the same amount.

NOTE 20 RELATED PARTY TRANSACTIONS (CONTINUED)

Transactions between the Group and its related parties (continued)

DomaCom Loan Administration Pty Ltd (continued)

Interest totaling $194,016 (2022: $407,106) was paid from the DomaCom Property Sub-Funds to the DomaCom Loan sub-funds and DomaCom Mortgage Sub-Funds through the DomaCom Loan Fund for the loans in existence during the year ended 30 June 2023. As back-to-back transactions the DomaCom Loan Fund did not recognize loan assets or loan liabilities, interest income or expense with the DomaCom Loan sub-funds or DomaCom Property Sub-Funds.

DomaCom RTO Trust Pty Ltd

DomaCom RTO Trust Pty Ltd is trustee of DomaCom Rental Property Accelerator (RPA) 304/1009 Dandenong Road, Malvern East Trust and DomaCom RTO Trust for DomaCom Sub-fund 918/40 Hall Street Moonee Ponds, collectively the RTO Trusts.

The Rental Property Accelerator (RPA) product includes the provision of up to 5% of the units of a property sub-fund to the tenant of the property over a 5 year period. Initially the units are held by the RTO Trust for the benefit of future tenants and DomaCom Australia Limited to the extent the units are not transferred to the tenants.

On 17 September 2020 13,097 units were transferred to the DomaCom RTO Trust for DomaCom Sub-fund 918/40 Hall Street Moonee Ponds. The 13,097 units held by RTO Trust were valued at $10,260 at 30 June 2023 (2022: $10,690).

On 9 March 2021 21,655 units were transferred to the DomaCom Rental Property Accelerator (RPA) 304/1009 Dandenong Road, Malvern East Trust. Subsequently 4,301 units were transferred to the tenant on 31 May 2021 and 4,361 units were transferred to the tenant on 3 June 2022. The underlying DomaCom sub-fund DMC0186AU 304/1009 Dandenong Road, Malvern East was wound up on 7 March 2023 and $5,644.42 was returned to DomaCom Rental Property Accelerator (RPA) 304/1009 Dandenong Road, Malvern East Trust. On 17 April 2023 a cash redemption was made to return $5,657.40 to DomaCom Australia. A subsequent cash redemption was made on 19 June 2023 to return a further $8.41 to DomaCom Australia.

HALO Technologies Holdings Limited

At 30 June 2023 HALO Investment Co Pty Limited holds 57,273,819 fully paid Ordinary Shares in DomaCom Limited. HALO Technologies Pty Ltd holds 100% of the Ordinary Shares of HALO Investments Co Pty Limited. HALO Technologies Holdings Limited (ASX:HAL) holds 100% of the shares in Halo Technologies Pty Limited.

Prior to the group restructure and listing of HALO Technologies Holdings Limited on the ASX on 26 April 2022, HALO Technologies Pty Limited was 51% owned by Matthew Roberts Holdings Pty Ltd. Matthew Roberts holds 100% of the Ordinary Shares of Matthew Roberts Holdings Pty Ltd. Matthew Roberts was a Director of DomaCom Limited until he resigned on 12 April 2023.

On 4 October 2021 HALO Investment Co Pty Limited made a non-interest bearing advance to DomaCom Limited for $50,000 that is recorded as a Current Liability at 30 June 2023. On 27 May 2022 HALO Investment Co Pty Limited was issued with 2,272,727 Ordinary Shares from investing $150,000 into Tranche 1 of the Private Placement. After consultation with the ASX, it was determined that the 2,272,727 Ordinary Shares were required to be bought back from HALO Investment Co Pty Limited as they were deemed to have been purchased by a related party without prior shareholder approval as required under Listing Rule 10.11. The buy-back took place on 30 November 2022.

NOTE 20 RELATED PARTY TRANSACTIONS (CONTINUED)

Transactions between the Group and its related parties (continued)

Atlantic Pacific Securities Pty Ltd (trading as ASR wealth advisers)

At 30 June 2022 Matthew Roberts owned 56.7% of Atlantic Pacific Securities Pty Ltd (trading as ASR wealth advisers) ("ASRW"). Matthew Roberts was a Director of DomaCom Limited until resigning on 12 April 2023.

At 30 June 2022 $274,257 was recorded as commission payable to ASRW for the Private Placement that completed with the issue of 73,093,982 Ordinary Shares on 27 May 2022 (Tranche 1) and 11 July 2022 (Tranche 2). The total amount paid as commission to ASRW on 21 July 2022 was $324,166.

NOTE 21: CONTINGENT LIABILITIES

There were no contingent liabilities at the end of the year.

NOTE 22: COMMITMENTS

There were no commitments at the end of the year.

NOTE 23: INTERESTS IN SUBSIDIARIES

Name of Subsidiary	Country of incorporation and principal place of business	Principal activity	Proportion of ownership interests held by the Group
DomaCom Australia Limited	Australia	Provision of Investment Management Services and development of platform to fractionalise assets	100%
DomaCom Singapore Private Limited	Singapore	Sales and marketing of fractionalised asset product	100%
DomaCom Platform Services Pty Ltd	Australia	Development of platform to fractionalise assets	100%
DomaCom Loan Pty Ltd	Australia	Trustee for DomaCom Loan Fund	100%
DomaCom RTO Reserve Pty	Australia	Trustee for DomaCom Rental Property Accelerator (RPA) trusts	100%
DomaCom Administration Pty Ltd	Australia	Administration of the Senior Equity Release product	100%
Australian Thoroughbred Exchange Pty Ltd	Australia	Dormant	100%

NOTE 24: FINANCIAL INSTRUMENTS

	2023 $	2022 $
Categories of financial instruments		
Financial Assets		
Cash and cash equivalents #	486,464	3,542,931
Trade and other receivables #	1,038,912	1,482,788
Financial assets at fair value through profit and loss	13,146	26,816
	1,538,522	5,052,535
Financial Liabilities		
Trade and other payables # *	589,523	432,059
Current Borrowings #	3,232,949	3,232,949.00
	3,822,472	3,665,008

Carried at amortised cost
* Repayable within 6 months

Risk management objectives and policies

The Group is exposed to various risks in relation to financial instruments. The Group's financial assets and liabilities by category are summarised above. The main types of risks are liquidity risk, credit risk and market risk. The Company's risk management is coordinated through the Chief Compliance and Risk Officer, in close cooperation with the Board of Directors (the "Board") and the Chief Financial Officer.

Liquidity risk analysis

Liquidity risk is the risk that the Group might be unable to meet its obligations. The Group manages its liquidity needs by monitoring forecast cash inflows and outflows due in day-to-day business. Net cash requirements are compared to available cash in order to maintain a cash surplus. Funding for long-term liquidity needs sourced through additional capital raising.

The Group's non-derivative financial liabilities have contractual maturities (including interest payments where applicable) as summarised below:

	Within 6 months ($)	6-12 months	1-5 years ($)
30 June 2023			
Trade payable and other payables	589,523	-	-
Unsecured Convertible Notes	32,589	671,904	-
Secured Convertible Notes	223,068	2,987,582	-
	1,318,734	3,659,486	-
30 June 2022			
Trade payable and other payables	1,051,378	-	-
Unsecured Convertible Notes	32,589	671,904	-
Secured Convertible Notes	223,068	2,987,582	-
Lease repayment	11,699	-	-
	1,318,734	3,659,486	-

NOTE 24: FINANCIAL INSTRUMENTS (CONTINUED)

Credit Risk Analysis

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group. The Group's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised in Note 7. The Group assesses the expected credit loss for all financial assets.

The Group continuously monitors defaults of customers and other counterparties, identified either by individual or group and incorporates this information into its credit risk controls. The Group's policy is to deal only with creditworthy counterparties.

DomaCom entered into a Revenue Recognition Agreement with AustAgri Group Ltd ("AustAgri") and Global Meat Exports Pty Ltd ("GME"), under which there was a conditional agreement to onboard AustAgri into a DomaCom Sub-Fund ("Scheme") and a termination fee of $8.5 million plus GST if the Scheme was not implemented within the deadline provided for in that agreement. As the Scheme was not implemented it was DomaCom's position that the termination fee was payable under the Revenue Recognition Agreement and there was a debt due and owing to DomaCom. It was on this basis that DomaCom issued an invoice and statutory demand to GME for $8.5 million plus GST.

GME disputed that there was a debt owing by it under the Revenue Recognition Agreement and filed an application in the Supreme Court of Victoria to set aside the statutory demand. The application to set aside the statutory demand was filed on 20 January 2022. On 25 March 2022 DomaCom announced that a settlement had been reached with GME under which a settlement fee of $2.5m plus GST was payable to DomaCom in instalments. DomaCom withdrew the statutory demand and the Supreme Court proceedings brought by GME were dismissed by consent.

Under the Settlement Agreement GME will pay DomaCom $2.5 million plus GST in instalments to be completed by no later than December 2023 (which may be accelerated in certain circumstances). The payment liability is secured by a personal guarantee. At 30 June 2023 $950,000 of the $2,500,000 due to DomaCom under the Settlement Agreement had been received. Further payments have been deferred and are the subject of ongoing discussion with GME. DomaCom has maintained all of its rights under the Settlement Agreement. Expected credit loss provisioning has been applied to reflect the payment deferral. The provisioning is calculated based the expected credit loss over the lifetime of the receivable and reflects the expected receipts discounted to reflect the time value of money. A discount rate of 10% was applied as the estimated effective interest rate of the receivable.

In estimating the expected credit loss for the receivable amounts under the Settlement Agreement, DomaCom has considered the likelihood and timing of recovery based on the information available at the date of this report. DomaCom understands that GME is currently seeking to refinance a loan taken out to purchase Cedar Meats that may impact the amount and timing of payments made to DomaCom under the Settlement Agreement. DomaCom also notes the amounts due from GME are subject to a personal guarantee from a former GME director. DomaCom has actively engaged with GME to obtain assurances over timing and amounts receivable under the Settlement Agreement. As part of the process, DomaCom has issued a statutory demand to GME seeking payment of the outstanding amounts due under the Settlement Agreement with a court hearing date listed for 15 September 2023. In addition, DomaCom has served a Writ and Statement of Claim on 26 June 2023 on the former GME director. Based on the information available DomaCom has formed expectations of the likely amount and timing of receipts taking account of the different possible outcomes that may eventuate. As a result of the expected credit loss analysis, an impairment loss of $223,000 (2022: $431,000) was recognised.

The Group's management considers that all the above financial assets that are not impaired or past due for each of the reporting dates under review are of good credit quality.

With the exception of the amount receivable under the GME Settlement Agreement, the Group is not exposed to any significant credit risk exposure to any single or group of counterparties having similar characteristics.

The credit risk for cash and cash equivalents is considered negligible since the counterparties are reputable banks with high quality external credit ratings.

NOTE 24: FINANCIAL INSTRUMENTS (CONTINUED)

Market risk analysis

The Group is exposed to market risk through currency and interest rate risk.

Foreign currency denominated financial assets and liabilities which expose the Group to currency risk are disclosed below. The amounts shown are those translated into $AUD at the closing rate:

The following table illustrates the sensitivity of profit and equity in regards to the Group's financial assets and financial liabilities and the $SGD/$AUD exchange rate 'all other things being equal'. It includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a change in foreign currency rates. It assumes a +/- 10% change of the $SGD/$AUD exchange rate for the year ended at 30 June 2023 (2022: 10%).

If the $SGD had strengthened against the $AUD by 10% (2022: 10%) this would have had the following impact through a decrease in the Foreign Currency Translation Reserve:

Foreign Currency Sensitivity	**2023 $**	**2022 $**
SGD		
Financial assets	1,938	1,355
Financial liabilities	-	-
Total Exposure	1,938	1,355
Equity	197	123

For a 10% weakening of $SGD against $AUD there would be a comparable increase in the Foreign Currency Translation Reserve.

Interest Rate Sensitivity

The Company's policy is to minimise interest rate risk exposures. Interest income is earned on deposits held. The rate is reviewed on a regular basis to ensure it remains in line with the expected rate of return. Interest expense incurred on any short term borrowings is assessed to ensure it is in line with market expectations. The Company's policy is not to enter into any long term borrowing.

The following table illustrates the sensitivity of profit and equity to a reasonably possible change in interest rates of +/- 1% (2022: +/- 1%). These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

Interest Rate Sensitivity	**Loss for the period $ +1%**	**Loss for the period $ -1%**
30 June 2023	(17,920)	17,920
30 June 2022	(7,537)	7,537

NOTE 24: FINANCIAL INSTRUMENTS (CONTINUED)

Fair value Measurements

This note provides information about how the Group determines fair values of financial assets and financial liabilities.

Fair value of the Groups financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Consolidated Entity's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

Financial assets/(liabilities)	Fair value 30 June 2022 ($)	Fair value 30 June 2022 ($)	Fair value hierarchy	Valuation technique(s) and key input(s)
13,097 (2022: 13,097) units held by DomaCom RTO Trust for DomaCom Sub-fund 918/40 Hall Street Moonee Ponds	$10,260	$10,690	Level 1	Quoted price for units in DomaCom Property Sub-Fund
Nil (2022: 12,993) units held by DomaCom Rental Property Accelerator (RPA) 304/1009 Dandenong Road, Malvern East Trust	-	$13,120	Level 1	Quoted price for units in DomaCom Property Sub-Fund
3,683 (2022: 3,683) units held by DomaCom Australia Limited in DomaCom Sub-fund 918/40 Hall Street Moonee Ponds	$2,886	$3,006	Level 1	Quoted price for units in DomaCom Property Sub-Fund

NOTE 25 PARENT ENTITY INFORMATION

	2023 $	2022 $
Current Assets	440	602,596
Total Assets	2,414,097	6,115,333
Current Liabilities	3,299,154	3,918,474
Total Liabilities	3,299,154	3,918,474
Net Assets	(885,057)	2,196,859
Issued Capital	44,987,083	40,897,789
Other contributed equity	-	3,498,636
Share based payment reserve	-	249,600
Convertible note equity reserve	1,484,253	1,369,080
Equity option reserve	-	482,295
Retained earnings	(44,300,541)	(40,877,566)
Current earnings	(3,055,852)	(3,422,975)
Total Equity	(885,057)	2,196,859

NOTE 26: SUBSEQUENT EVENTS

Subsequent to balance date and prior to the issuing of this report, the following events have occurred. Further detail of the proposed capital raise are included in Note 3(q) Going Concern.

Short-term funding of $350,000 was received in September and October 2023. The repayment has been deferred until Tranche 2 of the proposed Capital Raise detailed below.

As part of ongoing capital management, the Group will commence a capital raise that will see the issue of up to $6 million secured convertible notes with a 5-year maturity date (Proposed Capital Raise). The new Convertible Notes will have a conversion price of $0.08 and annual interest of 12% paid quarterly in arrears. The capital raising is being carried out in two separate tranches. Tranche 1 is a $2m underwritten issue of convertible notes to wholesale investors only with a target completion date in October 2023. The convertible notes issued under Tranche 1 will use the capacity available under ASX Listing Rule Listing Rule 7.1 and will therefore not require shareholder approval. Tranche 2 will be the issue of up to $4m of convertible notes to wholesale investors only and is expected to complete before February 2024. Tranche 2 will be subject to shareholder approval that will be sought at the forthcoming Annual General Meeting in November 2023.

The proceeds of the capital raise, if fully subscribed, will be allocated to repay the Existing Convertible Notes, provide working capital and fund the costs of the capital raise. In the event that only Tranche 1 is issued (raising $2million before costs), the proceeds will be used for working capital, partially repay the Existing Convertible Notes for an amount of $500,000 and to fund the costs of the offer and the Company will need to raise additional funds in order to repay the remainder of the Existing Convertible Notes by their maturity date of 1 February 2024.

Binding underwriting agreements have been signed by HC Securities Pty Ltd and two further DomaCom Shareholders to fully underwrite Tranche 1.

DomaCom have received consent from existing Secured Convertible Noteholders in accordance with the requirements of the Convertible Note Trust Deed for DomaCom to proceed with the proposed capital raise, An intercreditor deed is being drawn up as a result of the consent.

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

DIRECTORS' DECLARATION

In the opinion of the directors of DomaCom Limited

a the consolidated financial statements and notes of DomaCom Limited are in accordance with the *Corporations Act 2001*, including:

i giving a true and fair view of its financial position as at 30 June 2023 and of its performance for the financial period ended on that date; and

ii complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001 and other mandatory professional reporting requirements, and

b there are reasonable grounds to believe that DomaCom Limited will be able to pay its debts as and when they become due and payable, and

c DomaCom Limited has included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of the directors:

John R Hewson	**Grahame D Evans**
Chairman	Deputy Chairman

2 October 2023

Grant Thornton Audit Pty Ltd
Level 22 Tower 5
Collins Square
727 Collins Street
Melbourne VIC 3008
GPO Box 4736
Melbourne VIC 3001

T +61 3 8320 2222

Independent Auditor's Report

To the Members of DomaCom Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of DomaCom Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated 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 Group's financial position as at 30 June 2023 and of its 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.

Material uncertainty related to going concern

We draw attention to Note 3(q) in the financial statements, which indicates that the Group incurred a net loss of $3,781,255 during the year ended 30 June 2023, and as of that date, the Group's had negative net working capital of $2,553,836 and a net liability position of $885,057. The Group also continues to be reliant on external funding. As stated in Note 3(q), these events or conditions, along with other matters as set forth in Note 3(q), indicate that a material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Emphasis of matter: Settlement fee receivable

We draw attention to Note 7 in the financial statements, which indicates that the Group has $1,550,000 receivable at 30 June 2023 which arises from a settlement agreement with Global Meats Exports Pty Ltd ("GME"). We also draw attention to Note 3(r) and Note 24 which describe management's significant judgement applied in determining the expected credit loss provisioning and associated credit risk exposures. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Intangible asset – Impairment (Note 3(f) and (r))	
Given the nature of the industry in which the Group operates, there is a risk that there could be a material impairment to intangible asset balances. AASB 136 *Impairment of Assets* requires that an entity assess at the end of each reporting period possible internal or external indicators of impairment, as well as evaluate intangible assets not yet placed into service at least annually for impairment. The Group has determined there is one cash generating unit (CGU). Management test the CGU for impairment if indicators of impairment are identified or assets are not yet in use by comparing the carrying amount against the recoverable amount determined by either, the greater of its fair value less costs to sell and its value-in-use. This area is a key audit matter due to the inherent subjectivity and estimation uncertainty in measuring the recoverable amount following the performance of an indicators of impairment assessment.	Our procedures included, amongst others: • Understanding and documenting Management's process and controls related to the assessment of impairment indicators; • evaluating Management's assessment of CGUs and whether they meet the definition as prescribed by AASB 136; • evaluating the value-in-use models against the requirements of AASB 136; • challenging the appropriateness of Management's revenue and cost forecasts by comparing the forecasted cash flows to the actual growth rates achieved historically; • reviewing Management's value-in-use models by: – testing the mathematical accuracy of the calculations; – critically challenge assumptions underlying forecast cash inflows and outflows to be derived by the CGU assets; – assessing estimates and judgements for growth rates applied; and – assess discount rates applied to forecast future cash flows for reasonableness. • utilising an auditor's expert to assess Management's value-in-use model and evaluate the reasonableness of key assumptions and methodology applied; • performing sensitivity analysis on the significant inputs and assumptions made by Management in preparing its calculations; and • assessing the adequacy of financial statement disclosures.

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 Group's annual report for the year ended 30 June 2023, 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 we do not express any form of assurance conclusion thereon.

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 related 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar1_2020.pdf.This description forms part of our auditor's report.

Report on the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in pages 13 to 16 of the Directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of DomaCom Limited, for the year ended 30 June 2023 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.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

D G Ng
Partner – Audit & Assurance
Melbourne, 2 October 2023

DOMACOM LIMITED
ABN 69 604 384 885
SHAREHOLDER INFORMATION

Additional information required by the ASX Limited Listing Rules and not disclosed elsewhere in this report is set out below. The information is effective as at 24 July 2023.

Substantial Shareholders

HALO INVESTMENT CO PTY LTD	57,273,819
FQC FINTECH 2 PTY LTD	44,166,666

Voting rights

Ordinary Shares: On a show of hands, every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Distribution of equity security holders

Holding Ranges	Ordinary Shares	%
1-1,000	22	0.000
1,001-5,000	157	0.120
5,001-10,000	133	0.240
10,001-100,000	374	3.580
100,001-9,999,999,999	393	96.060
Totals	**1,079**	**100.000**

DOMACOM LIMITED
ABN 69 604 384 885
SHAREHOLDER INFORMATION

Twenty (20) largest shareholders	Number of shares held	% of issued shares
HALO INVESTMENT CO PTY LTD	57,273,819	13.151%
FQC FINTECH 2 PTY LTD	44,166,666	10.142%
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	39,880,924	9.157%
BROWN RIVER INVESTMENTS PTY LTD <BROWN RIVER SUPER FUND A/C>	16,926,333	3.887%
YASSINE CORPORATION PTY LTD <YASSINE FAMILY A/C>	12,198,234	2.801%
MR ARTHUR NAOUMIDIS & MRS KATHRYN MARGARET NAOUMIDIS <THE NAOUMIDIS A/C>	11,256,779	2.585%
BOVINGDON RETIREMENT FUND PTY LTD <BOVINGDON RET FUND A/C>	9,608,290	2.206%
MR MARK DAVID SINCLAIR	7,882,120	1.810%
TAYCO INVESTMENTS PTY LTD	6,255,395	1.436%
YASSINE CORPORATION PTY LTD	5,825,696	1.338%
COWEN INVESTMENTS PTY LTD	5,464,111	1.255%
A W MAHLER PTY LTD <THE MAHLER SUPER FUND A/C>	4,782,516	1.098%
RACT SUPER PTY LTD <RAND SUPER FUND A/C>	4,686,918	1.076%
MR WAYNE JOHN ROBERTS & MRS ELEANOR THERESE ROBERTS <ROBERTS SUPER FUND A/C>	4,675,250	1.074%
ANIDAN SUPER PTY LTD <HENK & TERESA SUPER FUND A/C>	4,000,000	0.918%
NO TAX BILL PTY LTD <ACANTO SUPER FUND A/C>	3,300,000	0.758%
GRAYSON NOMINEES PTY LTD <GRAYSON INVESTMENT A/C>	3,144,863	0.722%
CITICORP NOMINEES PTY LIMITED	3,108,861	0.714%
CATHRYN NOLAN & STEPHEN JOYCE <NOLAN JOYCE FAMILY A/C>	3,037,982	0.698%
BELLEVUE PROPERTIES AUSTRALIA PTY LTD <CP&JA TAYLOR PROPERTY A/C>	3,030,302	0.696%
Total Securities of Top 20 Holdings	249,075,267	57.193%
Total of Securities	**435,501,773**	

Unissued equity securities

Nil

Securities exchange

The Company is listed on the Australian Securities Exchange.

DOMACOM LIMITED
ABN 69 604 384 885
CORPORATE INFORMATION

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

Level 14
333 Collins Street
Melbourne
VIC 3000

Tel: 01300 365 930

DIRECTORS

Grahame D Evans
Steven C James
John R Hewson
Ross A Laidlaw
George D Paxton
Angela M Williams
Hilal Yassine

COMPANY SECRETARY

Philip JR Chard

SHARE REGISTRY

Boardroom Pty Limited
Level 8, 210 George Street
Sydney
NSW 2000

AUDITOR

Grant Thornton
Collins Square
727 Collins Street
Melbourne
VIC 3008