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Appendix 4D

Results for Announcement to the Market

for the half year ended 31 December 2022

| Key Financial Information | | 31 December 2022 \$'000 | 31 December 2021 \$'000 |
|--|------------------|-------------------------------|-------------------------------|
| Total revenue from ordinary activities | Up by 7.1% | 188,678 | 176,229 |
| Net profit from ordinary activities after tax attributable to members (before non-controlling interest) | Down by 27.5% | 14,118 | 19,486 |

| Dividends | Amount Per Security | Franked Amount |
|--|------------------------|-------------------|
| 2023 interim dividend (record date: 23 February 2023, payment date: 14 March 2023) | 2.0 cents | 2.0 cents |
| 2022 dividend (record date: 24 August 2022, payment date: 13 September 2022) | 4.0 cents | 4.0 cents |
| 2022 interim dividend (record date: 24 February 2022, payment date: 15 March 2022) | 2.0 cents | 2.0 cents |

| Net Tangible Assets Per Share | 31 December 2022 Cents | Restated 31 December 2021 Cents |
|---|------------------------------|--|
| Net tangible asset backing per share ⁽ⁱ⁾ | (42.9) | (48.8) |
| Net asset backing per share | 174.75 | 158.6 |

(i) Net tangible assets are calculated based on net assets excluding intangible and right of use assets. If right of use assets are included, the net tangible asset deficit backing per share is (45.8) cents (HY22: (47.6) cents).

In October 2021, the Group acquired 100% of the share capital in Insight Data Solutions Holdings Pty Ltd and its subsidiaries. The acquisition marks another step forward in executing on the Group's Marketplace strategy to expand its addressable market beyond agents and consumers to financial institutions and government. In April 2022, the Group acquired 100% of the share capital in Realbase Pty Ltd, its subsidiaries and equity accounted investments. The acquisition of the Realbase Group is highly strategic, meaningfully accelerating the scale and impact of Domain's Agent Solutions business unit, with complementary offerings that create a holistic end-to-end solution for real estate agents.

Additional information supporting the Appendix 4D disclosure requirements can be found in the Directors' Report and the Financial Report for the half year ended 31 December 2022.

The half year financial report is provided to the Australian Securities Exchange (ASX) under ASX Listing Rule 4.2A.3.

Appendix 4D

Results for Announcement to the Market

for the half year ended 31 December 2022

| | Statutory Results | | Significant Items ⁽ⁱⁱⁱ⁾ | | Trading Performance Excluding Significant Items | |
|--|-------------------------------|-------------------------------|------------------------------------|-------------------------------|--|-------------------------------|
| | 31 December 2022 \$'000 | 31 December 2021 \$'000 | 31 December 2022 \$'000 | 31 December 2021 \$'000 | 31 December 2022 \$'000 | 31 December 2021 \$'000 |
| Total revenue ⁽ⁱ⁾ | 188,678 | 176,229 | 2,085 | 974 | 186,593 | 175,255 |
| Expenses | (141,724) | (123,930) | (4,425) | (9,662) | (137,299) | (114,268) |
| Operating EBITDA | 46,954 | 52,299 | (2,340) | (8,688) | 49,294 | 60,987 |
| Depreciation and amortisation | (18,589) | (16,387) | - | - | (18,589) | (16,387) |
| EBIT | 28,365 | 35,912 | (2,340) | (8,688) | 30,705 | 44,600 |
| Net finance (costs)/income ⁽ⁱⁱ⁾ | (5,304) | (3,332) | - | - | (5,304) | (3,332) |
| Net profit/(loss) before tax | 23,061 | 32,580 | (2,340) | (8,688) | 25,401 | 41,268 |
| Income tax (expense)/benefit | (6,621) | (10,884) | 862 | 2,118 | (7,483) | (13,002) |
| Net profit/(loss) after tax | 16,440 | 21,696 | (1,478) | (6,570) | 17,918 | 28,266 |
| Net profit/(loss) attributable to non-controlling interest | 2,322 | 2,210 | 309 | - | 2,013 | 2,210 |
| Net profit/(loss) attributable to members of the Company | 14,118 | 19,486 | (1,787) | (6,570) | 15,905 | 26,056 |
| Earnings per share (cents) | 2.24 | 3.34 | | | 2.52 | 4.46 |

(i) Revenue from ordinary activities excluding interest income.

(ii) Finance costs net of finance income.

(iii) Significant items are those items which by size and nature or incidence are relevant in explaining the financial performance of the Group. Refer to Note 4 of the financial statements for further details.

Directors' Report

for the half year ended 31 December 2022

The Board of Directors presents its report on the consolidated entity of Domain Holdings Australia Limited (the Company) and the entities it controlled at the end of, or during, the period ended 31 December 2022, (collectively, the Group), and the review report thereon.

Directors

The Directors of the Company at any time during the period ended 31 December 2022 or up to the date of this report are as follows. Directors held office the entire period unless otherwise stated.

Nick Falloon
Non-Executive Director and Chairman

Greg Ellis
Non-Executive Independent Director

Geoff Kleemann
Non-Executive Independent Director and Chair of Audit and Risk Committee

Diana Eilert
Non-Executive Independent Director and Chair of People, Culture and Sustainability Committee

Mike Sneesby
Non-Executive Director

Jason Pellegrino
Managing Director and Chief Executive Officer

Rebecca Haagsma (appointed 1 September 2022)
Non-Executive Director

Review of Operations

Statutory revenue for the Group for half year ended 31 December 2022 was higher than the prior year at \$188.7 million (HY22: \$176.2 million). The Group generated a net profit after tax attributable to members of \$14.1 million (HY22 profit: \$19.5 million), EBITDA of \$47.0 million (HY22 EBITDA: \$52.3 million) and basic earnings per share were 2.24 cents (HY22: 3.34 cents). The prior year result is after accounting for the repayment of JobKeeper amounting to \$6.5 million (\$5.7 million reduction in EBITDA). Refer to Note 3 for further details.

Net debt was \$172.5 million, compared with net debt of \$151.5 million at 30 June 2022.

Dividends

On 13 September 2022, the Company paid a fully franked dividend of 4.0 cents per ordinary share relating to 30 June 2022 profits.

Since the end of the half-year period ended 31 December 2022, the Directors have resolved to declare an interim dividend of 2.0 cents per fully paid ordinary share, 100% franked at the corporate tax rate of 30%, to be paid on 14 March 2023.

Rounding of Amounts

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

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 5.

The report is made in accordance with a resolution of the Directors of Domain Holdings Australia Limited.



Nick Falloon
Chairman

Sydney
16 February 2023



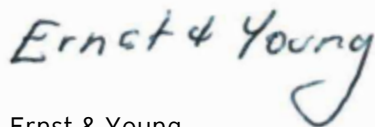
Jason Pellegrino
Managing Director and Chief Executive Officer

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

As lead auditor for the review of the half-year financial report of Domain Holdings Australia Limited for the half-year ended 31 December 2022, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;
- b. No contraventions of any applicable code of professional conduct in relation to the review; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

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



Ernst & Young



Jodie Inglis
Partner
16 February 2023

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the half year ended 31 December 2022

| | NOTE | 31 December 2022 \$'000 | 31 December 2021 \$'000 |
|---|------|-------------------------------|-------------------------------|
| Revenue from contracts with customers | 2(A) | 186,451 | 175,203 |
| Other revenue and income | 2(B) | 2,857 | 1,241 |
| Total revenue and income | | 189,308 | 176,444 |
| Expenses from operations excluding depreciation, amortisation and finance costs | 3(A) | (141,158) | (123,930) |
| Impairment | 4 | (566) | - |
| Depreciation and amortisation | 3(B) | (18,589) | (16,387) |
| Finance costs | 3(C) | (5,934) | (3,547) |
| Net profit from operations before income tax expense | | 23,061 | 32,580 |
| Income tax expense | | (6,621) | (10,884) |
| Net profit from operations after income tax expense | | 16,440 | 21,696 |
| Other comprehensive income for the year | | - | - |
| Total comprehensive income for the year | | 16,440 | 21,696 |
| Net profit is attributable to: | | | |
| Owners of the parent | | 14,118 | 19,486 |
| Non-controlling interest | | 2,322 | 2,210 |
| | | 16,440 | 21,696 |
| Total comprehensive income is attributable to: | | | |
| Owners of the parent | | 14,118 | 19,486 |
| Non-controlling interest | | 2,322 | 2,210 |
| | | 16,440 | 21,696 |
| Earnings per share | | | |
| Basic earnings per share (cents) | 10 | 2.24 | 3.34 |
| Diluted earnings per share (cents) | 10 | 2.23 | 3.32 |

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

Consolidated Balance Sheet

as at 31 December 2022

| | NOTE | 31 December 2022 \$'000 | Restated ⁽ⁱ⁾ 30 June 2022 \$'000 |
|--------------------------------------|------|-------------------------------|---|
| Current assets | | | |
| Cash and cash equivalents | | 31,741 | 67,116 |
| Trade and other receivables | | 52,719 | 62,306 |
| Sublease receivable | | 1,020 | 1,473 |
| Receivables – related parties | 13 | - | 2,123 |
| Current tax receivable | | 2,186 | - |
| Total current assets | | 87,666 | 133,018 |
| Non-current assets | | | |
| Intangible assets | 7 | 1,374,608 | 1,376,705 |
| Property, plant and equipment | | 7,690 | 9,076 |
| Other receivables | | 6,944 | 6,337 |
| Right of use assets | | 18,268 | 20,089 |
| Sublease receivable | | - | 258 |
| Total non-current assets | | 1,407,510 | 1,412,465 |
| Total assets | | 1,495,176 | 1,545,483 |
| Current liabilities | | | |
| Payables – related parties | 13 | 4,826 | 3,864 |
| Trade and other payables | | 50,234 | 68,855 |
| Lease liabilities | | 5,686 | 6,365 |
| Provisions | | 7,286 | 7,791 |
| Current tax liabilities | | - | 5,984 |
| Total current liabilities | | 68,032 | 92,859 |
| Non-current liabilities | | | |
| Interest bearing liabilities | 8 | 204,199 | 218,648 |
| Lease liabilities | | 17,337 | 19,454 |
| Provisions | | 4,173 | 4,359 |
| Other payables | | 9,868 | 10,701 |
| Deferred tax liabilities | | 88,770 | 87,033 |
| Total non-current liabilities | | 324,347 | 340,195 |
| Total liabilities | | 392,379 | 433,054 |
| Net assets | | 1,102,797 | 1,112,429 |
| Equity | | | |
| Contributed equity | | 1,474,859 | 1,474,891 |
| Shares held in trust | | (3,415) | (7,547) |
| Reserves | | (41,399) | (39,198) |
| Retained losses | | (336,616) | (325,870) |
| Total parent entity interest | | 1,093,429 | 1,102,276 |
| Non-controlling interest | | 9,368 | 10,153 |
| Total equity | | 1,102,797 | 1,112,429 |

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

(i) Certain amounts shown here do not correspond to the annual consolidated financial statements as at 30 June 2022. Refer to Note 1 for further details.

Consolidated Cash Flow Statement

for the half year ended 31 December 2022

| | NOTE | 31 December 2022 \$'000 | 31 December 2021 \$'000 |
|--|------|-------------------------------|-------------------------------|
| Cash flows from operating activities | | | |
| Receipts from customers (inclusive of GST) | | 212,294 | 187,087 |
| Payments to suppliers and employees (inclusive of GST) | | (170,324) | (143,135) |
| Income taxes paid | | (12,972) | (12,898) |
| Finance costs paid | | (4,461) | (1,792) |
| Net financing component of lease receipts and payments | | (308) | (460) |
| Interest received | | 616 | 147 |
| Net cash inflow from operating activities | | 24,845 | 28,949 |
| Cash flows from investing activities | | | |
| Payment for property, plant and equipment and software | | (14,773) | (8,452) |
| Payment for purchase of controlled entities (net of cash acquired) | 6 | 954 | (54,098) |
| Payment of contingent and deferred consideration | | - | (1,661) |
| Receipt of contingent consideration receivable | | - | 2,860 |
| Proceeds from sale of property, plant and equipment | | - | 8 |
| Receipts from sublease receivable – principal component | | 710 | 630 |
| Purchase of convertible notes | | (1,000) | - |
| Net cash outflow from investing activities | | (14,109) | (60,713) |
| Cash flows from financing activities | | | |
| Payment of lease liabilities – principal component | | (2,794) | (4,505) |
| Dividends paid to non-controlling interest in subsidiaries | | (4,596) | (4,264) |
| Proceeds from borrowings by subsidiary with non-controlling shareholder | | 1,840 | 1,456 |
| Payments for acquisitions of treasury shares | | (263) | (30,770) |
| Proceeds from issue of shares by subsidiary to non-controlling shareholder | | - | 195 |
| Proceeds from exercise of employee share options | | - | 5,978 |
| (Repayment of)/proceeds from borrowings | | (15,000) | 47,000 |
| Dividends paid to shareholders | | (25,266) | (23,371) |
| Transaction costs incurred for issue of share capital | | (32) | - |
| Payment of debt refinancing fees | | - | (1,524) |
| Net cash outflow from financing activities | | (46,111) | (9,805) |
| Net increase in cash and cash equivalents held | | (35,375) | (41,569) |
| Cash and cash equivalents at the beginning of the year | | 67,116 | 94,151 |
| Cash and cash equivalents at end of the year | | 31,741 | 52,582 |

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

Consolidated Statement of Changes in Equity

for the half year ended 31 December 2022

| | Note | Contributed Equity \$'000 | Shares Held in Trust \$'000 | Reserves | | Total Reserves \$'000 | Retained Losses \$'000 | Non- Controlling Interest \$'000 | Total Equity \$'000 |
|--|------|---------------------------------|-----------------------------------|-----------------------------|---|-----------------------------|------------------------------|---|---------------------------|
| | | | | Other Reserves \$'000 | Share-Based Payment Reserve \$'000 | | | | |
| Balance as at 30 June 2022 | | 1,474,891 | (7,547) | (52,790) | 13,592 | (39,198) | (323,095) | 10,153 | 1,115,204 |
| Restatement of opening balance | | - | - | - | - | - | (2,775) | - | (2,775) |
| Restated balance as at 30 June 2022 ⁽ⁱ⁾ | | 1,474,891 | (7,547) | (52,790) | 13,592 | (39,198) | (325,870) | 10,153 | 1,112,429 |
| Profit for the year | | - | - | - | - | - | 14,118 | 2,322 | 16,440 |
| Other comprehensive income | | - | - | - | - | - | - | - | - |
| Total comprehensive income for the year | | - | - | - | - | - | 14,118 | 2,322 | 16,440 |
| Dividends paid or declared to shareholders | 9 | - | - | - | - | - | (25,266) | - | (25,266) |
| Dividends paid or declared to non-controlling interest in subsidiaries | | - | - | - | - | - | - | (4,596) | (4,596) |
| Transactions with non-controlling interest | | - | - | - | - | - | - | (113) | (113) |
| Transaction costs | | (32) | - | - | - | - | - | - | (32) |
| Vesting of options, performance and share rights | | - | 4,132 | (2,146) | (1,986) | (4,132) | - | - | - |
| Release of unvested employee incentive shares | | - | - | - | (584) | (584) | 402 | - | (182) |
| Shares in lieu of cash | | - | - | - | - | - | - | 1,602 | 1,602 |
| Share-based payments, net of tax | | - | - | - | 2,515 | 2,515 | - | - | 2,515 |
| Total transactions with owners | | (32) | 4,132 | (2,146) | (55) | (2,201) | (24,864) | (3,107) | (26,072) |
| Balance as at 31 December 2022 | | 1,474,859 | (3,415) | (54,936) | 13,537 | (41,399) | (336,616) | 9,368 | 1,102,797 |

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

(i) Certain amounts shown here do not correspond to the annual consolidated financial statements as at 30 June 2022. Refer to Note 1 for further details.

Consolidated Statement of Changes in Equity

for the half year ended 31 December 2022

| | Note | Contributed Equity \$'000 | Shares Held in Trust \$'000 | Reserves | | Total Reserves \$'000 | Retained Losses \$'000 | Non- Controlling Interest \$'000 | Total Equity \$'000 |
|---|------|------------------------------|-----------------------------------|-----------------------------|---|-----------------------------|------------------------------|---|---------------------------|
| | | | | Other Reserves \$'000 | Share-Based Payment Reserve \$'000 | | | | |
| Balance at 30 June 2021 | | 1,296,462 | - | (40,907) | 17,546 | (23,361) | (325,008) | 2,637 | 950,730 |
| Profit for the year | | - | - | - | - | - | 19,486 | 2,210 | 21,696 |
| Other comprehensive income | | - | - | - | - | - | - | - | - |
| Total comprehensive income for the year | | - | - | - | - | - | 19,486 | 2,210 | 21,696 |
| Transactions with owners in their capacity as owners: | | | | | | | | | |
| Dividends paid or declared to shareholders | 9 | - | - | - | - | - | (23,371) | - | (23,371) |
| Dividends paid or declared to non-controlling interests in subsidiaries | | - | - | - | - | - | - | (4,264) | (4,264) |
| Transactions with non-controlling interest | | - | - | - | - | - | - | 195 | 195 |
| Acquisition of treasury shares | | - | (30,770) | - | - | - | - | - | (30,770) |
| Vesting of options, performance and share rights | | - | 23,244 | (10,878) | (6,388) | (17,266) | - | - | 5,978 |
| Share-based payments, net of tax | | - | - | - | 6,646 | 6,646 | - | - | 6,646 |
| Total transactions with owners | | - | (7,526) | (10,878) | 258 | (10,620) | (23,371) | (4,069) | (45,586) |
| Balance at 31 December 2021 | | 1,296,462 | (7,526) | (51,785) | 17,804 | (33,981) | (328,893) | 778 | 926,840 |

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

Notes to the Consolidated Financial Statements

for the half year ended 31 December 2022

1. About This Report

A. Basis of preparation

This half year financial report is for the 6 months from 1 July 2022 to 31 December 2022 (2021: 6 months from 1 July 2021 to 31 December 2021).

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

- In accordance with the requirements of the Corporations Act 2001 (Cth), Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (AASB);
- In compliance with International Accounting Standard 34 Interim Financial Reporting;
- In accordance with the going concern basis of accounting; and
- On a historical cost convention except for contingent considerations that are measured at fair value.

The half year financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 30 June 2022.

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

There were no new accounting standards, interpretations and amendments significantly impacting the Group in the half year ended 31 December 2022.

ii. Standards issued but not yet effective

Certain new accounting standards, amendments and interpretations have been issued that are not yet effective for the half year ended 31 December 2022. However, the Group intends to adopt the following new or amended standards and interpretations, if applicable, when they become effective with no significant impact being expected on the Consolidated Financial Statements of the Group:

- Amendments to AASB 101 Classification of Liabilities as Current or Non-current
- Amendments to AASB Disclosure of Accounting Policies and Definition of Accounting Estimates
 - Amendments to AASB7, AASB 101, AASB 134 and AASB Practice Statement 2
 - Amendments to AASB 108
- Amendments to AASB Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to AASB Initial Application of AASB 17 and AASB 9 Comparative Information
- Amendments to AASB Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

iii. Functional and presentational currency

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

iv. Rounding of amounts

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

B. Significant judgements, estimates and assumptions

The preparation of the Group's Consolidated Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in an outcome that requires a material adjustment to the carrying amount of assets and liabilities in future periods. The Group's material judgements and estimates were disclosed in Note 1 within the Group's 2022 Consolidated Financial Statements. The key estimates and assumptions which are most significant to the Consolidated Financial Statements for the half year ended 31 December 2022 are disclosed in Note 6 - Business Combinations, Acquisitions, Disposals, and Investments in Controlled Entities.

Notes to the Consolidated Financial Statements

for the half year ended 31 December 2022

C. Principles of consolidation

i. Controlled entities

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

ii. Non-controlling interest

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

D. Restatement of opening balances

Certain historical financial information has been restated to account for the impact of the purchase price allocation exercises management finalised during the half year ended 31 December 2022. Refer to Note 6 for further details.

Consolidated Balance Sheet

| 30 June 2022 \$'000 | As Previously Reported | Adjustments | As Restated |
|---|---------------------------|----------------|------------------|
| Trade and other receivables | 61,239 | 1,067 | 62,306 |
| Total current assets | 131,951 | 1,067 | 133,018 |
| Intangible assets | 1,361,571 | 15,134 | 1,376,705 |
| Investments accounted for using the equity method | 300 | (300) | - |
| Total non-current assets | 1,397,631 | 14,834 | 1,412,465 |
| Total assets | 1,529,582 | 15,901 | 1,545,483 |
| Deferred tax liabilities | 68,357 | 18,676 | 87,033 |
| Total non-current liabilities | 321,519 | 18,676 | 340,195 |
| Total liabilities | 414,378 | 18,676 | 433,054 |
| Net assets | 1,115,204 | (2,775) | 1,112,429 |
| Retained losses | (323,095) | (2,775) | (325,870) |
| Total parent entity interest | 1,105,051 | (2,775) | 1,102,276 |
| Total equity | 1,115,204 | (2,775) | 1,112,429 |

Notes to the Consolidated Financial Statements

for the half year ended 31 December 2022

2. Revenues

| | NOTE | 31 December 2022 \$'000 | 31 December 2021 \$'000 |
|--|------|-------------------------------|-------------------------------|
| A. Revenue from Contracts with Customer | | | |
| Residential | | 119,389 | 120,300 |
| Media, Developers and Commercial | | 24,666 | 25,427 |
| Agent Solutions | | 20,406 | 7,488 |
| Domain Insights ⁽ⁱ⁾ | | 8,390 | 6,558 |
| Core Digital | | 172,851 | 159,773 |
| Consumer Solutions | | 4,519 | 4,640 |
| Print | | 9,081 | 10,790 |
| Total revenue from contracts with customers | | 186,451 | 175,203 |
| B. Other Revenue and Income | | | |
| Interest income | | 630 | 215 |
| Gain on lease modifications | 4 | - | 236 |
| Remeasurement on contingent and deferred consideration | 4 | 2,085 | - |
| Gain on debt refinance | 4 | - | 738 |
| Other | | 142 | 52 |
| Total other revenue and income | | 2,857 | 1,241 |
| Total revenue and income | | 189,308 | 176,444 |

(i) Formerly Property Data Solutions.

Notes to the Consolidated Financial Statements

for the half year ended 31 December 2022

3. Expenses

| | NOTE | 31 December 2022 \$'000 | 31 December 2021 \$'000 |
|--|------|-------------------------------|-------------------------------|
| A. Expenses from Operations excluding Depreciation, Amortisation and Finance Costs | | | |
| Staff and employee related costs ⁽ⁱ⁾ | | 73,728 | 65,079 |
| Production and distribution costs | | 16,026 | 11,681 |
| Promotions | | 20,338 | 16,868 |
| Rent and outgoings | | 1,410 | 1,085 |
| IT and communication costs | | 11,388 | 9,056 |
| Fringe benefits tax, travel, entertainment and employee related costs | | 5,040 | 2,040 |
| Remeasurement of contingent and deferred consideration | 4 | - | 142 |
| Loss on sale of assets | | 288 | - |
| Loss on lease modification | 4 | - | 2,653 |
| Restructuring costs | 4 | 3,275 | 5,307 |
| Costs related to mergers and acquisitions | 4 | 584 | 1,560 |
| Other | | 9,081 | 8,459 |
| Total expenses from operations excluding depreciation, amortisation and finance costs | | 141,158 | 123,930 |
| B. Depreciation and Amortisation | | | |
| Depreciation of plant and equipment | | 810 | 693 |
| Depreciation of leasehold improvements | | 1,644 | 1,235 |
| Depreciation of right of use assets | | 1,787 | 3,548 |
| Amortisation of software ⁽ⁱ⁾ | 7 | 10,547 | 8,212 |
| Amortisation of customer relationships and tradenames | 7 | 3,801 | 2,699 |
| Total depreciation and amortisation | | 18,589 | 16,387 |
| C. Finance Costs | | | |
| External parties borrowing costs | | 5,611 | 3,020 |
| Finance costs on leases | | 323 | 527 |
| Total finance costs | | 5,934 | 3,547 |
| D. Other Expense Disclosures | | | |
| Lease rental expense | | 827 | 540 |
| Share-based payment expense ⁽ⁱⁱ⁾ | | 2,406 | 4,708 |
| Total other expenses | | 3,233 | 5,248 |

(i) During the prior year, the Group repaid a total of \$6.5 million that was received under the JobKeeper scheme in relation to the financial year ended 30 June 2021. As a result of the repayment, staff and employee related costs increased by \$5.7 million, amortisation of software increased by \$0.4 million and capitalised works in progress increased by \$0.4 million as disclosed in Note 7.

(ii) Prior year share-based payment expense of \$4.7 million excludes \$0.3 million transferred to capitalised labour costs related to Project Zipline (voluntary programme available to employees with the options of reduced working hours or cash salary reduction in exchange for share rights).

Notes to the Consolidated Financial Statements

for the half year ended 31 December 2022

4. Significant Items

The net profit after tax includes the following significant items, which by size and nature or incidence are relevant in explaining the financial performance of the Group:

| | 31 December 2022 \$'000 | 31 December 2021 \$'000 |
|--|-------------------------------|-------------------------------|
| Restructuring costs ⁽ⁱ⁾ | (3,275) | (5,307) |
| Gain on debt refinance ⁽ⁱⁱ⁾ | - | 738 |
| Impairment ⁽ⁱⁱⁱ⁾ | (566) | - |
| Remeasurement of contingent and deferred consideration ^(iv) | 2,085 | (142) |
| Net loss on lease modification ^(v) | - | (2,417) |
| Costs related to mergers and acquisitions ^(vi) | (584) | (1,560) |
| Total significant items before tax | (2,340) | (8,688) |
| Income tax benefit on significant items | 862 | 2,118 |
| Net significant items after income tax | (1,478) | (6,570) |

(i) Current year restructuring charges of \$3.3 million (pre-tax) largely relate to the implementation of a new commercial organisational structure. Prior year charges of \$5.3 million (pre-tax) largely relate to the implementation of new finance and billing systems.

(ii) On 14 December 2021, the Group has entered into an amending agreement for its existing syndicated loan facility agreement which resulted in a gain on debt modification amounting to \$0.7 million.

(iii) Impairment charge of \$0.6m relates to the write-off of intangible assets in dormant entities.

(iv) Remeasurement gain on contingent consideration amounting to \$2.1m relates to the release of the Commercialview.com.au Pty Ltd Tranche 3B contingent consideration and revaluation of the Insight Data Solutions Holdings Pty Ltd contingent consideration. Prior year loss on contingent consideration payable amounting to \$0.1 million relates to the final settlement of the contingent consideration for the acquisition of Bidtracker Holdings Pty Ltd.

(v) In December 2021, the Group renegotiated its lease agreements for its head office space in Pyrmont, NSW which resulted in a net gain on lease modification amounting to \$0.2 million. As a result of the lease amendments, the Group impaired plant and equipment amounting to \$2.6 million. On lease modification, total current and non-current lease liabilities reduced by \$10.2 million, right of use assets reduced by \$7.2 million and sublease receivables reduced by \$2.8 million.

(vi) On 29 April 2022, Australian Property Monitors Pty Ltd, a wholly-owned subsidiary of the Company, acquired 100% of the share capital in Realbase Pty Ltd. The Group has incurred legal and advisory fees and other costs related to this acquisition amounting to \$0.4 million during the half-year. Refer to Note 6 for further details. Remaining current period costs relate to additional mergers and acquisitions and strategic advice. Prior year costs related to the acquisition of Insight Data Solutions Holdings Pty Ltd. Refer to Note 6 for further details.

Notes to the Consolidated Financial Statements

for the half year ended 31 December 2022

5. Segment Reporting

A. Description of segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors, CEO and CFO in assessing performance and in determining the allocation of resources.

| Reportable Segment | Products And Services |
|-----------------------------------|---|
| Core Digital | Digitally focused real estate media and services business providing residential, commercial and rural property marketing solutions. Provides search and valuation tools and insights to buyers, sellers, investors, renters, governments and agents Australia-wide. |
| Consumer Solutions ⁽ⁱ⁾ | Connecting consumers with services relevant to them at different property lifecycle stages, home loans, insurance, trade services and residential utilities connections. |
| Print | Real estate newspaper and magazine publishing. |
| Corporate | Comprises corporate entity results not included in the segments above. |

(i) In June 2022, Domain has stepped away from business activities through Domain Insure and other ventures to focus on Domain Home Loan's award-winning services.

Notes to the Consolidated Financial Statements

for the half year ended 31 December 2022

B. Results by operating segment

The segment information provided to the Board of Directors, CEO and CFO for the reportable segments for the half year ended 31 December 2022 is as follows:

| | Segment Revenue \$'000 | Revenue From External Customers \$'000 | Underlying EBITDA ⁽ⁱ⁾ \$'000 |
|----------------------------|------------------------------|---|---|
| 31 December 2022 | | | |
| Core Digital | 172,851 | 172,851 | 70,140 |
| Consumer Solutions | 4,519 | 4,519 | (3,708) |
| Print | 9,081 | 9,081 | 906 |
| Corporate | 142 | 142 | (18,044) |
| Total for the Group | 186,593 | 186,593 | 49,294 |
| 31 December 2021 | | | |
| Core Digital | 159,773 | 159,773 | 76,407 |
| Consumer Solutions | 4,640 | 4,640 | (1,925) |
| Print | 10,790 | 10,790 | 3,391 |
| Corporate | 52 | 52 | (16,886) |
| Total for the Group | 175,255 | 175,255 | 60,987 |

(i) Underlying EBITDA is defined as earnings before interest, tax, depreciation and amortisation excluding significant items.

C. Other segment information

The Board of Directors, CEO and CFO assess the performance of the operating segments based on a measure of underlying EBITDA.

A reconciliation of underlying EBITDA to operating profit before income tax is provided as follows:

| | 31 December 2022 \$'000 | 31 December 2021 \$'000 |
|---|-------------------------------|-------------------------------|
| Underlying EBITDA from continuing operations | 49,294 | 60,987 |
| Significant income before tax (including significant interest income) | 2,085 | 738 |
| Significant expense before tax | (4,425) | (9,426) |
| Depreciation and amortisation | (18,589) | (16,387) |
| Interest income | 630 | 215 |
| Finance costs | (5,934) | (3,547) |
| Reported net profit before tax | 23,061 | 32,580 |

A summary of significant items before tax by operating segments is provided for the financial years ended 31 December 2022 and 31 December 2021.

Notes to the Consolidated Financial Statements

for the half year ended 31 December 2022

| | Impairment \$'000 | Restructuring Costs \$'000 | Remeasurement of Contingent Consideration \$'000 | Lease Modification \$'000 | Gain on Debt Refinance \$'000 | Costs Related to Mergers & Acquisitions \$'000 | Total \$'000 |
|----------------------------|----------------------|----------------------------------|---|---------------------------------|-------------------------------------|---|-----------------|
| 31 December 2022 | | | | | | | |
| Core Digital | (566) | - | 2,085 | - | - | - | 1,519 |
| Consumer Solutions | - | - | - | - | - | - | - |
| Print | - | - | - | - | - | - | - |
| Corporate | - | (3,275) | - | - | - | (584) | (3,859) |
| Consolidated entity | (566) | (3,275) | 2,085 | - | - | (584) | (2,340) |
| 31 December 2021 | | | | | | | |
| Core Digital | - | - | (142) | - | - | - | (142) |
| Consumer Solutions | - | - | - | - | - | - | - |
| Print | - | - | - | - | - | - | - |
| Corporate | - | (5,307) | - | (2,417) | 738 | (1,560) | (8,546) |
| Consolidated entity | - | (5,307) | (142) | (2,417) | 738 | (1,560) | (8,688) |

Information provided to the Board of Directors, CEO and CFO in respect of assets and liabilities is presented on a group basis consistent with the Consolidated Financial Statements.

6. Business Combinations

The Group gained control of the following entities and businesses during the year:

| Entity or Business Acquired | Principal Activity | Date of Acquisition | Ownership Interest as at 31 December 2022 |
|--|---|---------------------|---|
| Insight Data Solutions and its subsidiaries (IDS Group) | Provision of land and property valuation and insights and analytics services to governments and financial institutions | 15 October 2021 | 100.0% |
| Realbase Pty Ltd, its subsidiaries and equity accounted investments (Realbase Group) | Campaign management technology platform in Australia and New Zealand, providing services to real estate agents in relation to property transactions | 29 April 2022 | 100.0% |

Notes to the Consolidated Financial Statements

for the half year ended 31 December 2022

Assets acquired and liabilities assumed

During the half year ended 31 December 2022, management finalised the purchase price allocation for both acquisitions. Changes to the amounts disclosed for Realbase Group are provisional as detailed below, with their measurement to be finalised within one year from the date of acquisition.

| | IDS Group \$'000 | Provisional Realbase Group \$'000 |
|---|---------------------|---|
| Current assets | | |
| Cash | 622 | 1,937 |
| Trade and other receivables | 37 | 5,113 |
| Total current assets | 659 | 7,050 |
| Non-current assets | | |
| Right of use assets | - | 1,588 |
| Intangible assets | 39,870 | 53,203 |
| Property, plant and equipment | 21 | 244 |
| Leasehold improvements | - | 109 |
| Deferred tax assets | 1,847 | 2,296 |
| Total non-current assets | 41,738 | 57,440 |
| Total assets | 42,397 | 64,490 |
| Current liabilities | | |
| Trade and other payables | 5,980 | 10,700 |
| Current tax liabilities | - | 966 |
| Provisions | 496 | 1,016 |
| Lease liabilities | - | 281 |
| Total current liabilities | 6,476 | 12,963 |
| Non-current liabilities | | |
| Provisions | - | 225 |
| Lease liabilities | - | 1,370 |
| Deferred tax liabilities | 8,037 | 14,273 |
| Total non-current liabilities | 8,037 | 15,868 |
| Total liabilities | 14,513 | 28,831 |
| Total identifiable net assets at fair value | 27,884 | 35,659 |
| Goodwill arising on acquisition | 51,361 | 137,217 |
| Total identifiable net assets and goodwill attributable to the Group | 79,245 | 172,876 |
| Purchase consideration | \$'000 | \$'000 |
| Cash paid | 54,720 | 172,876 |
| Contingent consideration ⁽ⁱ⁾ | 24,525 | - |
| Total purchase consideration | 79,245 | 172,876 |
| Net cash outflow on acquisition | \$'000 | \$'000 |
| Cash paid | (54,720) | (172,876) |
| Cash acquired | 622 | 1,937 |
| Net cash outflow | (54,098) | (170,939) |

(i) The contingent consideration of the IDS Group acquisition was remeasured as at 31 December 2022 with a resulting gain disclosed as a significant item in Note 4.

Notes to the Consolidated Financial Statements

for the half year ended 31 December 2022

Acquisition of IDS Group

On 15 October 2021, Property Data Solutions (2) Pty Limited (**PDS 2**), a wholly-owned subsidiary of the Company, acquired 100% of the share capital in Insight Data Solutions Holdings Pty Ltd and its subsidiaries. The acquisition marks another step forward in executing on the Group's Marketplace strategy to expand its addressable market beyond agents and consumers to financial institutions and government. The acquisition of the IDS Group establishes Domain as a market leading provider of land and property valuation, insights and analytics services into the government sector, and significantly expands the size of the Property Data Solutions pillar of Domain's Marketplace strategy.

After reporting a provisional balance sheet at 30 June 2022, management finalised the purchase price allocation during the period. This resulted in a reduction of goodwill from \$82.4 million to \$51.4 million and comprises expected synergies arising from the acquisition. Goodwill is allocated entirely to the Core Digital segment. None of the goodwill recognised is expected to be deductible for income tax purposes. The Group has now finalised determining the fair value of assets and liabilities acquired as part of the acquisition of the IDS Group.

The consideration of the acquisition comprises an upfront cash payment and multiple tranches that are contingent on the future financial and commercial performance of the IDS Group, relating to securing and delivering services under new customer contracts over the performance period ending in June 2027.

The first tranche cash payment of \$54.7 million was settled on 15 October 2021. Other tranches are due to be settled during the performance period between completion and June 2027.

The on target and maximum consideration for the transaction including the undiscounted contingent consideration is \$134.7 and \$153.7 million respectively. The range of potential outcomes, undiscounted, is \$54.7 million to \$153.7 million. The expectation at acquisition is that it will be cash settled, however, the purchase agreement allows for this consideration to be settled in cash and/or equity at PDS 2's discretion.

As at the acquisition date, the discounted fair value of the contingent consideration was estimated to be \$24.5 million. The fair value of the contingent consideration determined at the date of acquisition reflects the probabilities of securing certain new government contracts and achieving budgeted financial targets. Subsequent to the acquisition date, these assumptions have been revised as a result of change in facts and circumstances, resulting in the remeasurement of the contingent consideration. Refer to Significant judgements, estimates and assumptions below.

The contingent consideration is recognised as a financial liability on the balance sheet and is measured at fair value through the profit or loss. The contingent consideration is accounted for in accordance with AASB 9 Financial Instruments and disclosed as a financial liability as the amount to be paid is variable, based upon the post-acquisition financial and commercial performance of the IDS Group.

Acquisition of Realbase Group

On 29 April 2022, Australian Property Monitors Pty Ltd (**APM**), a wholly-owned subsidiary of the Company, acquired 100% of the share capital in Realbase Pty Ltd and its subsidiaries. The acquisition marks another step forward in the evolution of the Group's Marketplace strategy. The acquisition of the Realbase Group is highly strategic, meaningfully accelerating the scale and impact of Domain's Agent Solutions business unit, with complementary offerings that create a holistic end-to-end solution for real estate agents.

After reporting a provisional balance sheet at 30 June 2022, management finalised the purchase price allocation during the period. This resulted in a reduction of goodwill from \$177.7 million to \$137.2 million and comprises expected synergies arising from the acquisition. Goodwill is allocated entirely to the Core Digital segment. None of the goodwill recognised is expected to be deductible for income tax purposes. Whilst management has performed a purchase price allocation exercise, the balance sheet presented for the Realbase Group in this note is provisional given that the measurement period ends one year from the date of acquisition.

The consideration of the acquisition comprises an upfront cash payment and multiple tranches that are contingent upon the future financial performance of the Realbase Group based achieving stretch financial performance targets based on a mix of revenue and EBITDA metrics over a three-year period from financial years ending 31 December 2024 to 31 December 2026. As at the acquisition date and at 31 December 2022, Management determined the fair value of the contingent consideration to be nil based on forecast projections of the business.

The first tranche cash payment of \$173.9 million was settled on 29 April 2022. Subsequently, the completion statement was finalised resulting in a purchase price reduction amounting to \$1.0 million.

The on target and maximum consideration for the transaction is \$197.9 and \$222.9 million respectively. The range of potential outcomes, undiscounted, is \$172.9 million to \$222.9 million. The expectation at acquisition is that it will be cash settled, however, the purchase agreement allows for this consideration to be settled in cash and/or equity at APM's discretion.

The contingent consideration is recognised as a financial liability on the balance sheet and is measured at fair value through the profit or loss. The contingent consideration is accounted for in accordance with AASB 9 Financial Instruments and disclosed as a financial liability as the amount to be paid is variable, based upon the post-acquisition financial and commercial performance of the Realbase Group.

AASB 3 Business Combinations allows a measurement period after a business combination to provide the acquirer a reasonable time to obtain the information necessary to identify and measure all of the various components of the business combination as of the acquisition date. The period cannot exceed one year from the acquisition date.

Notes to the Consolidated Financial Statements

for the half year ended 31 December 2022

Significant judgements, estimates and assumptions

Contingent consideration from business combinations is valued at fair value on the acquisition date. When the contingent consideration meets the definition of a financial liability, it is remeasured to fair value at each reporting date with revaluations recognised within the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

The determination of the fair value is based on discounted cashflows. The key assumptions include the probability and timing of meeting commercial and financial performance targets and the discount factor. Management uses their best estimates of future cashflows and other key assumptions to determine the appropriate fair value of contingent consideration on acquisition and at each subsequent reporting period. Given the fair value measurement was performed using significant non-observable inputs, the fair value was classified as a Level 3 measurement.

The contingent consideration is classified as an 'other payable' and is disclosed as part of 'Trade and other payables' on the Consolidated Balance Sheet.

IDS Group

Management remeasured the contingent consideration at reporting date based on its best estimates of key assumptions and future developments in the business performance of the IDS Group. As a result, the contingent consideration was remeasured to \$31.5 million (30 June 2022: \$32.3 million) discounted and \$34.9 million (30 June 2022: \$36.7 million) undiscounted, with the resulting gain being recorded in the profit or loss and disclosed as a significant item (refer to Note 4). At each reporting period, Management will continue to remeasure the contingent consideration based on the IDS Group securing and delivering specified government contracts over the earn out period ending in June 2027.

Realbase Group

For the contingent consideration associated with the Realbase Group, at both acquisition and reporting date, Management determined the fair value of the contingent consideration to be nil based on forecast projections of the business. At each reporting period, Management will remeasure the contingent consideration based on the latest forecast financial performance of the business.

7. Intangible Assets

| | 31 December 2022 \$'000 | Restated ⁽ⁱⁱ⁾ 30 June 2022 \$'000 |
|---|-------------------------------|---|
| Brand and tradenames | 283,488 | 284,112 |
| Goodwill | 965,828 | 966,394 |
| Software | 48,636 | 46,857 |
| Software (capital works in progress) ⁽ⁱ⁾ | 7,566 | 7,075 |
| Customer relationships | 69,090 | 72,267 |
| Total intangible assets | 1,374,608 | 1,376,705 |

(i) The prior year balance is inclusive of \$0.4 million adjustment as a result of the repayment of JobKeeper during the period.

(ii) Certain amounts shown here do not correspond to the annual consolidated financial statements as at 30 June 2022. Refer to Note 1 for further details.

The movement in intangibles during the year is primarily due to additions and amortisation in the ordinary course of business in addition to the acquisitions outlined in Note 6.

Notes to the Consolidated Financial Statements

for the half year ended 31 December 2022

Reconciliations

Reconciliations of the carrying amount of each class of intangible at the beginning and end of the half year ended 31 December 2022 are set out below:

| Note | Brand and Tradenames \$'000 | Goodwill \$'000 | Software \$'000 | Software (Capital Works in Progress) \$'000 | Customer Relationships \$'000 | Total \$'000 |
|--|--------------------------------|--------------------|--------------------|---|----------------------------------|------------------|
| 31 December 2022 | | | | | | |
| Balance at beginning of the year | 269,852 | 1,037,894 | 16,839 | 7,075 | 29,911 | 1,361,571 |
| Acquisitions through business combinations (restated) | 14,260 | (71,500) | 30,018 | - | 42,356 | 15,134 |
| Restated opening balance | 284,112 | 966,394 | 46,857 | 7,075 | 72,267 | 1,376,705 |
| Additions | - | - | 170 | 12,800 | - | 12,970 |
| Reclassification from works in progress | - | - | 12,309 | (12,309) | - | - |
| Impairment | - | (566) | - | - | - | (566) |
| Disposals | - | - | (153) | - | - | (153) |
| Amortisation 3(B) | (624) | - | (10,547) | - | (3,177) | (14,348) |
| At 31 December 2022, net of accumulated amortisation and impairment | 283,488 | 965,828 | 48,636 | 7,566 | 69,090 | 1,374,608 |
| At 31 December 2022 | | | | | | |
| Cost | 289,334 | 1,401,309 | 157,915 | 7,566 | 108,749 | 1,964,873 |
| Accumulated amortisation and impairment | (5,846) | (435,481) | (109,279) | - | (39,659) | (590,265) |
| Net carrying amount | 283,488 | 965,828 | 48,636 | 7,566 | 69,090 | 1,374,608 |

8. Interest Bearing Liabilities

| | 31 December 2022 \$'000 | 30 June 2022 \$'000 |
|---|-------------------------------|---------------------------|
| Non-current interest bearing liabilities – unsecured | | |
| Bank borrowings | 204,199 | 218,648 |
| Total non-current interest bearing liabilities | 204,199 | 218,648 |
| Net debt | | |
| Cash and cash equivalents | (31,741) | (67,116) |
| Non-current interest bearing liabilities | 204,199 | 218,648 |
| Net debt | 172,458 | 151,532 |

Notes to the Consolidated Financial Statements

for the half year ended 31 December 2022

A. Financing arrangements

The Group's net debt was \$172.5 million as at 31 December 2022 (30 June 2022: \$151.5 million).

B. Bank borrowings

| Facility | Interest Rate | Maturity ⁽ⁱ⁾ | 31 December 2022 Commitment | 30 June 2022 Commitment |
|----------------------|-------------------------------------|-------------------------|-----------------------------------|-------------------------------|
| A – Revolving credit | BBSY + 1.20% - 1.90% ⁽ⁱ⁾ | Dec-25 | \$5.0 million | \$5.0 million |
| B – Revolving loan | BBSY + 1.20% - 1.90% ⁽ⁱ⁾ | Dec-25 | \$210.0 million | \$210.0 million |
| C – Revolving loan | BBSY + 1.35% - 2.05% ⁽ⁱ⁾ | Dec-26 | \$140.0 million | \$140.0 million |
| Total | | | \$355.0 million | \$355.0 million |

(i) The interest rate margin is dependent on the Group's net debt to EBITDA ratio.

The interest rate for drawings under this facility is the applicable bank bill swap bid rate (BBSY) plus the relevant credit margin.

As at 31 December 2022, the Group had drawn \$205.0 million (30 June 2022: \$220.0 million) of the total available facility with \$150.0 million (30 June 2022: \$135.0 million) unused credit facilities.

C. Fair value measurement

The carrying value of bank borrowings approximate the fair value as at the reporting date.

9. Dividends

A. Dividends Paid

| | 31 December 2022 \$'000 | 31 December 2021 \$'000 |
|--|-------------------------------|-------------------------------|
| Dividend: fully franked 4.0 cents – paid 13 September 2022 | 25,266 | - |
| Dividend: fully franked 4.0 cents – paid 9 September 2021 | - | 23,371 |
| Total dividends paid | 25,266 | 23,371 |

B. Dividends Proposed and not recognised as a Liability

Since the end of the half year, the Directors have resolved to pay a dividend of 2.0 cents per fully paid ordinary share, 100% franked at the corporate tax rate of 30%. The aggregate amount of the dividend to be paid on 14 March 2023 out of current year and retained profits, but not recognised as a liability at the end of the half year, is expected to be \$12.6 million.

Notes to the Consolidated Financial Statements

for the half year ended 31 December 2022

10. Earnings Per Share

| | 31 December 2022 | 31 December 2021 |
|---|---------------------|---------------------|
| Earnings per share (EPS) | | |
| Basic EPS (in cents) | 2.24 | 3.34 |
| Diluted EPS (in cents) | 2.23 | 3.32 |
| Earnings reconciliation – basic | | |
| Net profit attributable to owners of the parent (\$'000) | 14,118 | 19,486 |
| Earnings reconciliation – diluted | | |
| Net profit attributable to owners of the parent (\$'000) | 14,118 | 19,486 |
| Weighted average number of ordinary shares used in calculating basic EPS | 631,657,153 | 584,263,689 |
| Weighted average number of ordinary shares used in calculating diluted EPS | 634,412,060 | 587,374,049 |

11. Commitments and Contingencies

At 31 December 2022, the Group had no commitments. At 31 December 2021, the Group had commitments of \$0.6 million relating to the design and implementation of new financial reporting and billing systems.

12. Events Subsequent to Reporting Date

There were no other events that have occurred after the end of the year that would materially affect the reported results or would require disclosure in this report.

13. Related Parties and Entities

A. Ultimate parent

The ultimate parent of the Group is Nine Entertainment Co. Holdings Limited which is based in Australia and listed on the ASX.

B. Key Management Personnel (KMP) and Non-Executive Directors

A number of Directors of the Company also hold directorships with other corporations which provide and receive goods or services to and from the Group in the ordinary course of business on normal terms and conditions. None of these Directors derive any direct personal benefit from the transactions between the Group and these corporations.

Transactions were entered into during the year with the Directors of the Company and its controlled entities or with Director-related entities:

- which occur within a normal employee, customer or supplier relationship on terms and conditions no more favourable than those which it is reasonable to expect would have been adopted if dealing with the Director or Director-related entity at arm's length in the same circumstances;
- information about which does not have the potential to adversely affect decisions about the allocation of scarce resources by users of the financial statements, or the discharge of responsibility of the Directors; and
- which are minor or domestic in nature.

Notes to the Consolidated Financial Statements

for the half year ended 31 December 2022

C. Transactions with related parties

The following table provides the total value of transactions that were entered into with the ultimate parent company and other related parties for the relevant financial year.

| | Transaction Value for the Year Ended | | Balance Outstanding | |
|---------------------------------|---|-------------------------------|-------------------------------|---------------------------|
| | 31 December 2022 \$'000 | 31 December 2021 \$'000 | 31 December 2022 \$'000 | 30 June 2022 \$'000 |
| Ultimate parent company | | | | |
| Sales to related parties | 2,022 | 2,043 | - | - |
| Purchases from related parties | (2,828) | (3,114) | - | - |
| Amounts owed by related parties | - | - | 4,943 | 2,920 |
| Amounts owed to related parties | - | - | (9,612) | (6,784) |
| Other related parties | | | | |
| Amounts owed to related parties | - | - | (157) | 2,123 |

Directors' Declaration

for the half year ended 31 December 2022

In accordance with a resolution of the Directors of Domain Holdings Australia Limited (Company), we declare that:

In the opinion of the Directors,

- a) the financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001* including:
 - (i) giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the six months period ended on that date; and
 - (ii) complying with the Australian Accounting Standards and the *Corporations Regulations 2001*.
- b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



Nick Falloon
Chairman

Sydney
16 February 2023



Jason Pellegrino
Managing Director and Chief Executive Officer

Independent auditor's review report to the members of Domain Holdings Australia Limited

Conclusion

We have reviewed the accompanying half-year financial report of Domain Holdings Australia Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated balance sheet as at 31 December 2022, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2022 and of its consolidated financial performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' responsibilities for the half-year financial report

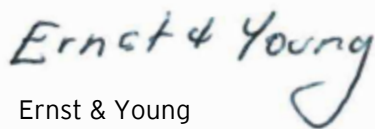
The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation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

Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

A handwritten signature in dark blue ink that reads 'Ernst & Young' in a cursive style.

Ernst & Young

A handwritten signature in dark blue ink that reads 'J Inglis' in a cursive style.

J Inglis

Jodie Inglis
Partner
Sydney
16 February 2023