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Domain Group

Annual Report 2022





Inspiring confidence in life's property decisions



7

Business Performance Overview

11

Chairman's Report and CEO's Report

19

Environmental, Social and Governance

37

Directors' Report

50

Auditor's Independence Declaration

51

Remuneration Report

79

Corporate Governance Statement

101

Management Discussion and Analysis Report

107

2022 Financial Report

159

Independent Auditor's Report

167

Shareholder Information

175

Corporate Directory

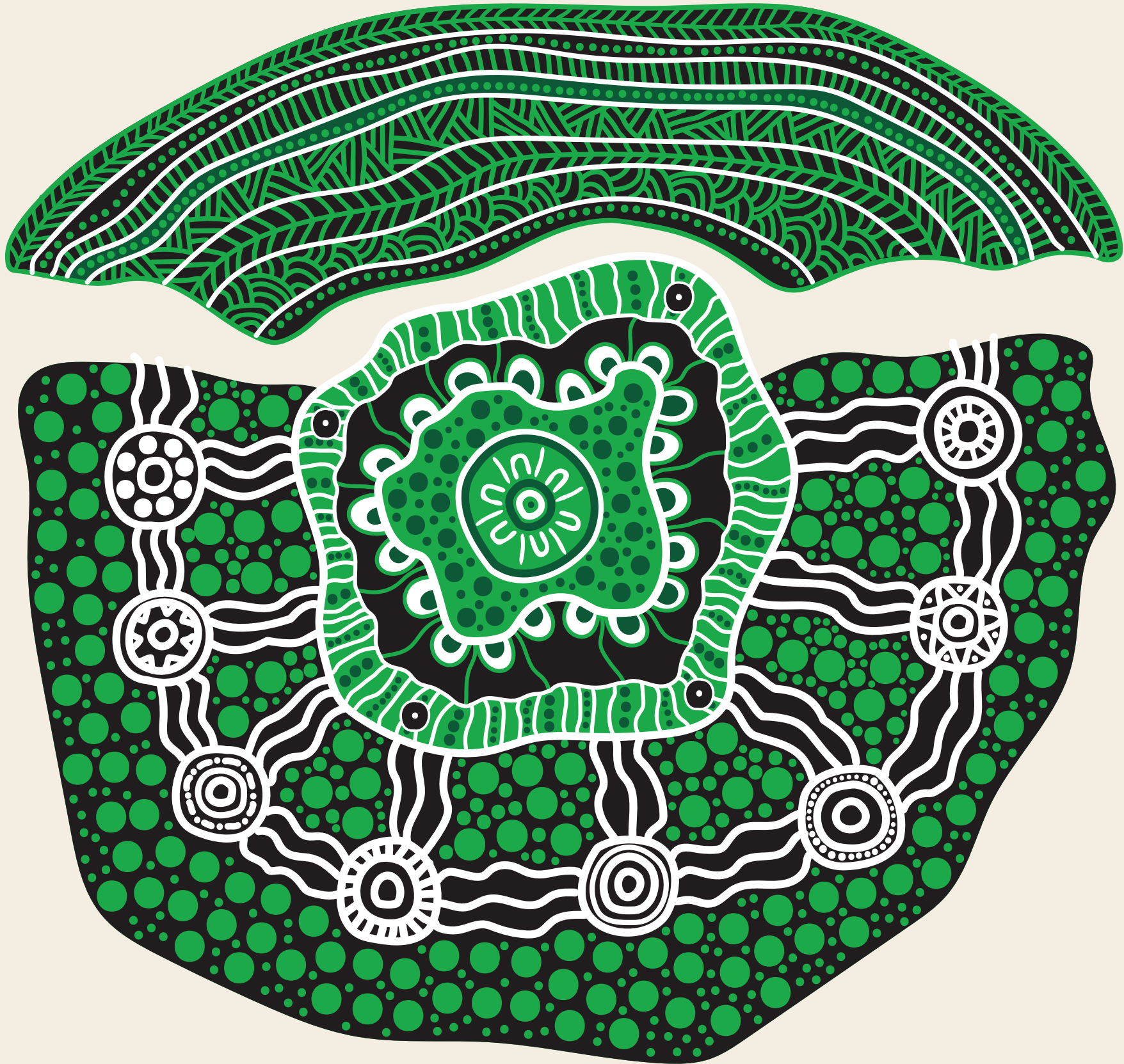
Acknowledgement of Country

Domain Group acknowledges the Traditional Custodians of the lands on which it operates. We recognise their enduring connection to the land and waters, and that this continent always was and always will be Aboriginal land.

Domain's headquarters are located on Eora Country, we acknowledge and pay our respects to the Gadigal People of the Eora Nation as the Traditional Custodians of this land.

We extend this respect to Elders past and present, and to any Aboriginal and Torres Strait Islander peoples reading this Annual Report.

We acknowledge that sovereignty was never ceded.



"With open hearts and minds, together we grow." Artwork by Wakka Wakka artist, David Williams



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Introduction

Introduction

Directors
Report

Remuneration
Report

Corporate
Governance

Mgmt Discussion
and Analysis

2022 Financial
Report

Independent
Auditor's Report

Shareholder
Information

Corporate
Directory

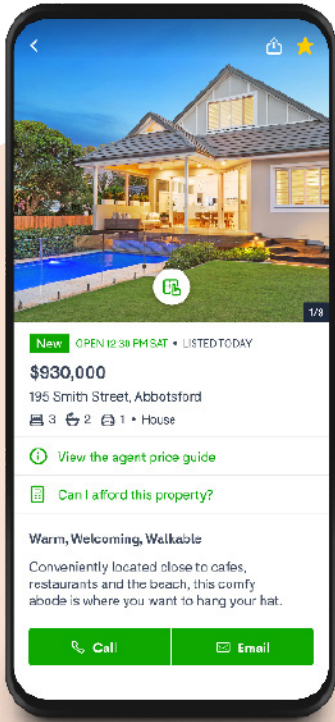
Business Performance Overview

Core Digital

Core Digital comprises Residential; Media, Developers & Commercial; Agent Solutions; and Property Data Solutions. These businesses deliver subscription, premium listing and other services to agents and corporates, connecting them with Domain’s quality, engaged audiences at every stage of the property lifecycle.



‘For sale’ listing volumes increased 9% year-on-year, with particular strength in Q2 as the market emerged from Q1 lockdowns. The recovery in volumes combined with significant expansion in yield per listing, reflecting actions undertaken to drive revenue through Domain’s micro-market strategy.



Residential

Revenues for the Residential business are generated from ‘for sale’ and rental property listings across Domain’s desktop, mobile and social platforms. Premium (depth) listings account for the largest proportion of revenue, with the remainder being contributed from monthly subscriptions.

Residential revenue increased 23% year-on-year, despite widespread COVID-19-related lockdowns in H1. ‘For sale’ listing volumes increased 9% year-on-year, with particular strength in Q2 as the market emerged from Q1 lockdowns. The recovery in volumes combined with significant expansion in yield per listing, reflecting actions undertaken to drive revenue through Domain’s micro-market strategy. Domain delivered another year of record depth penetration, and implemented price increases which were supported by the expanding value being delivered to agents and consumers.

Media, Developers & Commercial

Media provides a digital display platform for brands to advertise to Domain’s quality consumer audiences. Developers showcases listings and advertising opportunities for residential property developments. Commercial Real Estate (CRE) services include digital subscription, depth listings and display advertising for a range of sectors including industrial, office, retail and developers.

Revenue increased 7% year-on-year, with a stronger H1 performance across all three verticals. CRE was the best performing business, delivering solid revenue growth for the year, benefiting from its flexible value-based pricing model. The business delivered record levels of depth penetration which offset a weaker listings environment. Developers also delivered a solid depth performance in a challenging market for multi-storey developments. Media continued to leverage quality audiences and content, although an elevated base of comparison from the prior year constrained H2 growth rates.

Agent Solutions

Agent Solutions helps agents build profitable and sustainable businesses by delivering a suite of innovative solutions that digitise key steps in the agent workflow. Pricefinder (agents) provides a platform of comprehensive property data, Real Time Agent (RTA) supplies digital agency agreements, auction solutions and contracts, and Homepass delivers a registration tool and database for property open-for-inspections. Property marketing platform Realbase was acquired in April 2022 to fill key gaps in the end-to-end agent workflow. Realbase is the number one campaign management platform in Australia, and brings high growth products in the digital proposals and social media marketing categories.

Revenue increased 67% year-on-year and 17% on an underlying basis excluding the Realbase acquisition from May 2022. Pricefinder delivered the strongest subscriber growth in seven years, while RTA continued to deliver strong customer growth and geographic expansion.

Property Data Solutions

During the year the Property Data Solutions (PDS) business unit was separated from Agent Solutions to drive greater focus on creating a high quality data asset to benefit the entire Domain Marketplace. PDS creates actionable customer centric insights for agents, consumers, government, financial institutions and corporates, leveraging Pricefinder and Australian Property Monitors’ (APM) multi-decade track record of timely and accurate property data. The acquisition of Insight Data Solutions (IDS) during the year marks a major step forward in accessing government and financial institution markets, providing new long term growth opportunities.

Revenue increased 35% year-on-year, and 13% on an underlying basis excluding the IDS acquisition in October 2021. Pricefinder and APM delivered ongoing momentum, with benefits from sales team relaunch and refocus.

* excluding significant items

Consumer Solutions

Consumer Solutions comprises Domain’s consumer-facing home loan broking business Domain Home Loans (DHL), operated as a joint venture with specialist provider Lendi.

Consumer Solutions’ revenue outperformed the broader market, increasing 69% year-on-year, and benefiting from improved conversion metrics and strong growth in settlements. Earnings before interest, tax, depreciation and amortisation (EBITDA) losses reduced 31% year-on-year reflecting the benefits of increased revenue scale and operating efficiencies. DHL’s differentiated consumer offering leverages Domain’s unique property insights and investment in the user experience, and is recognised with outstanding customer reviews.

Domain has stepped away from business activities through Domain Insure and other ventures to focus on DHL’s award-winning services.

Print

Domain’s magazines, *Domain*, *Domain Prestige*, *Allhomes* and *Domain Review* deliver property listings and property and lifestyle editorial to print audiences.

Domain and *Domain Prestige* magazines are distributed through Nine’s leading publications *The Sydney Morning Herald*, *The Age* and *The Australian Financial Review*. The *Allhomes* magazine is distributed through the *Canberra Times*. *Domain Review*, a free premium lifestyle and property listings publication, is distributed in affluent Melbourne suburbs.

Print revenue increased 22% year-on-year, with the recovery concentrated in FY22 H1. H2 delivered a modest decline, reflecting the timing of COVID-19-related lockdowns in FY21. The EBITDA contribution of \$5.6 million more than doubled year-on-year, underpinned by revenue recovery and continued careful management of cost. While structural shifts in revenue from print to digital are ongoing, print continues to deliver strategic value to agents. Domain’s titles operate in premium, high value markets where agents benefit from the access to passive audiences, and the opportunity to build profile and brand.

\$9.4m*
FY22 Revenue

\$(4.3)m*
FY22 EBITDA

\$21.7m*
FY22 Revenue

\$5.6m*
FY22 EBITDA

* excluding significant items



Chairman’s Report

Nick Falloon

“Through the trading volatility of the past four years Domain has maintained the pace of our business model evolution while responding to the changing environment. During the different phases of the property cycle, Domain has maintained the appropriate balance of cost discipline and investment in innovation to best position the business for the future.”

\$356.7m*	\$55.3m*	6.0c
Revenue	Underlying Net Profit after Tax	Total dividend per share
\$122.1m*	9.3c*	1.2x*
EBITDA	Earnings per share	Net debt to EBITDA

* reflects trading performance excluding significant items



Thank you to shareholders for your ongoing support. I am pleased to report that our balanced approach of investing in innovation for the future, while maintaining cost discipline, has served Domain well through the property market volatility of recent times. Our team has remained laser focused on the elements of our business that

we can control, and this approach has positioned Domain to leverage property market strength, while providing downside protection when the cycle has been less supportive. Our ambitions for Domain are high, and the foundations we are building for our Marketplace strategy support our evolution to a much bigger revenue business.

Financial Performance

Domain’s trading results (excluding significant items) for FY22 delivered revenue growth of 23.2% to \$356.7 million, underpinned by the contribution from our Marketplace strategy, and a continued improvement in the property listings environment.

Expenses increased by 24% on a reported basis and 16% on an ongoing basis.¹ As I outlined in my 2021 report, the Board made the decision to repay the Jobkeeper grant received in FY21 as a result of our increased confidence in the property market outlook, and the robust performance of the business. Earnings before interest, tax, depreciation and amortisation (EBITDA) increased 21% to \$122.1 million on a reported basis, and 38% to \$130.1 million on an ongoing basis.¹

Underlying net profit after tax (NPAT) attributable to members increased 46% to \$55.3 million. Domain reported a statutory net profit of \$35.1 million after taking into account significant items. Significant items of a \$20.2 million net of tax expense were predominately due to the ongoing implementation of new finance and billings systems, remeasurement of contingent and deferred consideration, M&A transaction costs and renegotiation of lease agreements and resulting disposal of plant and equipment.

Underlying earnings per share were 9.3 cents, and total dividends were 6.0 cents, 100% franked.

Domain’s balance sheet remains strong, with net debt at 30 June 2022 of \$151.5 million, and a leverage ratio of 1.2 times EBITDA.

¹ Ongoing result excludes JobKeeper and Project Zipline expense of \$8.0 million in FY22, and JobKeeper and Project Zipline benefit of \$6.5 million in FY21. Project Zipline was Domain’s voluntary employee and director program implemented during the initial stages of the COVID-19 pandemic to deliver a 20% reduction in employee cash salary costs.

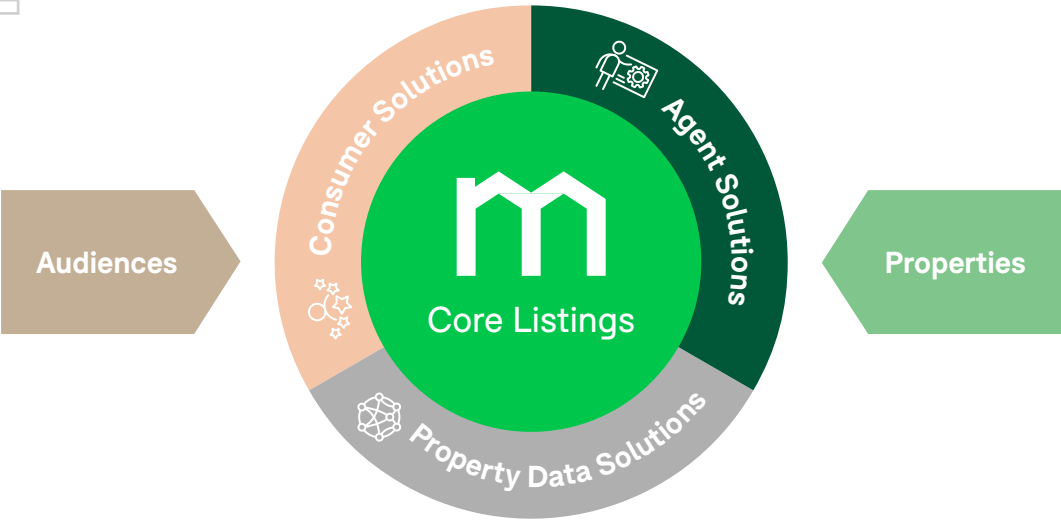
Marketplace Strategy

In my 2021 report I outlined the evolution of Domain's strategy to create a property Marketplace that leverages the opportunities that our data and insights provide for richer and more valuable user experiences. Our goal is to make our solutions work better together, and expand the addressable market for our services to support customers and consumers at more points of their property journeys.

Domain's cohesive ecosystem of services includes:

- **Core Listings:** Builds on our valuable heritage as a classified business to connect Domain's quality, engaged audiences with properties and agents across digital, print and social;
- **Agent Solutions:** Helps agents grow their businesses by providing an end-to-end suite of innovative workflow solutions, building on our long-term and trusted relationships;
- **Consumer Solutions:** Partners with specialist providers to deliver direct to consumer services, with a current focus on home loans; and
- **Property Data Solutions:** Provides actionable and customer centric property data solutions to a broad range of clients including agents, consumers, government, financial institutions and corporates.

During FY22, Domain invested in additional growth drivers for our Marketplace model. In October 2021 we acquired Insight Data Solutions (IDS), taking a major step forward in accessing the government and financial institutions markets. In April 2022 we acquired Realbase, financed by a \$180 million capital raising which was well supported by our shareholders, particularly our major shareholder, Nine. Realbase plugs gaps in Agent Solutions, and strengthens Domain's comprehensive end-to-end agent workflow platform. These investments in our Marketplace strategy support agents and consumers at more points of their property journeys, and broaden the revenue opportunities available to Domain.



Our Company

Domain's commitment to progressing our Environmental, Social and Governance practices is reflected in the actions taken during the year to extend the measurement of our environmental footprint, and lay the foundations to establish a plan to achieve carbon neutrality. We are exploring ways in which Domain can use our platform for good, and become a thought leader on the impact of climate change on the housing market, harnessing the passion of our employees for progress on sustainability initiatives. During the year Domain received bronze recognition from the Australian Workplace Equality Index (AWEI) for our commitment to making Domain a home for everyone. Additionally, Domain has signed up to the 40:40 Vision, an investor-led initiative to ensure diversity within executive leadership teams.

Further details are highlighted in the Environmental, Social and Governance section on pages 19-34 of this Annual Report.

I would like to take this opportunity to thank my fellow Board members for the contribution they make to Domain. Their guidance and expertise provide great benefit to the Company and shareholders. I would like to welcome Nine executive Rebecca Haagsma who, as announced on 12 August 2022, will replace Lizzie Young on the Board effective 1 September 2022. The directors look forward to speaking with as many shareholders as possible at our Annual General Meeting to be held on 9 November 2022.

On behalf of the Board, I would like to thank our talented people for their hard work and dedication in evolving Domain to a property Marketplace. I would like to acknowledge Jason Pellegrino and his leadership team for their inspirational and agile leadership in positioning Domain to deliver on the growth opportunities ahead. The efforts of the entire business position Domain to deliver to our purpose of inspiring confidence in life's property decisions.

Nick Falloon
Chairman

CEO's Report

Jason Pellegrino

"Domain's commitment to the evolution of our business model has served us well through the ever-changing property market backdrop of recent years. By focusing on the elements of our business that we can control, we are building a fundamentally stronger and higher quality business, well placed to maximise the growth opportunities that lie ahead."

14%
Growth in residential yield

31%
YoY growth in ongoing¹ Core Digital EBITDA

70%
YoY growth in Real Time Agent revenue

69%
Consumer Solutions revenue growth (supported by strong underlying growth at Domain Home Loans)

¹ Ongoing result excludes JobKeeper and Project Zipline expense of \$8.0 million in FY22, and JobKeeper and Project Zipline benefit of \$6.5 million in FY21. Project Zipline was Domain's voluntary employee and director program implemented during the initial stages of the COVID-19 pandemic to deliver a 20% reduction in employee cash salary costs.

Increased depth penetration and record number of depth contracts



Domain's strong FY22 performance is testament to the results of our Marketplace strategy, the talent and creativity of our team, and a supportive property market environment. Despite the widespread COVID-19-related lockdowns in the early part of FY22, the listings recovery continued and combined with our focus on controllable yield to drive our outstanding results. While property market fundamentals have become more challenging in a rising interest rate environment, we remain confident that the strategy we are implementing will support the long term growth opportunities that are available to Domain.

Marketplace Strategy

Domain's purpose of inspiring confidence in life's property decisions is the driving force behind the creation of our property Marketplace. Our goal is to continually increase the value we bring to our customers and consumers, and support them at more points of their property journeys. Domain delivers even more valuable and differentiated connections between properties, consumers and customers, supported by our growing and cohesive ecosystem of services and solutions.

During the year we took important steps forward in implementing our Marketplace strategy with continued investment in innovation, and the acquisitions of Realbase and Insight Data Solutions (IDS) to broaden our addressable markets. These acquisitions strengthen the market positioning of our Agent Solutions and Property Data Solutions business units, and importantly, also strengthen the value of our Core Listings business. Central to our Marketplace philosophy is the idea that our solutions should work better together to support additional growth opportunities right across our business.

For each of our solutions we are implementing a strategy which maximises their differentiated capabilities to drive value.

- In **Core Listings**, our targeted micro-market strategy, customised approach, and flexible pricing model are driving growth in controllable yield that provides a buffer against property listings volatility.
- In **Agent Solutions**, we are building on our track record of trusted partnerships to deliver products and services integrated into the agent workflow. The acquisition of Realbase supplements existing capabilities, and plugs gaps in the end-to-end agent workflow platform.
- In **Consumer Solutions**, our differentiated strategy is anchored around our digital first approach which differs materially from bricks and mortar solutions available in the market. Domain Home Loans (DHL) is delivering an outstanding consumer experience and industry-leading reviews.
- In **Property Data Solutions**, we are building on our multi-decade track record of accurate and timely property data. The acquisition of IDS provides a major step forward in accessing the government and financial institutions market.

FY22's strong performance reflects the impressive 'Better Together' results our solutions are driving across our property Marketplace:

- In **Core Listings**, we achieved a 14% increase in controllable residential yield with depth penetration reaching new heights. We signed a record number of new and upsell depth contracts; the 70% increase in new contracts in Q4 provides a particularly encouraging start to FY23.
- In **Agent Solutions**, we acquired Realbase to scale the business and address new markets. We delivered revenue growth of 70% at Real Time Agent (RTA), and Pricefinder delivered 12% subscriber growth, with the best net additions in seven years.
- In **Consumer Solutions**, our new management team delivered revenue growth of 69%, supported by strong underlying growth at DHL. The increasing efficiency of the business is reflected in the 35% increase in conversion to approval achieved over the past two years.
- In **Property Data Solutions**, the IDS acquisition significantly expands the size of our addressable markets, and we are seeing momentum in new client wins in the financial institution and government sectors. During the year we undertook significant investment in data to build a Single View of Property, to create Australia's best quality property data asset.

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FY22 Performance

(excluding significant items)

Core Digital

Core Digital revenues increased 23% to \$325.5 million. On a reported basis operating earnings before interest, tax, depreciation and amortisation (EBITDA) increased 18% to \$154.0 million. On an ongoing basis,¹ EBITDA increased 31% to \$158.9 million.

Residential

Residential revenue increased 23% to \$239.2 million, supported by property market recovery and our micro-market strategy designed to maximise yield per listing. Residential ‘for sale’ listings increased 9% year-on-year despite widespread COVID-19-related lockdowns in H1. Controllable yield was 14% higher, an improvement from the 11% increase in the prior year. The improved property environment supported price increases, and Domain continued to drive impressive gains in depth penetration, which reached another record high. Depth revenue increased 26% year-on-year, demonstrating the growing value Domain delivers to agents and consumers at every stage of the property journey.

Media, Developers & Commercial

The 7% increase in revenue to \$49.4 million reflected a strong H1 performance across all three verticals. Commercial Real Estate was the best performing business, delivering solid revenue growth for the year, and benefiting from its flexible value based pricing model. The business delivered record levels of depth penetration across every state in both sale and lease, offsetting a weaker listings environment.

Developers also delivered a solid depth performance in a challenging market for multi-storey developments. Weakness in the ACT reflected the COVID-19-related H1 shutdowns. Media continued to leverage quality audiences and content, although an elevated base of comparison from the prior year constrained H2 growth rates.

Agent Solutions

Revenue increased 67% year-on-year to \$21.9 million benefiting from the acquisition of Realbase from May 2022. Excluding Realbase, underlying revenue was 17% higher. Pricefinder delivered 12% year-on-year growth in subscribers, and its largest net additions in seven years, supported by an enhanced sales effort and lower churn. RTA’s growth momentum continued with 70% year-on-year revenue growth based on momentum in new customer acquisition, increased geographic footprint and expanded product take up by existing customers. Our acquisition of Realbase contributed to revenue from May 2022 and we are excited by the opportunity to strengthen our end-to-end agent workflow solutions. Realbase’s high growth offerings Engage and AIM are delivering significant momentum in pre-list and proposals products and social and digital media marketing.

Property Data Solutions

Property Data Solutions’ revenue increased by 35% with solid underlying growth of 13% from Pricefinder and Australian Property Monitors (APM), and the contribution of IDS following the completion of our acquisition in mid-October 2021. Pricefinder non-agent performance accelerated in H2, benefiting from the sales team relaunch and refocus, and large enterprise account wins. APM delivered stable valuations contribution and strong growth in revenue from its expanding API customer base. IDS is demonstrating strong progress in both the financial institution and government sectors. The business achieved a new contract with NAB so that the Domain Group now services all four of the major banks, and has been selected as a preferred supplier to the number five bank. In the government sector IDS is close to securing the next Valuer General whole-of-state contract, and the NSW Government tender is underway sooner than expected.



Consumer Solutions & Other

Consumer Solutions’ revenue increased 69% with strong momentum at DHL. Going forward we have decided to step away from Domain Insure and other ventures to focus on the significant runway we see ahead for DHL. DHL’s award winning service, differentiated marketplace solutions and refreshed leadership team are driving a step change in performance. FY22 delivered improving conversion metrics, and strong settlement growth up 69% year-on-year. EBITDA losses reduced 31% year-on-year, reflecting the benefits of increased revenue scale and operating efficiencies.

Print

Print revenues increased 22% year-on-year, with the recovery concentrated in H1 reflecting the timing of COVID-19-related lockdowns in the prior year. During FY21, the mastheads published only 68% of their usual schedule. Print’s EBITDA contribution more than doubled year-on-year, underpinned by the revenue recovery, and ongoing careful management of cost. Domain’s magazines continue to experience support from agents and vendors in the high value premium markets where print remains sustainable.

Our People

Domain’s people live our values through their dedication, creativity and commitment to advancing Domain’s evolution to a property Marketplace. I commend them for these attributes. I would like to thank the Board, led by Nick Falloon for its expertise and wise counsel, and tireless commitment to creating a stronger business. Finally, I would like to express my appreciation to our shareholders for their confidence and support of Domain, particularly in our recent capital raising to fund the Realbase acquisition.

The early results from our Marketplace transition are an indication of the opportunities that lie ahead. We are ambitious to deliver on Domain’s significant potential as we continue to inspire confidence in life’s property decisions.



Jason Pellegrino
Chief Executive Officer

¹ Ongoing result excludes JobKeeper and Project Zipline expense of \$8.0 million in FY22, and JobKeeper and Project Zipline benefit of \$6.5 million in FY21. Project Zipline was Domain’s voluntary employee and director program implemented during the initial stages of the COVID-19 pandemic to deliver a 20% reduction in employee cash salary costs.

Environmental, Social and Governance

ESG at Domain

As a leading property marketplace, Domain is committed to delivering sustainable value to all its stakeholders.

Domain does this by embracing sustainable business practices, ensuring customer satisfaction, monitoring its supply chain, being an employer of choice, managing its environmental footprint and supporting and investing in the communities it operates in.

Domain's People, Culture and Sustainability Board Committee is responsible for overseeing Domain's environmental, social and governance risks and initiatives, and the Domain ESG Plan and ESG Policy. Domain's ESG Plan and ESG Policy are available at Domain's ESG website at domain.com.au/group/esg/.

This section sets out details of Domain's ESG arrangements and activities for the financial year ended 30 June 2022 (FY22).

Environmental

Emissions

Domain is committed to increasing the transparency of its greenhouse gas (GHG) reporting and to implementing reduction mechanisms to minimise its impact on the planet.

Domain has continued to commission Cushman & Wakefield to manage and report on Domain's Scope 1 and 2 GHG emissions.

In FY22, Domain continued to gain the benefits of its office relocation in FY21 and saw a further 15% reduction on its energy consumption within its portfolio; additional reductions in consumption were due to the low utilisation of office space during the COVID-19 pandemic driven work-from-home initiatives in the first half of the year. The purchase of 100% GreenPower accredited electricity in Western Australian, New South Wales and Victorian offices, combined with the reduced office footprint and utilisation, allowed Domain to achieve an 85% Scope 1 and 2 GHG emissions reduction from FY21.

In FY22 Domain saw a further 15% reduction on its energy consumption within its portfolio and we achieved an 85% Scope 1 and 2 GHG emissions reduction from FY21.



Domain's total energy consumption and Scope 2 emissions are shown in Figures 1 and 2 below. These figures include the consumption and emissions of Domain Holdings Australia Limited and its controlled entities, being the Domain Group.

Figure 1: Domain Group Energy Consumption (kWh)

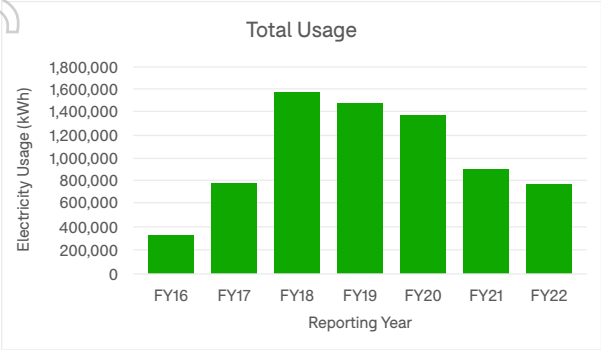
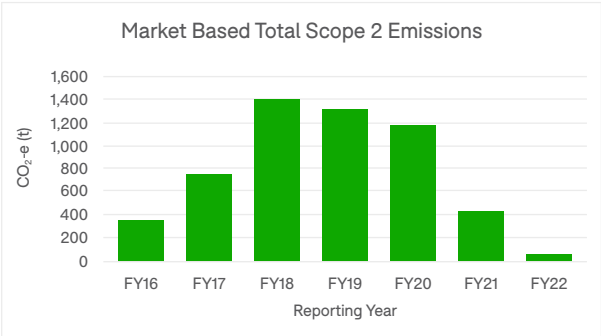


Figure 2: Domain Group GHG Emissions (Scope 2, market-based)



In FY22, we measured our Scope 3 emissions for the first time. Pangolin Associates were commissioned to conduct a comprehensive assessment of the Scope 3 GHG emissions accountable to Domain's Australian operations. The results will form the basis to develop robust management and reduction practices to improve Domain's carbon footprint in future financial years.

Domain's FY22 Environmental Footprint Performance report is currently available at Domain's ESG (Environmental) website at domain.com.au/group/esg/environmental/.

Domain will publish a FY22 GHG report that will contain additional information, such as a breakdown of energy use between Domain's Australian offices.



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Sustainable Office Management

Domain has continued its efforts to source renewable energy for its Australian operations by expanding its GreenPower purchasing. Currently 4 out of 6 Domain Australian offices run on 100% renewable energy, covering more than 80% of Domain's Australian headcount.

FY22 saw the third NABERS assessment for our Sydney office. NABERS is a national rating system that measures the environmental performance of Australian buildings and tenancies. It measures the energy efficiency, water usage, waste management and indoor environment quality of a building or tenancy, and its impact on the environment. We are proud to announce we received an energy score of 6 for FY22, the highest possible score.

Domain has been participating in the CitySwitch Green Office program since 2019, committing to improve the Sydney office's sustainability performance and reduce its greenhouse gas emissions. As a CitySwitch Signatory, Domain has pledged to achieve a 6-star energy efficiency rating, invest in renewable energy, improve waste reduction by increasing the recycling rate up to 50%, and focus on Indoor Environment Quality (IEQ). In FY22, we successfully achieved a 6 star energy rating and invested in more renewable energy for our Canberra office. We are currently enhancing our waste management, with an increased focus on correct recycling and accurate waste measurement.

Sustainable Software Engineering

During FY22, Domain's Cloud Platforms team developed and ran an initiative titled 'Better4Less'. The initiative was created to measure Amazon Web Services' (AWS) costs and carbon footprint within the Cloud Platforms team. The program successfully saved USD\$45k per month on an ongoing basis, and lowered data storage GHG emissions by 9%. Due to the success of the initiative, a small team has been created and is partnering with AWS to build upon the initial program. The goal is to create a program which is rolled out technology-wide to help reduce Domain's overall carbon footprint.

Environment Committee

Domain is grateful to have many employees who are passionate about the environment. We have developed an employee Environment Committee, a cross-functional group who champion the environment, run a range of activities to raise awareness of environmental impacts, and are agents of change to create better business practices.

Through this committee, we integrate environmentally friendly practices into our everyday activities with a range of staff-driven sustainability initiatives. FY22 highlights include participating in Clean Up Australia Day, approval to trial e-business cards, improved signage for office bins, and hosting a sustainable housing day.

E-Waste

Electronic waste or e-waste is a fast growing global issue. Domain relies on electronic products to conduct our activities and we want to ensure that equipment which is no longer required be recycled in an environmentally conscious way, and in line with national e-waste standards.

We engage with different e-waste providers depending on the condition and type of equipment being recycled. For example, if the equipment is deemed obsolete to the business, we engage with vendors who are able to refurbish and repurpose the devices to prevent e-waste entirely. Additionally, during recent office upgrades we offered staff the opportunity to purchase equipment and devices that were no longer required. A total of \$12,000 was raised, which was donated to charity.

Climate Risk

Domain acknowledges that climate change is an existential threat that will have increasingly significant environmental, social and economic impacts on all aspects of society.

Although climate change is currently not ranked as 'critically' material for Domain, we acknowledge that the scale and complexity of climate change make it uniquely challenging, especially in the context of economic decision making. Further details on climate risk can be found in Domain's ESG Policy and ESG Plan which are available at Domain's ESG website www.domain.com.au/group/esg/.

Climate Opportunities

Domain regards activity to reduce its impact on the planet as of paramount importance, both as a way to create a better society in line with the United Nations Sustainable Development Goals, and to future proof ourselves against the potential impacts of climate change. Climate opportunities we have identified are outlined as follows:

Shedding a light on Sustainability in Property Report

Domain is a leading property marketplace that is home to one of the largest portfolios of property brands in Australia. It is the 'great Australian dream' to own a home and sustainability is an important aspect. Domain is forging a new way to help our customers and community understand sustainability in the property market.

In FY22, we released our first Sustainability in Property Report which examines how buyer preferences are shifting due to increased environmental awareness. It also highlights that Australian sellers are responding by increasing the use of energy-efficient keywords, such as solar panel, eco homes and insulation, in property listings across both houses and units. The Sustainability in Property is available at Domain's ESG website at www.domain.com.au/group/esg/.

Domain plans to continue reporting on sustainability related topics to help our customers, consumers and industry at every step in their property journeys – renting, buying, selling, investing and financing.



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Social

Diversity & Inclusion

Domain is committed to creating and providing a workplace that embraces diversity and is free from discrimination. Our diverse and inclusive workplace celebrates and respects all employees regardless of their race, gender, or cultural background.

The promotion of diversity in all its forms allows employees with diverse ideas, experiences and backgrounds to produce results and work that is more creative, effective and innovative. All employees are required to complete an online diversity and inclusion compliance course every 12 months.

Diversity at Domain is not restricted to one facet of the business; it can be found throughout the organisation, including our Executive Leadership Team, employees, customers and clients. Inclusion and belonging is an ongoing commitment and we regularly review areas where we can see a need or an opportunity to evolve. Our key achievements for FY22 are outlined as follows:

AWEI

For the second consecutive year, Domain participated in the Australian Workplace Equality Index (AWEI).

The AWEI is Australia’s definitive national benchmark on LGBTQ workplace inclusion run by Pride in Diversity. Domain was awarded a bronze level recognition for our FY22 submission. A highlight of the submission was 90.48% of LGBTQ employees at Domain believe the organisation is an inclusive place to work.

This submission process was driven by members of the ‘Pride @ Domain’ employee committee, and proud members of this group attended the AWEI award event in Sydney during FY22.

This is a notable achievement that showcases the work being accomplished in diversity and inclusion at Domain. The FY22 feedback will form the basis of our plan for improvement in our FY23 submission.

LGBTQIA+

‘Pride @ Domain’ is an employee committee that champions and provides support to those within the business who identify with the LGBTQIA+ community. The committee has continued to grow and build upon initiatives from previous years.

Noteworthy achievements in FY22 in addition to the AWEI submission include:

- Celebrated Wear It Purple, a national initiative that strives to foster supportive, safe, empowering and inclusive environments for youth. The Pride @ Domain committee held a virtual “You Can’t Ask That”, where all funds raised were donated to Minus 18, a youth focused LGBTQIA+ charity.
- Produced a Pride at Domain onboarding video, which is showcased to all new staff during their first 2 weeks of employment.
- Created “How to be an LGBTQIA+ ally @ Domain”, an internal document available for all staff which outlines how employees can support and encourage LGBTQIA+ people around them.

Reconciliation Action Plan

In FY22 we successfully launched our first ever Reconciliation Action Plan (RAP). This marks an 18-month journey which was driven by Domain’s passionate and dedicated employees in our employee Reconciliation committee.

Our goal is to build strong long-term relationships with Traditional Owners and Aboriginal and Torres Strait Islander peoples, so that together we can open doors to new opportunities to foster and create environments that are nurturing and inclusive.

Developing our first RAP has shone a light on what we can continue to do to better ourselves and the communities in which we operate, and this will remain an ongoing commitment for our business.

Further details on Domain’s RAP are available at our ESG (Social) website domain.com.au/group/esg/social/.

Employee Engagement

Our employees are central to our operations. We conduct bi-annual employee engagement surveys to gain insights into the sentiment and perspectives of our workforce. The results are used to take action for future improvements, ensuring we continue to meet the needs and expectations of our employees.

Our annual engagement survey was conducted in November 2022 with a ‘pulse’ survey conducted in May 2022, both with an 81% participation rate.

- In May, 90% would recommend Domain as a great place to work, a 4% increase since November.
- In November, 85% believed Domain builds teams of employees that are diverse.
- In May, 84% thought our managers provide useful feedback, a 3% increase since November.

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

Cultural Dashboard

Alignment and engagement alone are not complete measures of an organisation’s culture. During FY22, we sought to supplement this understanding of our people to go beyond how we feel about work (engagement) with richer data on what’s most important to our people (identity) and how they best connect to each other (belonging).

Capturing this detailed information allows us to better understand and craft our culture.

Mentoring testimonials

Mel Lim Wanless, Head of Digital Ad Product & Operations

“When I applied to be a mentee, I was relatively new to the business and I was keen to learn more about the business cross functionally. While my motivations were tactical, I was blown away to be paired with a mentor who is also a professional coach. Through these sessions I was challenged, my horizons were broadened and I was able to have a different and impartial perspective on any business problems I was working through. It’s designed to be a safe space so you have freedom to discuss whatever might be on your mind without the repercussions you may consider with a formal management structure.”

Sarah Stokes, Head of Product Design

“I enjoy the process of being a mentor, it allows me to step outside of my day to day and get to know someone from a different team. It’s rewarding to be a sounding board and to have the time to “think together” with someone, and see an impact. Mentoring also involves coaching and a space for reflection, which both parties benefit from.

You should get involved in the Program if you’re looking to meet new colleagues, share your wisdom, learn from different perspectives and build great relationships!”

Learning

In FY22 we continued our focus on Leadership Development, continuing to provide formal programs, 360 feedback, coaching and support for leaders at Domain:

- Our foundational leadership program ‘Leading@Domain’ was completed by 83 leaders and aspiring leaders in FY22.
- Our leadership focused program ‘Leadership Presence’ continued for the second consecutive year, with growth in participation.
- We reignited our Strategic Leader Network program, which sees this leadership group connect on a monthly basis to explore business strategy, their leadership contribution and build capabilities in developing talent in their teams.

To support our people to work in our hybrid work environment, we provide learning resources and toolkits for leaders and individuals to best plan and discuss the most effective individual approach. Domain has continued to provide access to online learning resources (including technology skills and web development learning platforms) as well as our annual company-wide mentoring program.

Guidelines

We continue to review our policies and guidelines to ensure we are meeting the needs of our business, employees and the expectations of our community.

In FY22 we successfully launched several new guidelines:

- Domestic Violence Guidelines: The impact of domestic violence can be severe and Domain is committed to providing support and assistance to affected employees through these Guidelines, which offers more leave, security and support for domestic and family violence victims. It is vital that we all contribute to creating a supportive work environment where employees feel comfortable coming forward for help.
- Gender Affirmation Guidelines that assist us in creating a safe, inclusive and supportive workplace for our employees and provide dedicated gender affirmation leave. Recognising that every employee has the right to have their gender identity recognised and respected, Domain is committed to supporting all employees throughout their gender affirmation journey, and understands that everyone’s journey is unique.
- Parental Leave Guidelines which provide 20 weeks of paid gender neutral parental leave for the primary carer, and 4 weeks for the secondary carer. Secondary carers are eligible to swap to the primary carer within 2 years. Domain recognises the importance of providing employees with the opportunity to devote time and care to their newborn, adopted or fostered children.
- Workplace Flexibility Guidelines to ensure an appropriate level of coordination, consistency and transparency in how flexibility is put into practice across Domain. Flexibility practices are a great way to make the working week manageable for our employees where this is aligned with the employee’s role, their team and the business.
- Working Overseas Guidelines to support team members who wish to work remotely offshore and reconnect with family following COVID-19-related border closures.

Workplace Health & Safety

Domain is committed to providing a workplace that incorporates health and safety measures. In order to achieve this we are continually reviewing our policies, procedures and partnerships to ensure best practices are met.

In FY22 health and safety updates included implementing a working from home checklist to ensure employee’s home working stations are ergonomically sound, and providing new workers compensation awareness training for all leaders at Domain.

Our Health, Safety & Environment (HSE) management and reporting system allows us to track risk management processes and emergency preparedness in real time, as well as provide additional training. We are proud to state that our lost time injury frequency rate for FY22 was zero, in line with FY21 and FY20.

Wellbeing

Domain has partnered with Assure for its Employee Assistance Program (EAP). Assure is one of Australia’s leading mental health organisations which deliver holistic counselling, wellbeing coaching and development programs to assist individuals, teams and organisations.

Under the partnership, employees are entitled to four sessions of counselling, wellbeing coaching, financial coaching, dietary advice and one session of introductory legal advice. All employees also have access to the ‘Wellbeing Gateway’, an on-demand wellbeing and psychological support app.

Managers are also offered access to a ‘Manager Support Program’, which is designed to help the performance and wellbeing of all teams at Domain. The program is tailored to help with a range of topics including concerns for staff wellbeing, workplace conflict and having difficult conversations.

In addition to employee entitlements, Domain has renewed its Agent EAP to support all agents and clients of Domain with free confidential coaching and counselling sessions.

Domain has also partnered with Circle In, to help create a family inclusive workplace that supports parents and caregivers at every life stage. Circle In provides an array of resources and assistance to our employees, including discounted daycare, IVF and miscarriage support, parenting webinars and more. There is additional support available for managers to ensure they are equipped to support their team at any stage of their parenting journey.

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In an effort to both reduce our leave liabilities and to encourage our employees to take time off, Domain offers 'Wellbeing Leave'. This additional leave benefit provides employees with an additional five days of special 'wellness leave' for use in the next financial year, if they have utilised their full annual leave balance in the previous financial year. In FY22, 87% of Domain employees utilised Wellbeing Leave.

COVID-19

As the COVID-19 pandemic continues to evolve, Domain remains committed to supporting its employees. Mental health and wellbeing, job security and workplace safety of our employees have remained a top priority. Initiatives we have introduced to support our employees in FY22 include:

- Flexibility to parents and caregivers who were required to homeschool their children during lockdowns.
- Mental health support through our EAP with Assure.
- Short term vaccination policy which operated alongside state-based public health orders to ensure a safe return to work.
- Specialised leave for employees to attend COVID-19 vaccinations.

Community

We are committed to contributing to the communities in which we operate. Our Volunteering Guidelines offer employees the opportunity to spend up to 4 days a year volunteering at a recognised charity of their choice.

Our employees are passionate about giving back to their communities and this is reflected in the broad range of community participation in FY22. Domain employees are located across Australia and we are proud of the impact they have made in their local communities.

Hatch

Domain has partnered with Hatch, a program that pairs employers with university students to provide students real, hands-on experience in their field of study. Hatch has been a terrific partner to Domain and has enabled us to fill positions in the business and foster young talent simultaneously. Recent pairings with Domain have included students in our Design, Commercial, Marketing and Legal teams.

In FY22 Domain participated in a technology pilot program which aims to help technology talent uncover the best starting point for their careers by undergoing a series of rotating placements at leading employers. All students who participated in the program were offered permanent roles at Domain.

Supporting our agents and customers

Although the property market continued to recover in FY22, our customers faced another challenging year with macro events that impacted their businesses, including national COVID-19 lockdowns and floods across parts of Queensland and New South Wales.

We understand the importance of partnering with our customers, and we continue to support them through a variety of measures. These have included offering adaptive packages when listings have been impacted by adverse events, access to Domain's EAP program both directly and via the RealCare app and continuing our partnership with the Rise Initiative supporting wellbeing in the real estate industry.

Domain continues to provide thought-leadership, data and insights to our customers via initiatives such as our Masterclass series with Josh Phegan (an internationally renowned speaker, trainer and coach for high-performance real estate agents), webinars, in-person events and access to Domain Research reports, including the launch of Spotlight reports that take a deeper dive into the property landscape of specific states. We also launched the inaugural Domain Trailblazers award recognition program that fosters and recognises new talent within the industry, an initiative that will continue into FY23.

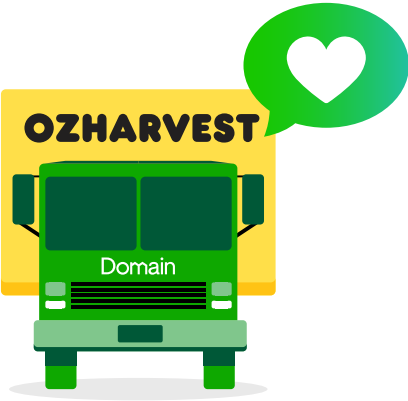


OzHarvest

Domain has chosen to focus its charitable efforts through a national charity partnership with OzHarvest. OzHarvest is Australia's leading food rescue organisation, collecting quality excess food from commercial outlets and delivering it to more than 1,300 charities.

Highlights of our partnership in FY22 include:

- Domain's commitment to raising a total of \$100,000 for OzHarvest, which was achieved through various initiatives and fundraising events.
- Strong participation in our national charity partnership from Domain employees, who have taken up volunteering initiatives such as collecting and distributing food waste as van assistants and participating in packing food hampers.
- A fundraising event at Domain's virtual employee Connect Conference in July 2021 which raised a total of \$11,000 and was presented to Ozharvest on a live stream.
- Our Community Committee organised the Domain Brains Trivia in February 2022, which saw the executive leadership team and employee wildcard entrants answering a series of questions to raise funds for OzHarvest. A total of \$5,000 was raised and Domain will match this with an additional \$5,000 to be donated in FY23.
- Our CEO Jason Pellegrino participated in the Community CookOff event in May 2022. This event saw various business leaders come together to cook thousands of meals to be distributed by OzHarvest to feed people in need.



Domain has chosen to focus its charitable efforts through a national charity partnership with OzHarvest.

OzHarvest is Australia's leading food rescue organisation.

Governance

Board & ESG

Domain's Board is committed to progressing our ESG practices across the business to recognise our responsibility to the communities we serve. In order to continually progress Domain's sustainability journey, additional resources have been allocated during FY22 to implement the next steps in our ESG strategy. These have included the appointment of Domain's first Sustainability Officer and the expanded measurement of our environmental footprint.

Domain's People, Culture and Sustainability Board Committee is responsible for developing Domain's ESG strategies. The People, Culture and Sustainability Committee was previously known as the People and Culture Committee. The name of this committee was changed during FY22 to better reflect that committee's responsibilities. Other sustainability matters such as Modern Slavery risks are considered by the Audit and Risk Committee. Both committees on a quarterly basis.

Sustainability Council

Domain is continually looking to enhance sustainability across the business. In FY22 a Sustainability Council was formed to ensure sustainability is considered at all business levels, and is viewed as a permanent commitment rather than a temporary project.

The Council is responsible for:

- Embedding sustainability initiatives throughout all business functions.
- Continued enhancement and development of sustainability initiatives.
- Monitoring the progress of sustainability initiatives.

The Council is composed of several business leads from a variety of business functions. Members are purposefully selected as they are able to allocate resources within their functional area and therefore have the ability to achieve scaled results.

The Sustainability Council will meet regularly throughout the year to review and assess progress across the business.

Modern Slavery

Domain recognises that Modern Slavery can occur in different ways and can take many forms. We acknowledge that freedom from servitude is a fundamental human right and therefore conduct our activities in a manner that supports human rights across all of our operations.

Domain is a reporting entity under the *Modern Slavery Act 2018* (Cth). Domain complies with its reporting requirements under that Act and has prepared a Modern Slavery Statement for FY22 which will be made available on or around the date of this Annual Report at Domain's ESG (Social) website domain.com.au/group/esg/social/.

Domain's Supplier Code of Conduct sets out minimum standards that the Domain Group expects of suppliers, including that they not engage in or tolerate the use of forced, bonded, compulsory labour, slavery or human trafficking, the use or threat of physical or other punishment, or the physical, sexual or psychological abuse or inhumane treatment of workers. The Supplier Code of Conduct is available at Domain's Shareholder Centre website at shareholders.domain.com.au.

Domain Group suppliers are expected to adopt the Supplier Code of Conduct as a condition of being accepted into Domain's supply chain, and Domain Group suppliers are reminded of the Supplier Code of Conduct every six months. Domain completes regular risk assessments of suppliers to identify modern slavery risks.

During FY22, Domain enhanced its modern slavery monitoring practices in several key areas, including:

- Developed and adopted a plan to guide the preparation and lodgment of its Modern Slavery Statement;
- Established a committee comprised of key members of its Executive Leadership Team to oversee Domain's anti-modern slavery practices and reporting;
- Maintained ongoing dialogue with Domain Group suppliers on modern slavery, including bi-annual monitoring of key suppliers and spot-check assessments of existing suppliers; and
- Established information and feedback loops to ensure staff are empowered to raise their views regarding the effectiveness of Domain's anti-modern slavery actions.

Further details of these arrangements are set out in Domain's Modern Slavery Statement for FY22.

Cyber Security

An element of inspiring confidence in life's property decisions is the need to build a high level of trust within our organisation and for our customers. Our information and information systems are critically important to Domain and our clients.

In FY22 we continued the uplift of our Cyber Security Management Program and enhanced our alignment with the ISO/IEC-27001 International standard for Information Security management.

We are also enhancing our existing policies, standards, processes and technologies to further minimise the impact and likelihood of threats such as error, fraud, embezzlement, sabotage, terrorism, extortion, industrial espionage, privacy violations, service interruption, and natural disaster. Our continuously improving program is designed to maintain trust in our services and provide ongoing defences from such threats while ensuring the ongoing confidentiality, integrity and availability of Domain's information assets.

In FY23 areas of focus will include:

- Identification of weaknesses.
- Detection of anomalous events.
- Protection of critical assets.
- Incident response.
- Recovery capabilities.

Our enterprise risk aligned Cyber Security Management Program provides a systematic approach for the maintenance and improvement of our Cyber Security posture, to facilitate effective decision making and achievement of our business objectives.

Data Governance

Domain acknowledges the trust our customers, employees and stakeholders place in us to appropriately manage their personal and sensitive information. Data is at the core of our operations and we must ensure it is understood, protected and managed appropriately.

Individuals are fundamental to the way Domain functions, therefore it is important employees recognise the necessity of protecting their work and the tools used to complete their tasks.

Key achievements in FY22 for Data Governance:

- Holding of Data Governance Council (**DGC**) monthly meetings, a formal committee for tactical and strategic decisions around data.
- Maintenance of a Domain data sources register – a comprehensive view of the data we own at Domain. This allows us to have a seamless process for both adding new data sources and keeping the data sources up to date, while ensuring transparency across all functions.
- Completion of Data Sharing Request/PII Data Request Assessment to conduct preliminary assessments to help determine potential privacy impacts and compliance with appropriate laws and regulations.
- Holding of Data Governance Express Workshops – to further enhance the exposure to Data Governance, Privacy and Risk. This provides a structured approach to the management, measurement and control of risk.
- Completion of Data Onboarding Processes – end-to-end protocols for when new data enters and exits Domain, including escalation forums.
- Development of a 'data on-ramp' – providing Domain new-starters with Data Governance resources to ensure Privacy and Data Governance are part of the 'Week 1' conversation at Domain.
- Creation/implementation of data policies and processes – explaining why data behaviours are important and the processes and standards in place to secure and manage our data.

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All forms of data that enter and exit Domain involve a Data Governance component. We are continually working on strengthening our policies and processes through different initiatives, including data discoverability, de-identification, data sharing and release, data quality and remediation and an information management tool (Data Catalogue).

Each of these initiatives will ensure:

- Data is onboarded/managed securely (including at rest and in transit).
- Data principles/guidelines are adhered to.
- Information about the data is easily accessible and understandable (speaking one data language at Domain).
- Data sharing requests are reviewed by DGC members.

The long term goal for Data Governance is to ensure the business understands its role in data governance, that data risks and opportunities are proactively managed and not reactively discovered, and that data governance activities are embedded into everyday routines.

Data Privacy

Domain is taking steps to ensure that we not only continue to comply with all current applicable privacy laws but that we are well placed to implement any changes required to comply with anticipated changes to privacy laws, including the changes proposed as part of the review of the *Privacy Act 1988* (Cth).

The Domain Privacy Policy sets out how Domain manages the personal information we hold. We are continually looking at how we can give Domain users more control over their personal information and further enhance the level of transparency in relation to how we collect, use and disclose their personal information.

In FY22 we conducted a Data Breach Response Workshop for key Legal, Tech, Product, Data and Communication members discussing the key practical considerations in a data breach incident. The workshop was facilitated by an external provider who simulated several data breach scenarios to ensure participants are well equipped to manage any potential breaches.

During FY22, we also continued to implement an online privacy training module ‘Protecting Personal Information’. It is a mandatory requirement that all Domain employees must complete the module once a year.

ESG Reporting

Domain understands the importance of publicly reporting on ESG matters. In recent years we have followed the Task Force on Climate-related Financial Disclosures (TCFD) recommendations to disclose information on our governance and risk management practices. Moving forward we will be reporting against the Sustainability Accounting Standards Board (SASB) to enable a smooth transition to the International Sustainability Standards Board (ISSB) once released.

Domain is committed to providing transparency on its ESG activities by participating in external ESG surveys. Currently, we submit to the following:

- Carbon Disclosure Project (CDP)
- S&P Global Corporate Sustainability Assessment (CSA) (previously SAM).
- Sustainalytics.
- ISS-Oekom Corporate Rating.
- Vigeo Eiris Sustainability.

We continually monitor and assess investor surveys, to ensure we are participating in disclosures which are relevant to our business and the industry in which we operate.

FTSE4Good

Domain is a FTSE4Good Index Series Constituent FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that Domain Holdings Australia Limited has been independently assessed according to the FTSE4Good criteria, and has satisfied the requirements to become a constituent of the FTSE4Good Index Series. Created by the global index provider FTSE Russell, the FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong ESG practices. The FTSE4Good indices are used by a wide variety of market participants to create and assess responsible investment funds and other products.



Contents

Directors' Report	37
Auditor's Independence Declaration	50
Remuneration Report	51
Corporate Governance Statement	79
Management Discussion and Analysis Report	101
Consolidated Statement of Profit or Loss and Other Comprehensive Income	109
Consolidated Balance Sheet	110
Consolidated Cash Flow Statement	111
Consolidated Statement of Changes in Equity	112
Notes to the Consolidated Financial Statements	114
1. About This Report	114
2. Revenues	115
3. Expenses	117
4. Significant Items	118
5. Segment Reporting	118
6. Business Combinations	120
7. Intangible Assets	124
8. Interest Bearing Liabilities	129
9. Trade and Other Receivables	130
10. Trade and Other Payables	131
11. Provisions	133
12. Property, Plant and Equipment	135
13. Leases	137
14. Financial and Capital Risk Management	139
15. Equity	142
16. Dividends Paid	144
17. Earnings Per Share	144
18. Commitments and Contingencies	145
19. Events Subsequent to Reporting Date	145
20. Related Parties and Entities	145
21. Taxation	151
22. Employee Entitlements	154
23. Remuneration of Group Auditors	157
24. Notes to the Cash Flow Statement	157
Directors' Declaration	158
Independent Auditor's Report	159
Shareholder Information	167
Corporate directory	175



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Directors' Report

Directors' Report

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

For the purposes of section 299(2) and 299A(2) of the *Corporations Act 2001* (Cth) (**Corporations Act**), the entity reported on is the **Domain Group**, being the consolidated entity comprised of the Company and its controlled entities, for the period from 1 July 2021 to 30 June 2022 (**FY22**).

This Directors' Report is made on 17 August 2022.

Directors

The Directors of the Company during FY22 and the period from 1 July 2022 to the date of this Directors' Report, and any special responsibilities held by those Directors, are detailed below.

All of the persons listed below served as Directors for all of FY22 and the period from 1 July 2021 to the date of this Directors' Report, other than Lizzie Young, who served as a Director from 1 July 2021 to 30 June 2022.

On 12 August 2022, the Company announced the appointment of Rebecca Haagsma as a Director, effective 1 September 2022. Details of Rebecca Haagsma's background and experience will be available at Domain's Shareholder Centre website at shareholders.domain.com.au from her appointment date and are not captured in this Directors' Report.

Nick Falloon

Non-Executive Director and Chairman
Appointed 16 November 2017

Committee Membership

- Audit and Risk Committee
- Nomination Committee
- People, Culture and Sustainability Committee

Diana Eilert

Non-Executive Independent Director and Chair of People, Culture and Sustainability Committee
Appointed 16 November 2017

Committee Membership

- Audit and Risk Committee
- Nomination Committee
- People, Culture and Sustainability Committee

Greg Ellis

Non-Executive Independent Director
Appointed 16 November 2017

Geoff Kleemann

Non-Executive Independent Director, Chair of Audit and Risk Committee and Chair of Nomination Committee
Appointed 16 November 2017

Committee Membership

- Audit and Risk Committee
- Nomination Committee
- People, Culture and Sustainability Committee

Jason Pellegrino

Managing Director and Chief Executive Officer
Appointed 27 August 2018

Mike Sneesby

Non-Executive Director
Appointed 21 April 2021

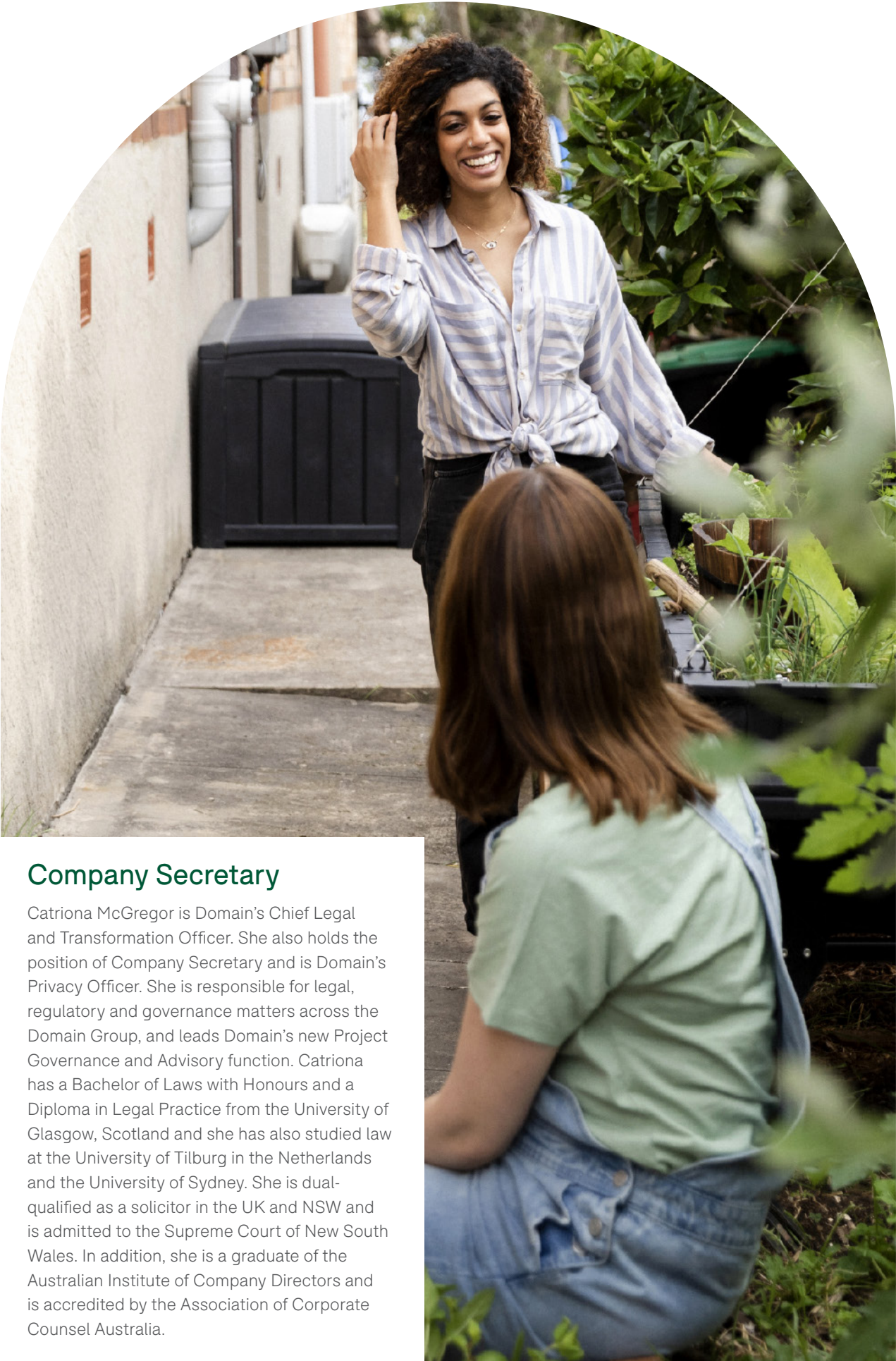
Lizzie Young

Non-Executive Director
Appointed 1 February 2020
Resigned 30 June 2022

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

During FY22, the name of the committee previously known as the People and Culture Committee was changed to the People, Culture and Sustainability Committee to better reflect that committee's responsibilities. Further information in relation to the People, Culture and Sustainability Committee is set out in the Corporate Governance Statement on pages 79-100 of this Annual Report.

As noted above, Lizzie Young ceased to be a Director during FY22 (with effect from 30 June 2022). Details of her qualifications and experience are set out in the Company's 2021 Annual Report.



Company Secretary

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

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Director Profiles



Nick Falloon
Chairman

Nick Falloon is the Chairman of Domain. He was Chairman of Fairfax Media Limited from 2015 to 2018 and became Deputy Chairman of Nine Entertainment Co. Holdings Limited (**Nine**) on 7 December 2018 following the merger between Nine and Fairfax in 2018. He has 30 years’ experience in the media industry, including 19 years working for the Packer-owned media interests from 1982 until 2001.

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

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

- Directorships of listed entities other than Domain (last 3 years)**
- **Nine Entertainment Co. Holdings Limited**
Director, Deputy Chairman
(appointed 7 December 2018)



Diana Eilert
Independent Non-Executive Director

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

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

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

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

- Directorships of listed entities other than Domain (last 3 years)**
- **Elders Limited**
Non-Executive Director
(appointed 14 November 2017)
 - **Keypath Education International Inc.**
Non-Executive Director
(appointed 11 May 2021)
 - **Navitas Limited**
Non-Executive Director
(28 July 2014 to 5 July 2019)
 - **Super Retail Group Limited**
Non-Executive Director
(21 October 2015 to 31 January 2021)



Greg Ellis
Independent Non-Executive Director

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

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

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

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



Geoff Kleemann
Independent Non-Executive Director

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

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

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

- Directorships of listed entities other than Domain (last 3 years)**
- **Bill Identity Limited**
Non-Executive Director
(appointed 1 September 2019)



Jason Pellegrino
Managing Director and Chief Executive Officer

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

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

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

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



Mike Sneesby
Non-Executive Director

Mr Sneesby was appointed Chief Executive, and Director of Nine in March 2021. Prior to this, Mike was the CEO of Nine's subscription streaming business, Stan, since its inception in 2013.

Mike's executive experience spans Media, Telecommunications and Technology, having held senior roles in Australia and overseas. Mike was previously Vice President of IPTV for the digital media venture Intigral, where he was responsible for establishing the Invision IPTV service in Dubai. Before joining Intigral, he headed Corporate Strategy and Business Development at ninemsn, where he led the company's corporate strategy function and established a portfolio of high growth digital media businesses. Prior to ninemsn, Mike led a company-wide program for Optus, rolling out and launching their national ADSL broadband network.

Mike spent his earlier career in leadership and consulting positions gaining broad experience in digital media, technology and telecommunications in Australia, Asia and the USA. He holds a Bachelor of Engineering (Electrical) from the University of Wollongong and an MBA from the Macquarie Graduate School of Management.

- Directorships of listed entities other than Domain (last 3 years)**
- **Nine Entertainment Co. Holdings Limited**
Managing Director, CEO
(appointed 1 April 2021)

Director’s Report

Meetings of Board of Directors and Board Committees

The table below shows the number of Board and Board Committee meetings held during FY22 and the number attended by each Director or Committee member.

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

N/A Indicates that the Director was not a member of the relevant Committee during FY22.
– Indicates a Director did not attend any relevant meeting at any time during FY22.
* The number of meetings held refers to the number of meetings held while the Director was a member of the Board or relevant Board Committee.
** Indicates the Director attended these meetings as an invitee of the Committee, rather than as a member.

Corporate structure

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

Principal Activities

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

Domain is home to one of the largest portfolios of property technology brands in Australia under one roof, and is strongly positioned which makes it well placed to continue to innovate and add value to consumers, agents, developers, corporates, government and other players in the broader property industry.

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

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

During FY22 (in April 2022), Domain acquired Realbase, the largest real estate campaign management technology platform in Australia and New Zealand. Realbase’s platforms enable real estate agents to seamlessly construct, price, order and track the campaign marketing products required to list and market a property, on-market or off-market. This acquisition marked a significant step forward in the evolution of Domain’s Marketplace strategy, accelerating the scale of Domain’s Agent Solutions, strengthening Domain’s comprehensive end-to-end agent workflow solutions for real estate agents.

Domain continues to grow its property data capabilities through its Property Data Solutions unit.

During FY22 (in October 2021), Domain acquired Insight Data Solutions, a market-leading property data business focused on government and corporate customer segments. This acquisition established Domain as a leading provider of land and property valuation, insights and analytics services into the government sector, and significantly expanded Domain’s property data solutions offering, a pillar of Domain’s Marketplace strategy. New and unique data products are being produced as Domain becomes more connected through the execution of its Marketplace strategy.

Review of Operations

Statutory revenue for the Domain Group for FY22 was higher than the prior year at \$357.0 million (FY21: \$294.2 million). After adjusting for significant items of \$20.2 million expense (FY21: \$3.6 million expense), the Domain Group generated a net profit after tax attributable to members of \$55.3 million (FY21: \$37.9 million), and earnings per share were 9.30 cents (FY21: 6.48 cents).

In FY22 and FY21, the Domain Group did not dispose of any long term assets which would be recognised as disposals, and accordingly the FY22 results have not been adjusted for disposals.

Further information in relation to the Domain Group’s performance in FY22 is provided in the Management Discussion and Analysis Report on pages 101-106 of this Annual Report.

Significant Changes in the State of Affairs

Significant changes in the state of affairs of the consolidated entity during FY22 were as follows:

- On 16 August 2021, the Board made the decision to repay grants of \$6.5 million received in FY21 from the Federal Government’s JobKeeper scheme. This was disclosed in Domain’s 2021 Annual Report.
- On 9 September 2021, the Company announced a change to the remuneration of Jason Pellegrino, the Company’s CEO and Managing Director.
- On 16 September 2021, the Company announced that it had entered into a binding agreement to acquire Insight Data Solutions.
- On 15 October 2021, the Company announced that it had completed the acquisition of Insight Data Solutions.
- On 13 December 2021, the Company announced that it had entered into an agreement to amend and extend its existing syndicated facility agreement, under which it would have access to a total commitment of \$355 million.
- On 1 April 2022, the Company announced:
 - that it had entered into a binding agreement to acquire Realbase; and
 - that the acquisition would be funded via an \$180 million underwritten pro-rata accelerated non-renounceable entitlement offer.
- On 4 April 2022, the Company announced:
 - the successful completion of the institutional component of the entitlement offer, which raised approximately \$162 million; and
 - the commencement retail entitlement offer to raise the balance of the A\$180m equity raising, being approximately \$18 million.
- On 29 April 2022, the Company announced that it had completed the acquisition of Realbase.
- On 2 May 2022, the Company announced the successful completion of the retail component of the entitlement offer, which raised approximately \$18 million.
- On 29 June 2022, the Company announced the resignation of Lizzie Young as a Non-Executive Director, effective 30 June 2022.

Further information in relation to each of the above matters is set out in the announcement lodged with ASX by the Company on the relevant date.

Consolidated Result

The statutory profit attributable to the members of the Company for FY22 was \$35.1 million (FY21: profit \$34.3 million).

Dividends and Distributions

The following dividends or distribution were declared and paid by Domain during FY22:

- On 9 September 2021, the Company paid a dividend of 4.0 cents per fully paid ordinary share, 100% franked at the corporate tax rate of 30%.
- On 15 March 2022, the Company paid a dividend of 2.0 cents per fully paid ordinary share, 100% franked at the corporate tax rate of 30%.

Since the end of FY22, the Directors have resolved to declare a dividend of 4.0 cents per fully paid ordinary share, 100% franked at the corporate tax rate of 30%. Further information is set out in Note 16(B) to the Financial Report on page 144 of this Annual Report.

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Events Subsequent to Reporting Date

On 12 August 2022, the Company announced the appointment of Rebecca Haagsma as a Director of the Company, effective 1 September 2022.

There are no other matters or circumstances that have arisen since the end of FY22 and the date of this Directors' Report that have significantly affected or may significantly affect the Domain Group's operations in future financial years, the results of those operations in future financial years or the consolidated entity's operations in future financial years.

Likely Developments and Expected Results, Business Strategies and Prospects

The Domain Group's prospects and strategic direction are discussed in the Management Discussion and Analysis Report on pages 101-106 of this Annual Report.

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

Environmental Regulation and Performance

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

In FY22, Domain has not received or been subject to any environmental breach notice, improvement notice, fine or non-compliance notice from any regulatory bodies and, based on reasonable enquiries, the Board is not aware of any significant environmental breaches as a result of business operations.

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

Remuneration Report

A Remuneration Report is set out on pages 51-78 of this Annual Report and forms part of this Directors' Report.

Directors' Interests

The relevant interests of each Director in the equity of the Company and related bodies corporate as at the date of this Directors' Report are disclosed in the Remuneration Report on pages 51-78 of this Annual Report.

Indemnification and Insurance of Officers

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

During FY22 and the period from 1 July 2022 to the date of this Directors' Report, the Company has paid premiums under contracts insuring the Directors and officers of the Company and its controlled entities against liability incurred in that capacity to the extent allowed by the Corporations Act. The terms of the policies prohibit disclosure of the details of the liability and the premium paid.

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

No indemnification payment has been made to a current or former officer during FY22 or the period from 1 July 2022 to the date of this Directors' Report.

Indemnification of Auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No indemnification payment has been made to Ernst & Young during FY22 or the period from 1 July 2022 to the date of this Directors' Report.

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

No Officers are Former Auditors

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

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

No individual plays a significant role in the audit of the Company for FY22 in reliance on an approval granted under section 324DAA of the Corporations Act.

No registered company auditor plays a significant role in the audit of the Company for FY22 in reliance on a declaration made under section 342A of the Corporations Act.

Non-audit Services

Under its Charter of Audit Independence (as set out in Attachment 3 to the Charter of the Audit and Risk Committee, available at Domain's Shareholder Centre website at shareholders.domain.com.au), which was amended during FY22, the Company may employ the auditor to provide services additional to statutory audit duties, including where:

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

The Company's engagement of the auditor to provide non-audit services is subject to additional requirements under the Charter of Audit Independence, including the auditor's ethical and other obligations.

Details of the amounts paid or payable to the auditor, Ernst & Young, for non-audit services provided during the financial year are set out below. Details of amounts paid or payable for audit services are set out in Note 23 to the Financial Report on page 157 of this Annual Report.

The Board of Directors has received advice from the Audit and Risk Committee and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act. This is because the Committee considers that none of the services undermine the general principles relating to auditor independence and have not given rise to a loss of objectivity by the auditors. The services that were provided are deemed to fall into Category A (as set out in the Charter of Audit Independence), being services:

- where the existing knowledge of the auditor brings insight and synergy to Domain without impacting the actual or perceived independence of the auditor; or
- which can be provided without impacting the actual or perceived independence of the auditor.

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

During FY22, Ernst & Young received or were due to receive the following amounts for the provision of non-audit services:

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

- Australia \$37,440 (FY21: \$27,560).

Non-assurance services:

- Australia \$15,000 (FY21: \$18,025).

These amounts were paid or payable by the Company.

Section 237 of the Corporations Act

No applications for leave under section 237 of the Corporations Act have been made in respect of the Company.

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

Rounding

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

Signature

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



Nick Falloon
Chairman

17 August 2022

Auditor’s Independence Declaration



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

As lead auditor for the audit of the financial report of Domain Holdings Australia Limited for the financial year ended 30 June 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 audit;
- b. No contraventions of any applicable code of professional conduct in relation to the audit; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

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



Ernst & Young



Jodie Inglis
Partner
17 August 2022

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Liability limited by a scheme approved under Professional Standards Legislation

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Remuneration Report

Introduction
Directors' Report
Remuneration Report
Corporate Governance
Mgmt Discussion and Analysis
2022 Financial Report
Independent Auditor's Report
Shareholder Information
Corporate Directory

Remuneration Report

Dear fellow shareholders,

On behalf of the Board, I am pleased to present our Remuneration Report for the financial year ended 30 June 2022 (**FY22**), in addition to our Sustainability section set out covering our Environmental, Social and Governance (ESG) activities of FY22 on pages 19-34 of this Annual Report.

FY22 has been a year where the Executive Leadership Team have continued to lead and transform the business, while delivering above target financial performance. The Board and the Executive Leadership Team have continued to be focused on attracting, motivating, and retaining diverse, top talent in a competitive external market. In FY22, Domain continued to grow with the acquisitions of the IDS and Realbase businesses which will enable us to continue to deliver our Marketplace strategy.

In FY22, Domain continued to increase its focus on all areas of sustainability. From an environmental perspective we have taken our first steps to understand our Scope 3 emissions, in FY23 this work will continue. Diversity and inclusion initiatives continue to progress across the organisation. We successfully launched our first Reconciliation Action Plan and actions within that plan are now being undertaken. For the second consecutive year, Domain participated in the Australian Workplace Equality Index (**AWEI**), where we achieved a bronze level recognition. In FY23, sustainability will remain a focus for Domain. We will be reviewing our materiality assessment to ensure our sustainability initiatives continue to align with the needs of our organisation.

Review of Executive KMP Remuneration

A review of remuneration was undertaken for Domain’s executive key management personnel (**Executive KMP**), being the CEO and CFO, in FY22 to ensure we offer competitive remuneration against the external market.

As a result of this review, during FY22:

- our CEO, Jason Pellegrino, received a 4.2% increase in fixed remuneration and an increase to the maximum opportunity for FY22 short-term incentives compared to those for FY21 (from 80% to 120%); and
- our CFO, Rob Doyle, received a 2.5% increase in fixed remuneration and an increase to the maximum opportunity for FY22 short-term incentives compared to those for FY21 (from 60% to 70%).

Further details, including other changes to the short-term incentive construct during FY22, are set out in this remuneration report.

Remuneration Outcomes

Short-term incentives

Domain’s Executive KMP are eligible for short-term incentives under Domain’s Executive Incentive Plan (**EIP**) based on a mix of financial and personal performance measures, which have a twelve-month performance period.

With strong financial performance in FY22 both financial performance measures – Domain Group EBITDA and Revenue – exceeded target. Personal performance was assessed and substantially achieved.

Long-term incentives

Domain’s Executive KMP are eligible for long-term incentives (**LTI**) which have a three-year performance period.

The FY20 LTI awards reached the end of their three-year performance period at the conclusion of FY22 and were tested. These awards were granted as options in FY20, and on testing the plan did not vest and all options lapsed.

The FY22 LTI awards, like the FY21 LTI awards, were awarded as performance rights. Any vesting of these awards will be assessed equally against Relative Total Shareholder Return (**rTSR**) against a defined comparator group and Compound Annual Growth Rate (**CAGR**) of EBITDA over a three-year period. Further details are set out in this remuneration report.

Changes to Directors’ Fees in FY23

Domain’s directors’ fees had not increased in the five-year period since Domain listed on the Australian Securities Exchange (ASX) in November 2017. A full internal review has been undertaken against external market rates for director fees at relevant Australian organisations of comparable size and complexity. From this review it was evident that our directors’ fees have fallen below market peers. Further details of the changes in directors’ fees are set out in this remuneration report.

Sustainability

Domain is committed to progressing our sustainability practices to demonstrate our responsibility to the communities we serve, recognising that such issues are meaningful to investors, employees, customers, and other stakeholders. We have appointed our first Sustainability Officer who will be responsible for progressing sustainability within the business. More details on our sustainability activities this past year can be found in the Annual Report.

On behalf of the Board, I would like to thank the leaders at Domain for their strong and determined leadership, and our people for their commitment, to continue driving long-term performance for shareholders. We look forward to your continued support.

Yours sincerely,



Diana Eilert
Chair of the People, Culture and Sustainability Committee

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Introduction	
Directors Report	
Remuneration Report	
Corporate Governance	
Mgmt Discussion and Analysis	
2022 Financial Report	
Independent Auditor's Report	
Shareholder Information	
Corporate Directory	

The Remuneration Report contains the following sections:

- 1. Introduction
- 2. People, Culture and Sustainability Committee
- 3. Key Management Personnel (KMP)
- 4. COVID-19: Project Zipline – Voluntary Employee and Director Program
- 5. Remuneration Principles and Framework
- 6. Linking Executive Remuneration to Performance
- 7. Financial Performance Measures
- 8. Short-Term Incentives: FY22 EIP
- 9. Long-Term Incentives
- 10. Executive KMP Remuneration Table for FY22
- 11. Executive Service Agreements
- 12. Executive Shareholdings
- 13. Remuneration of Non-Executive Directors
- 14. Additional Information

Remuneration Report – Audited

1. Introduction

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

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

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

2. People, Culture and Sustainability Committee

The Domain People, Culture and Sustainability Committee has oversight of the remuneration and employment terms of:

- the KMP; and
- the senior management team that reports to the CEO (the CEO and these persons being the **Executive Leadership Team**).

The People, Culture and Sustainability Committee was previously known as the People and Culture Committee. The name of this committee was changed during FY22 to better reflect the committee’s responsibilities. Further information in relation to the People, Culture and Sustainability Committee is set out in the Corporate Governance Statement on pages 79-100 of this Annual Report.

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

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

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

- Reviewing and recommending to the Board employment and retention arrangements for the CEO and other members of the Executive Leadership Team, including contract terms, annual remuneration and participation in the Company’s short- and long-term incentive plans;
- Reviewing and approving the short and long-term incentive performance targets and bonus payments for the CEO and the other members of the Executive Leadership Team;
- Reviewing and recommending to the Board major changes and developments in relation to the Company’s employee equity incentive plans, and overseeing the operation of employee equity incentive plans in place;
- Reviewing and recommending to the Board the remuneration arrangements for the Non-Executive Directors, including fees, travel and any other benefits;
- Approving the appointment of remuneration consultants for the purposes of the Corporations Act; and
- Reviewing the Company’s employee relations strategy including compliance with awards and agreements.

The members of the People, Culture and Sustainability Committee during FY22 were:

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

Other Non-Executive Directors, as well as the CEO, CFO, Chief Legal and Transformation Officer, Chief People and Sustainability Officer and Head of People Operations, Reward and Systems are invited to attend People, Culture and Sustainability Committee meetings but are not present when their own performance or remuneration arrangements are being discussed.

Further information in relation to the People, Culture and Sustainability Committee is set out in the Directors’ Report on pages 37-49 of this Annual Report and the Corporate Governance Statement on pages 79-100 of this Annual Report.

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3. Key Management Personnel (KMP)

Domain’s key management personnel are its Chairman, CEO, CFO and Non-Executive Directors (jointly the **KMP**).

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

The People, Culture and Sustainability Committee provides recommendations on remuneration, incentive policies and practices, as well as specific recommendations on remuneration and terms of employment for the KMP.

KMP during FY22

The names and positions held by KMP during FY22 are set out in the table in Section 3.1 of this Remuneration Report.

All persons listed in the table in Section 3.1 held the position listed in that table for the whole of FY22.

In this Remuneration Report, except where expressly noted otherwise, references to KMP are to persons who were KMP during FY22.

Executive KMP during FY22

Of Domain’s KMP during FY22, Jason Pellegrino (CEO) and Rob Doyle (CFO) are executive key management personnel (jointly the **Executive KMP**).

Changes to KMP during FY22

There was one change to Domain’s KMP during FY22, Lizzie Young resigned as a Non-Executive Director effective 30 June 2022.

Changes to KMP after FY22

On 12 August 2022, Domain announced that Rebecca Haagsma would be appointed as a Director effective 1 September 2022, after the date on which Domain’s financial report (forming part of the Annual Report in which this Remuneration Report is included) is authorised for issue. Ms Haagsma’s remuneration is not addressed in this Remuneration Report and will be addressed in Domain’s next remuneration report, for the financial year ending 30 June 2023.

3.1 KMP FY22

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

(a) Lizzie Young resigned as a Non-Executive Director effective 30 June 2022.

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

Project Zipline was Domain’s voluntary employee and director program to deliver a 20 percent reduction in employee cash salary costs in response to the COVID-19 pandemic. Based on voluntary elections, this involved changes to remuneration for Executive KMP and directors’ fees for Non-Executive Directors between May 2020 and November 2020. The full details of Project Zipline are set out in Section 4 of Domain’s remuneration report for FY20 (**FY20 Remuneration Report**) and FY21 (**FY21 Remuneration Report**).

The Project Zipline Share Rights vested on 7 November 2021 and further details can be found in sections 9.3.1 and 13.3 of this Remuneration Report.

5. Remuneration Principles and Framework

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

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

Component	Detail	More information															
Total package value (TPV)	Fixed remuneration consists of: - Base salary; - Fixed allowances; and - Superannuation.	Section 10 (Base salary, fixed allowances and superannuation)															
<i>Fixed remuneration</i>	TPV remuneration is not dependent upon the satisfaction of performance conditions.																
Executive Incentive Plan (EIP) awards	EIP is Domain’s annual short-term cash-based incentive plan with financial and non-financial measures aligned to Domain Group targets. The Executive KMP target opportunity is expressed as a percentage of TPV.	Section 8 (FY22 EIP)															
<i>Short-term incentives</i>	In this Remuneration Report, EIP awards are referred to with respect to the financial year in which they were granted. EIP outcomes are dependent upon the satisfaction of performance conditions and in FY22, 30% of any Executive KMP EIP outcomes will be deferred into Share Rights which vest 12 months from the date of issue, with the remainder paid as cash.																
Long-Term Incentive (LTI) awards	The LTI plan is an allocation of equity to incentivise the Executive KMP to drive long-term shareholder value.	Section 9 (FY22 LTI, FY21 LTI, FY20 LTI, FY19 LTI)															
<i>Long-term incentives</i>	In this Remuneration Report, LTI awards are referred to with respect to the financial year in which they were granted to Executive KMP. The LTI awards considered in this Remuneration Report are: <table><tr><th>Short name</th><th>Incentive instrument</th><th>Performance period</th></tr><tr><td>FY22 LTI</td><td>Performance Rights</td><td>Start of FY22 to end of FY24</td></tr><tr><td>FY21 LTI</td><td>Performance Rights</td><td>Start of FY21 to end of FY23</td></tr><tr><td>FY20 LTI</td><td>Options</td><td>Start of FY20 to end of FY22</td></tr><tr><td>FY19 LTI</td><td>Options</td><td>Start of FY19 to end of FY21</td></tr></table> An LTI plan was granted in respect of FY18 but all options under that plan have lapsed. LTI remuneration is dependent upon the satisfaction of performance conditions.	Short name	Incentive instrument	Performance period	FY22 LTI	Performance Rights	Start of FY22 to end of FY24	FY21 LTI	Performance Rights	Start of FY21 to end of FY23	FY20 LTI	Options	Start of FY20 to end of FY22	FY19 LTI	Options	Start of FY19 to end of FY21	
Short name	Incentive instrument	Performance period															
FY22 LTI	Performance Rights	Start of FY22 to end of FY24															
FY21 LTI	Performance Rights	Start of FY21 to end of FY23															
FY20 LTI	Options	Start of FY20 to end of FY22															
FY19 LTI	Options	Start of FY19 to end of FY21															

Separately there have been ‘one off’ grants of equity that vested during FY22:

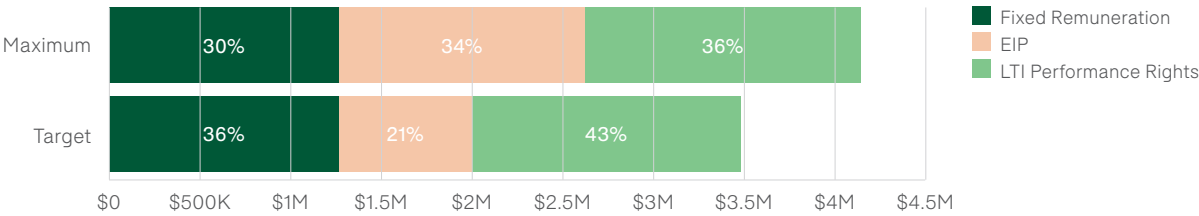
Component	Detail	More information
‘One-off’ grants of equity Pre-FY22	Project Zipline Share Rights: A one-off arrangement in response to the COVID-19 downturn in business. The cash component of Executive KMP TPV was reduced, and the equivalent amount was settled in Project Zipline Share Rights. FY20 EIP Share Rights: One off grant of Share Rights in lieu of cash for EIP earned in FY20 for Jason Pellegrino and Rob Doyle. These Share Rights were granted during FY21. These Share Rights vested on 30 September 2021. This remuneration is not dependent upon the satisfaction of performance conditions.	Section 9.3.1 (Project Zipline Share Rights) Section 9.3.2 (FY20 EIP Share Rights)

5.1 Remuneration at risk

EIP and LTI awards are considered as ‘at risk’ remuneration. Of the KMP, only the Executive KMP have ‘at risk’ remuneration. The proportion of each Executive KMP’s remuneration that was at risk during FY22 is set out in this Section of this Remuneration Report.

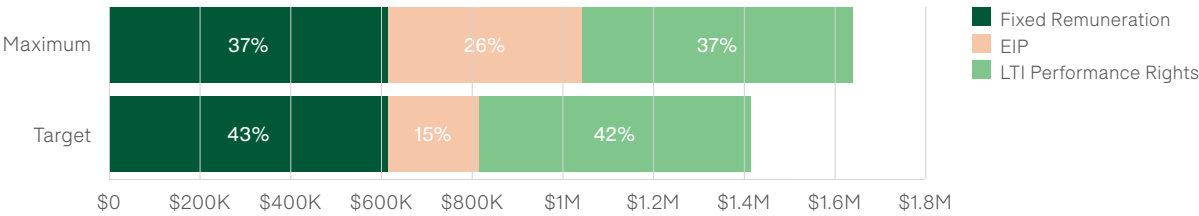
5.1.1 CEO – FY22

The remuneration at risk for Jason Pellegrino, the CEO, is illustrated below. In FY22, a maximum of 70% of Jason Pellegrino’s remuneration was at risk.



5.1.2 CFO – FY22

The remuneration at risk for Rob Doyle, the CFO, is illustrated below. In FY22, a maximum of 63% of Rob Doyle’s remuneration was at risk.



The target and maximum illustrations assume performance measures have been met according to each plan, as described in Sections 8 and 9 of this Remuneration Report. The basis for calculating each Executive KMP’s annual allocation of EIP and LTI are set out in Sections 8 and 9 of this Remuneration Report, respectively.

Both Jason Pellegrino and Rob Doyle were granted Project Zipline Share Rights, as part of their fixed salary in FY20 and FY21, and FY20 EIP Share Rights, in lieu of cash for FY20 EIP earned. These plans vested during FY22 and have been excluded from the remuneration at risk in tables 5.1.1 and 5.1.2 above. Further information in relation to Project Zipline Share Rights and FY20 EIP Share Rights is set out in Sections 9.3.1 and 9.3.2 of this Remuneration Report.

6. Linking Executive Remuneration to Performance

Fixed Remuneration – TPV

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

Jason Pellegrino received an increase of 4.2% in TPV from \$1,200,000 to \$1,250,000 effective from 27 August 2021, this is the first increase in remuneration since his appointment on 27 August 2018.

Rob Doyle received a 2.5% increase in TPV from \$600,000 to \$615,000 effective 1 January 2022.

Short-term incentives – Executive Incentive Plan (EIP)

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

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

Long-Term Incentive (LTI)

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

To reflect the current stage of the life of the business and to continue to motivate the Executive KMP to deliver on Domain’s long-term strategy, with effect from FY21, Domain transitioned the incentive instrument from Options to Performance Rights. The FY21 and FY22 LTI awards were issued in the form of Performance Rights with a three-year performance period. The FY20 LTI award and those for FY19 and FY18 were not varied as a result of the transition in FY21; the incentive instrument for those awards remains Options.

Performance Rights

Each Performance Right is a right to acquire one ordinary share in the Company, or in certain circumstances at the discretion of the Board, a right to a cash payment in lieu of an ordinary share in the Company, subject to the satisfaction of certain vesting criteria described below.

Performance Rights have been granted as:

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

Vesting criteria for FY22 LTI

For the FY22 LTI awards, vesting of awards will be assessed equally against two tranches, being:

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

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

Relative TSR is used to assess the vesting for 50% of LTI to:

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

CAGR of EBITDA is used to assess the vesting for the other 50% of LTI to:

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

7. Financial Performance Measures

7.1 Financial performance of the Company in key shareholder value measures

The financial performance of the Company in key shareholder value measures is set out below for the financial year to which this Remuneration Report relates (FY22) and the previous four financial years (FY21, FY20, FY19 and FY18). Domain was listed on the ASX on 16 November 2017 following its separation from Fairfax, and accordingly FY18 captures the period from that date to 30 June 2018.

		FY22 ^(b)	FY21 ^(b)	FY20 ^(c)	FY19 ^(d)	FY18 ^(e)
Revenue	\$m	356.7	289.6	267.8	335.6	357.3
EBITDA ^(a)	\$m	122.1	100.6	84.7	95.2	112.7
Net profit after tax attributable to members of the Company ^(a)	\$m	55.3	37.9	23.4	35.7	51.8
Earnings per share ^(a)	Cents	9.30	6.48	4.02	6.14	8.99
Dividends paid to shareholders	Cents	6.00	–	6.00	6.00	4.00
Total Shareholder Return (TSR) FY18 LTI Plan ^(f)	%	–	–	13.53	11.39	8.73
Total Shareholder Return (TSR) FY19 LTI Plan ^(f)	%	–	65.18	6.25	4.33	–
Total Shareholder Return (TSR) FY20 LTI Plan ^(f)	%	2.58	63.61	7.81	–	–
Total Shareholder Return (TSR) FY21 LTI Plan ^(g)	%	(10.15)	57.87	–	–	–
Total Shareholder Return (TSR) FY22 LTI Plan ^(g)	%	(43.27)	–	–	–	–
Opening share price (at financial year start date)	\$	5.16	3.35	3.18	3.22	3.80
Closing share price (at financial year end date)	\$	3.01	5.16	3.35	3.18	3.22

- (a) EBITDA, net profit after tax attributable to members of the Company and earnings per share amounts for FY20, FY19 and FY18 have been restated from prior years disclosure due to the adoption of the April 2021 agenda decision made by the International Financial Reporting Standards Interpretations Committee (IFRIC) in respect of Software as a Service (SaaS) arrangements which resulted in a reclassification of intangible assets to recognition as an expense, impacting both the current and prior periods presented. Refer to Note 1(B)(v) of the 2021 Financial Report for changes to the significant accounting policy in respect of SaaS arrangements and restated financial results for FY20. As a result of this restatement, the amounts for FY20, FY19 and FY18 in these rows of the table do not correspond with the Domain Group’s financial reports for prior years.
- (b) FY21 and FY22 financial results exclude the impact of significant items incurred during the period. FY22 statutory results are set out in the Management Discussion and Analysis Report on pages 101-106 of this Annual Report. There were no disposals in FY21 or FY22.
- (c) FY20 financial results exclude the impact of significant items incurred during the period. FY20 statutory results are set out in the Management Discussion and Analysis Report on pages 60-61 of the FY20 Annual Report. Excluding the impact of disposals, revenue in FY20 was \$261.6 million, EBITDA was \$84.4 million, net profit after tax attributable to members of the Company was \$21.6 million and earnings per share were 3.70 cents.
- (d) FY19 financial results exclude the impact of significant items incurred during the period. FY19 statutory results are set out in the Management Discussion and Analysis Report on pages 46-47 of the FY19 annual report. Excluding the impact of disposals, revenue in FY19 was \$292.4 million, EBITDA was \$94.2 million, net profit after tax attributable to members of the Company was \$36.0 million and earnings per share were 6.19 cents.
- (e) FY18 financial results exclude the impact of significant items incurred during the period. Domain was listed on the ASX on 16 November 2017 and the results are pro forma as not a 12-month period. This is the opening share price on listing on the ASX on this date.
- (f) This is the cumulative TSR from the commencement of each LTI performance period to the end of each financial year. For the FY20, FY19 and FY18 LTI Options plan the compound annual growth rate (CAGR) of TSR is utilised to assess whether any vesting will occur, as per Section 9 of this Remuneration Report.
- (g) This is the cumulative TSR from the commencement of each LTI performance period to the end of each financial year. For the FY21 and FY22 LTI Performance Rights plan the relative TSR (rTSR) is used to assess whether any vesting will occur for 50% the LTI, as per Section 9 of this Remuneration Report.

8. Short-Term Incentives: FY22 EIP

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

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

For FY22, the EIP was reviewed, and the People, Culture and Sustainability Committee and Board approved three changes for the FY22 construct from the FY21 construct:

- Maximum on Financial Performance:** to ensure that there is sufficient stretch opportunity to deliver both Domain Group Revenue and EBITDA the maximum achievement for the financial performance measures was increased from Target +5% to Target +15%.
- Increased Maximum EIP Opportunity:** to ensure the Executive KMP can be rewarded for stretch performance and over delivery of Domain Group Revenue and EBITDA the maximum EIP opportunities have been increased. With CEO maximum EIP opportunity increasing from 80% to 120% and CFO maximum EIP opportunity increasing from 60% to 70%.
- Deferral of EIP:** rather than paying 100% of EIP in cash, from FY22, 30% of EIP outcomes will be deferred into Share Rights. The deferral period will be 12 months from the date of issue. These Share Rights are subject to vesting criteria that the executive remains employed by Domain (or a member of the Domain Group) on the vesting date, unless the Board determines otherwise.

There were no changes to the FY21 EIP construct, details of which are set out in Domain’s previous remuneration report (for the financial year ended 30 June 2021).

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

	Measure	Weighting	Threshold	Target (On Plan)	Maximum
Financial	Achieve Domain Group Revenue Target	25%	Target -5%	Target	Target +15%
	Achieve Domain Group EBITDA Target	25%	Target -5%	Target	Target +15%
Personal	Individually assigned in relation to specific measures, set annually by Board	50%	Discretion approved by Board	Delivery of measure	Discretion approved by Board

On Target and Maximum awards available under the EIP for the Executive KMP are as follows:

	CEO	CFO
On Target Incentive	60% of TPV	35% of TPV
Maximum Incentive	120% of TPV	70% of TPV

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

Level of Performance	% of Target Incentive Awarded*	
	CEO	CFO
Below Threshold (ie < 95% of Target)	0%	0%
95% of Target	50%	50%
Target	100%	100%
115% of Target	200%	200%

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

8.1 FY22 EIP Outcomes

The outcomes of the FY22 EIP are as follows:

Financial Performance

- Domain Group Revenue exceeded the targets set for the FY22 EIP by 4%, with a result of \$356.7m, against a target of \$341.4m.
- Domain Group EBITDA exceeded the targets set for the FY22 EIP by 3%, with a result of \$122.1m against a target of \$117.8m.
- As a result, the FY22 EIP award in relation to the financial performance measures (50% of the opportunity) achieved outcomes above target.

Personal Performance

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

Jason Pellegrino

Category	Objectives	Weighting	Outcome
Financial	Domain Group Revenue	25%	104% of Target
	Domain Group EBITDA	25%	103% of Target
Transformational initiatives	Each initiative has specific agreed strategies to benefit the business, with specific focuses on: Core acceleration • Listings depth penetration and yield growth through micro market • Agent Solutions product adoption and platform progression Marketplace growth • Domain Home Loans • Property Data Solutions Each initiative was assessed with most delivered in full, with some exceeding.	40%	Exceeded
People, Culture and Sustainability initiatives	Focus on Employee Engagement, Leadership Development and ESG initiatives.	10%	Met

Rob Doyle

Category	Objectives	Weighting	Outcome
Financial	Domain Group Revenue	25%	104% of Target
	Domain Group EBITDA	25%	103% of Target
Transformational initiatives	Each initiative has specific agreed strategies to benefit the business, with specific focuses on: Deliver fit-for-purpose marketplace infrastructure, including enterprise and billing systems. Drive enhanced Business productivity dividends to support purposeful investment and growth plans. Each Initiative was individually assessed with most partially delivered.	40%	Below Target
People, Culture and Sustainability initiatives	Focus on Employee Engagement, Leadership Development and ESG initiatives.	10%	Below Target

The table below sets out the amounts awarded to each of the Executive KMP under the FY22 EIP and FY21 EIP:

	On Target EIP	Maximum EIP	Total EIP Earned	EIP Forfeited	% of EIP Max Earned	% of EIP Max Forfeited
Jason Pellegrino						
FY22 ^(a)	\$745,315	\$1,415,671	\$958,125 ^(c)	\$457,546	68%	32%
FY21	\$720,000	\$960,000	\$768,000	\$192,000	80%	20%
Rob Doyle						
FY22 ^(b)	\$212,603	\$425,207	\$159,565 ^(c)	\$265,642	38%	62%
FY21	\$210,000	\$360,000	\$267,150	\$92,850	74%	26%
Total						
FY22	\$957,918	\$1,840,878	\$1,117,690	\$723,188	61%	39%
FY21	\$930,000	\$1,320,000	\$1,035,150	\$284,850	78%	22%

- (a) Jason Pellegrino received an increase to Remuneration effective 27 August 2021, as a result his EIP opportunity was prorated. The On Target EIP opportunity was calculated by taking the EIP target of 60% and multiplying by TPV over the 12-month performance period, being TPV of \$1,200,000 from 1 July 2021 to 26 August 2021 and his increased TPV of \$1,250,000 from 27 August 2021 to 30 June 2022. The Maximum EIP was calculated using the above TPV values in addition to the proration of the maximum opportunity being 80% from 1 July 2021 to 26 August 2021 and increasing to 120% from 27 August 2021 to 30 June 2022.
- (b) Rob Doyle received an increase to Remuneration effective 1 January 2022, as a result his EIP opportunity was prorated. The EIP opportunity was calculated by taking the EIP target of 35% and EIP maximum of 70% and multiplying by TPV over the 12-month performance period, being TPV of \$600,000 from 1 July 2021 to 31 December 2021 and his increased TPV of \$615,000 from 1 January 2022 to 30 June 2022.
- (c) Any EIP outcome earned in FY22 will have 30% deferred into share rights for 12 months with the remainder paid as cash. For Jason Pellegrino \$287,438 will be deferred into share rights and \$670,687 will be paid as cash. For Rob Doyle \$47,870 will be deferred into share rights and \$111,695 will be paid as cash. The number of FY22 EIP Share Rights granted to the Executive KMP will be determined by dividing the EIP deferral amount by the volume-weighted average market price of shares over the 30 trading days from 1 July 2022 to 11 August 2022 inclusive. These Share Rights are anticipated to vest 12 months from the date of issue. Vesting of FY22 EIP Share Rights is subject to the holder remaining employed by Domain (or a member of the Domain Group) between the date of grant of the FY22 EIP Share Rights and the vesting date, unless the Board determines otherwise.

KMP other than CEO and CFO

The KMP other than the CEO and the CFO, being the Chairman and Non-Executive Directors, are not eligible to participate in the EIP. As such no payments have been made to the Chairman or Non-Executive Directors under the FY22 EIP.

9. Long-Term Incentives

9.1 LTI Options

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

The FY20 LTI was tested at the conclusion of FY22. The amount of awards to vest (or lapse) was determined by the achievement of Compound Annual Growth Rate (CAGR) of Total Shareholder Return (TSR) targets over a three-year period (FY20 to FY22) with reference to the following vesting schedule:

ABSOLUTE TSR OVER THE PERFORMANCE PERIOD	% OF OPTIONS THAT BECOME EXERCISABLE
Less than 7.5% Compound Annual Growth Rate (CAGR)	Nil
7.5% CAGR (threshold performance)	20%
Between 7.5% and 15% CAGR	Straight line pro rata vesting between 20% and 40%
15% CAGR	40%
Between 15% and 20% CAGR	Straight line pro rata vesting between 40% and 70%
20% CAGR	70%
Between 20% CAGR and 25% CAGR	Straight line pro rata vesting between 70% and 100%
25% CAGR or above	100%

The following table sets out the FY20 LTI performance outcomes:

ABSOLUTE TSR OVER THE PERFORMANCE PERIOD	% OF OPTIONS THAT BECOME EXERCISABLE
0.85% CAGR	Nil

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

		LTI Options Granted ^(a)	Grant Date ^(b)	Issue Date ^(c)	Exercise Price	Performance Period Start Date	Performance Period End Date	Expiry Date	No. Vested during the year	No. Lapsed during the year	Fair Value per Option at Grant	Value of Options Granted during the year	Value of Options Exercised during the year
Jason Pellegrino													
LTI	FY20	1,600,000	11.11.2019	18.11.2019	\$3.0169	01.07.2019	30.06.2022	30.06.2024	–	1,600,000 ^(e)	\$0.54	–	–
LTI	FY19	1,515,789	20.11.2018	01.03.2019	\$3.1606	27.08.2018	30.06.2021	31.12.2023	898,257	617,532 ^(d)	\$0.11	–	\$98,808
Robert Doyle													
LTI	FY20	638,888	13.09.2019	23.09.2019	\$3.0169	01.07.2019	30.06.2022	30.06.2024	–	638,888 ^(e)	\$0.64	–	–
LTI	FY19	605,263	15.01.2019	01.03.2019	\$3.1606	01.07.2018	30.06.2021	31.12.2023	358,679	246,584 ^(d)	\$0.08	–	\$28,694

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

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

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

(d) The portion of the FY19 LTI award that did not vest in FY21, and all options were lapsed for Jason Pellegrino and Rob Doyle.

(e) The FY20 LTI award did not vest, and all options lapsed for Jason Pellegrino and Rob Doyle.

9.2 FY22 LTI Performance Rights

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

Executive KMP annual allocations under the FY22 LTI are determined as follows:

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

The number of Performance Rights to be granted is calculated by dividing the participants maximum LTI opportunity by the volume-weighted average market price (VWAP) of the Company's shares over the 30 trading days beginning on the date of the first trading day of the 2022 financial year (1 July 2021 to 11 August 2021). The VWAP for this period was \$4.9183.

The FY22 LTI is subject to vesting criteria which are detailed below. A summary of why these performance conditions were chosen is set out in Section 6 of this Remuneration Report.

Performance period for FY22 LTI

The performance period starts 1 July of the year of the grant date and ends on 30 June of the vesting year (i.e. for the FY22 LTI, the performance period starts 1 July 2021 and ends 30 June 2024).

Vesting criteria for FY22 LTI

Any vesting of the FY22 LTI will be assessed equally against two tranches, being:

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

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

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

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

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

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

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

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

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

Disclosure of vesting for FY22 LTI

Disclosure of the outcomes against performance levels will be provided in the remuneration report for the financial year in which vesting is assessed (i.e. for the FY22 LTI, Domain's remuneration report for FY24).

Grant of FY22 to Executive KMP

The following table sets out details of the Executive KMPs' respective LTI Performance Right grants of Domain shares during FY22 and FY21:

Year granted	Plan	Grant Date	Issue Date	Performance Period Start Date	Performance Period End Date	Vesting Date	Expiry Date	Fair Value per Performance Right at Grant	Value of Performance Rights at Grant	Performance Rights held at beginning of financial year	Performance Rights Granted during financial year	Performance Rights Vested during financial year
Jason Pellegrino												
FY22	FY22 LTI (Tranche 1 – rTSR)	12.11.2021	12.11.2021	01.07.2021	30.06.2024	01.10.2024	12.11.2026	\$3.54	\$536,448	-	151,539	-
FY22	FY22 LTI (Tranche 2 – CAGR of EBITDA)	12.11.2021	12.11.2021	01.07.2021	30.06.2024	01.10.2024	12.11.2026	\$5.31	\$804,672	-	151,539	-
FY21	FY21 LTI (Tranche 1 – rTSR)	19.11.2020	19.11.2020	01.07.2020	30.06.2023	19.11.2023	19.11.2025	\$3.09	\$672,226	217,549	-	-
FY21	FY21 LTI (Tranche 2 – CAGR of EBITDA)	19.11.2020	19.11.2020	01.07.2020	30.06.2023	19.11.2023	19.11.2025	\$4.22	\$918,057	217,549	-	-
Rob Doyle												
FY22	FY22 LTI (Tranche 1 – rTSR)	01.10.2021	01.10.2021	01.07.2021	30.06.2024	01.10.2024	01.10.2026	\$3.66	\$223,245	-	60,996	-
FY22	FY22 LTI (Tranche 2 – CAGR of EBITDA)	01.10.2021	01.10.2021	01.07.2021	30.06.2024	01.10.2024	01.10.2026	\$5.30	\$323,279	-	60,996	-
FY21	FY21 LTI (Tranche 1 – rTSR)	19.11.2020	19.11.2020	01.07.2020	30.06.2023	19.11.2023	19.11.2025	\$3.09	\$273,793	88,606	-	-
FY21	FY21 LTI (Tranche 2 – CAGR of EBITDA)	19.11.2020	19.11.2020	01.07.2020	30.06.2023	19.11.2023	19.11.2025	\$4.22	\$373,917	88,606	-	-

9.3 Project Zipline and FY20 EIP Shares

9.3.1 Project Zipline Share Rights

The granting of the Project Zipline Share Rights formed part of the remuneration for the Executive KMP for the period from 4 May 2020 to 1 November 2020 and the Share Rights were granted in a single allocation on 7 May 2020.

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

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

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

The Project Zipline Share Rights vested on 7 November 2021.

9.3.2 FY20 EIP Share Rights

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

These Share Rights vested on 30 September 2021.

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9.3.3 Overview

The table below sets out details of 'one off' grants of equity that vested during FY22:

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

Year granted	Plan	Grant Date	Issue Date	Vesting Date	Expiry Date	Fair Value per Share or Share Right at Grant (as applicable)	Value of Shares/Share Rights (as applicable) at Grant ^(b)	Shares/Share Rights held at beginning of this year	Shares/Share Rights Granted during this year	Shares/Share Rights Vested during this year	Shares/Share Rights Exercised during this year
Jason Pellegrino											
FY21	FY20 EIP	08.10.2020	08.10.2020	30.09.2021	-	\$3.97	\$233,158	58,730	-	58,730	58,730
FY20	Project Zipline	28.04.2020 ^(a)	07.05.2020	07.11.2021	-	\$2.43	\$362,811	149,305	-	149,305	149,305
Rob Doyle											
FY21	FY20 EIP	08.10.2020	08.10.2020	30.09.2021	-	\$3.97	\$55,397	13,954	-	13,954	13,954
FY20	Project Zipline	28.04.2020 ^(a)	07.05.2020	07.11.2021	-	\$2.43	\$106,392	43,783	-	43,783	43,783

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

(b) Fair Value at Grant for the Project Zipline Share Rights is calculated by multiplying the share price on the day of grant (\$2.43) by the number of Share Rights granted. Fair Value at Grant for the FY20 EIP Share Rights is calculating by multiplying the share price on the day of grant (\$3.97) by the number of Share Rights granted.

KMP other than CEO and CFO

The KMP other than the CEO and the CFO, being the Chairman and Non-Executive Directors, are not eligible to participate in the LTI. As such no payments have been made to the Chairman or Non-Executive Directors under the FY20 LTI or the FY22 LTI. Some of the KMP other than the CEO and the CFO were granted Project Zipline Share Rights – details of these Share Rights are set out in Section 13.1 of this Remuneration Report.

10. Executive KMP Remuneration Table for FY22

The table below sets out details of the Executive KMPs' remuneration during FY22 and FY21:

		Short Term Employee Benefits						
		Base Salary & Other Benefits ^(a)	Cash Payments/ Bonus	Post-Employment Benefits (Superannuation)	Long-Term Benefits (Employee Entitlements)	Total Excluding LTI	LTI Expense ^(b)	Total Including LTI
Jason Pellegrino	FY22	\$1,258,290	\$958,125 ^(c)	\$27,211	\$15,899	\$2,259,525	\$923,647	\$3,183,172
	FY21	\$964,255	\$768,000	\$25,000	\$9,797	\$1,767,052	\$973,652	\$2,740,704
Rob Doyle	FY22	\$590,771	\$159,565 ^(c)	\$27,500	\$20,630	\$798,466	\$281,791	\$1,080,257
	FY21	\$508,193	\$267,150	\$25,000	\$18,845	\$819,188	\$306,750	\$1,125,938
Total	FY22	\$1,849,061	\$1,117,690	\$54,711	\$36,529	\$3,057,991	\$1,205,438	\$4,263,429
	FY21	\$1,472,448	\$1,035,150	\$50,000	\$28,642	\$2,586,240	\$1,280,402	\$3,866,642

- (a) Other Benefits include annual leave expense.
- (b) LTI Expense comprises FY21 LTI and FY22 LTI Performance Rights, and Project Zipline Share Rights and is calculated in accordance with the accounting standards applicable to each plan.
- (c) As approved by the Board any EIP outcome earned in FY22 will have 30% deferred into share rights for 12 months with the remainder paid as cash. For Jason Pellegrino \$287,438 will be deferred into share rights and \$670,687 will be paid as cash. For Rob Doyle \$47,870 will be deferred into share rights and \$111,695 will be paid as cash. The number of FY22 EIP Share Rights granted to the Executive KMP will be determined by dividing the EIP deferral amount by the volume-weighted average market price of shares over the 30 trading days from 1 July 2022 to 11 August 2022 inclusive. These Share Rights are anticipated to vest 12 months from the date of issue. Vesting of a FY22 EIP Share Right is subject to the holder remaining employed by Domain (or a member of the Domain Group) between the date of grant of the FY22 EIP Share Rights and the vesting date, unless the Board determines otherwise.

11. Executive Service Agreements

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

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

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

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

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

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

Amendments to executive services agreements for KMP

As set out in Domain's previous remuneration report (for the financial year ended 30 June 2021), executive services agreements for Executive KMP were varied in FY20 (in relation to Project Zipline – see section 4 of this Remuneration Report) and in FY21 (to enable greater flexibility to allow the settlement of the EIP for Jason Pellegrino by cash or by share rights, or by the grant of such other equity security instrument as is determined at the discretion of the Board).

Jason Pellegrino's Executive Services Agreement was amended during FY22, with effect from 27 August 2021 to:

- Reflect the 4.2% increase in fixed remuneration:
- Enable the maximum EIP opportunity for FY22 compared to those for FY21 to increase from 80% to 120%; and
- Enable any EIP outcome to be 70% payable in cash and 30% being paid via Domain Share Rights that will vest 12 months from the date of issue, subject to vesting criteria that Jason Pellegrino remains employed by Domain (or a member of the Domain Group), on the vesting date, unless the Board determines otherwise.

12. Executive Shareholdings

12.1 Shares held by Executive KMP

The number of ordinary shares in the Company in which each Executive KMP had a relevant interest during FY22 is set out below.

This table includes ordinary shares acquired by Executive KMP under vested incentive plans. This table does not include interests in shares arising from the FY21 and FY22 LTI Performance Rights which are set out in Section 12.2 of this Remuneration Report.

		Balance at start of financial year	Acquisitions	Disposals	Balance at end of financial year
Jason Pellegrino	FY22	732,791	1,161,037	1,106,292	787,536
	FY21	100,000	632,791 ^(a)	0	732,791
Rob Doyle	FY22	0	416,416	416,416	0
	FY21	0	0	0	0
Total	FY22	732,791	1,577,453	1,522,708	787,536
	FY21	100,000	632,791	0	732,791

(a) Adjustment to include the vesting of shares during FY21, which were disclosed in Section 12.2 of the FY21 Remuneration Report. As part of his onboarding with Domain, Jason Pellegrino was offered ordinary shares in the Company equivalent in value to \$2,000,000. The allocation of Engagement Shares was approved by shareholders at the Company's Annual General Meeting held on 20 November 2018. The allocation price of the Engagement Shares was determined using a 30-day trading VWAP for the period of 13 June to 24 July 2018 at a price of \$3.1606. Jason Pellegrino's Engagement Shares vested in full on 27 August 2020, with a total of 632,791 shares vesting.

12.2 Total incentive instruments allocated to Executive KMP

The table below lists the total incentive securities (on an aggregated basis), it includes:

Those which have vested or lapsed in FY22, being:

- FY20 EIP Share Rights; and
- FY20 LTI Options.

Those which have not yet vested or lapsed, being:

- FY21 LTI Performance Rights; and
- FY22 LTI Performance Rights.

	Balance as at 1 July 2021	Granted as Remuneration ^(c)	Vested During the Year ^(d)	Lapsed During the Year ^(e)	Other Movement	Balance as at 30 June 2022 ^(f)
Jason Pellegrino	2,093,828 ^(a)	303,078	58,730	1,600,000	–	738,176
Rob Doyle	830,054 ^(b)	121,992	13,954	638,888	–	299,204
Total	2,923,882	425,070	72,684	2,238,888	–	1,037,380

(a) Opening balance is FY20 LTI Options: 1,600,000, FY21 LTI Performance Rights: 435,098 and FY20 EIP: 58,730 Share Rights.
(b) Opening balance is FY20 LTI Options: 638,888, FY21 LTI Performance Rights: 177,212 and FY20 EIP: 13,954 Share Rights.
(c) The granting of the FY22 LTI Performance Rights in FY22.
(d) The vesting of the FY20 EIP Share Rights in FY22.
(e) The lapsing of the FY20 LTI options.
(f) Represents the FY21 LTI and FY22 Performance Rights.

13. Remuneration of Non-Executive Directors

Under the Domain Constitution, the aggregate remuneration of Non-Executive Directors is set by resolution of the Company's shareholders. The annual maximum aggregated amount is currently \$1.5 million (FY21: \$1.5 million), inclusive of superannuation and exclusive of reimbursement of expenses. The maximum aggregate remuneration amount has been set to enable the appointment of additional Non-Executive Directors, if required. Within this limit, the Board annually reviews Non-Executive Directors' remuneration with recommendations from the People, Culture and Sustainability Committee. The Board also considers survey data on Non-Executive Directors' fees paid by comparable companies and any independent expert advice commissioned.

In FY22 as there was no increase in directors' fees, no independent expert advice was commissioned.

Executive Directors' remuneration is not included in the maximum aggregate fee amount. The only Executive Director during FY22 was the CEO.

Board and Committee fees payable per member for FY22 are as follows.

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

The Chairman does not receive Committee fees.

For FY23, in response to the review undertaken in FY22, directors' fees (including the Chairman's fee and Committee Chair fees) were increased by an average of 23%, effective from 1 July 2022. Over the 5-year period since listing on the ASX, this represents an average annual increase of approximately 4.2% per year. The maximum aggregate remuneration amount after this increase remains within the limit of \$1.5 million noted above.

Further details will be disclosed in the remuneration report for the financial year ending 30 June 2023.

Retirement Benefits and Termination Benefits for Non-Executive Directors

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

During FY21, Hugh Marks ceased to be a Non-Executive Director. During FY22 (effective 30 June 2022), Lizzie Young ceased to be a Non-Executive Director. None of these persons were paid termination benefits by Domain in connection with their cessation as a Director.

13.1 Non-Executive Directors’ Fees

Project Zipline Share Rights

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

As noted in Section 4 of this Remuneration Report, Project Zipline Share Rights vested on 7 November 2021.

Directors nominated by Nine

During FY22, Domain had Directors on the Board who were nominated by Domain’s major shareholder, Nine, (Lizzie Young and Mike Sneesby). Those Directors were paid as executives of Nine and are not paid directors’ fees by Domain. For accounting purposes, in table below, an amount is attributed to them as ‘Non-Executive Directors’ Fees’ for their role as a Director of Domain. This amount is equivalent to the annual directors’ fees amount for Non-Executive Directors that are remunerated by Domain (\$110,000 – see the table in Section 13 of this Remuneration Report) for FY22. Domain did not actually pay the amounts shown in the table to the Nine nominated Non-Executive Directors. Accordingly, the amounts shown for those Directors in the table below do not form part of the pool of aggregate remuneration of Non-Executive Directors set out in section 10 of this Remuneration Report (currently \$1.5 million). Details of the remuneration of the Nine nominated Non-Executive Directors paid to them by Nine in FY22 are not set out in this Remuneration Report.

Fees paid to Non-Executive Directors during FY22 and FY21

Non-Executive Director		Non-Executive Directors’ Fees	Superannuation	Fair Value of Project Zipline Share Rights	Total
Diana Eilert	FY22	\$135,063	\$13,506	\$10,519	\$159,088
	FY21	\$112,027	\$10,643	\$29,534	\$152,203
Greg Ellis	FY22	\$107,885	\$2,708	\$7,818	\$118,411
	FY21	\$83,263	\$7,910	\$21,951	\$113,124
Nick Falloon	FY22	\$228,146	\$22,815	\$17,769	\$268,730
	FY21	\$189,234	\$17,977	\$49,889	\$257,101
Geoff Kleemann	FY22	\$136,888	\$13,689	\$10,661	\$161,238
	FY21	\$113,540	\$10,786	\$29,933	\$154,260
Mike Sneesby ^(a)	FY22	\$100,000	\$10,000	–	\$110,000
	FY21	\$19,541	\$1,856	–	\$21,397
Lizzie Young ^(b)	FY22	\$100,000	\$10,000	–	\$110,000
	FY21	\$100,457	\$9,543	–	\$110,000
Hugh Marks ^{(c)(d)}	FY22	–	–	–	–
	FY21	\$75,411	\$7,164		\$82,575
Total	FY22	\$807,982	\$72,717	\$46,767	\$927,467
	FY21	\$693,473	\$65,880	\$131,307	\$890,660

(a) Mike Sneesby was a Non-Executive Director during all of FY22. As noted above, as a Director nominated by Domain’s major shareholder, Nine, who is paid as an executive of Nine, Mike Sneesby is not paid Directors’ Fees by Domain. For accounting purposes, an amount is attributed as ‘Non-Executive Directors’ Fees’ for his role as a Director but this amount is the annual Directors’ Fees amount for Non-Executive Directors that are remunerated by Domain (\$110,000 – see the table in Section 13 of this Remuneration Report) for the period from 21 April 2021 to 30 June 2021 (the period in FY21 during which he was a Director).

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

(b) Lizzie Young was a Non-Executive Director during FY22 until she resigned as a Non-Executive Director effective 30 June 2022. As noted above, as a Director nominated by Domain’s major shareholder, Nine, who is paid as an executive of Nine, Lizzie Young is not paid Directors’ Fees by Domain. For accounting purposes, an amount is attributed as ‘Non-Executive Directors’ Fees’ for her role as a Director but this amount is the annual Directors’ Fees amount for Non-Executive Directors that are remunerated by Domain (\$110,000 – see the table in Section 13 of this Remuneration Report) for FY21 and FY22.

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

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

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

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

13.2 Non-Executive Directors Shareholdings during FY22

The number of ordinary shares in the Company in which each Non-Executive Director has a relevant interest during FY22 is set out below. These shares represent those purchased on market by the Non-Executive Directors with their own personal funds or shares that Directors took up as a part of the retail entitlement offer announced by the Company on ASX on 1 April 2022 and settled on 2 May 2022.

No shares in the Company were granted during FY22 to Non-Executive Directors as remuneration.

Project Zipline Share Rights, being rights over shares in the Company, were granted to some Non-Executive Directors as part of remuneration prior to FY22 – details of these are set out in Section 13.3 of this Remuneration Report.

	Balance as at 1 July 2021	Acquisitions	Disposals	Balance as at 30 June 2022
Diana Eilert	43,400	23,428	–	66,828
Greg Ellis	10,581	859	–	11,440
Nick Falloon	101,239	590,884	–	692,123
Geoff Kleemann	60,000	25,044	–	85,044
Mike Sneesby	–	–	–	–
Lizzie Young ^(a)	–	–	–	–
Total	215,220	640,215	–	855,435

(a) Lizzie Young resigned as a Non-Executive Director effective 30 June 2022.

13.3 Non-Executive Director Project Zipline Share Rights

The number of Project Zipline Share Rights held and exercised during FY22 by each Non-Executive Director, including their related parties, is set out below.

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

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

(a) The Grant Dates for each Non-Executive Director's Project Zipline Share Rights are the dates contained in the offer acceptance documentation, and the date on which the offers were accepted.
(b) Fair Value at Grant for the Project Zipline Share Rights is calculated by multiplying the share price on the day of grant (\$2.43) by the number of Share Rights granted.
(c) Project Zipline Share Rights were granted to Non-Executive Directors as part of a single grant during FY20 (on 7 May 2020) in payment of part of the relevant remuneration for a six-month period from 4 May 2020 to 1 November 2020.
(d) Mike Sneesby was appointed as Non-Executive Director effective 21 April 2021.
(e) Lizzie Young resigned as a Non-Executive Director effective 30 June 2022.
(f) Hugh Marks resigned as a Non-Executive Director effective 31 March 2021.

13.4 Relevant interests of Directors in related bodies corporate of Company during FY22

The relevant interests of the Non-Executive Directors in shares or other relevant securities of related bodies corporate of the Company during FY22 are set out below.

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

The relevant interests of the KMP (other than the Executive KMP), being the Chairman and the Non-Executive Directors, in shares of the Company during FY22 are set out in the table in Section 13.2 of this Remuneration Report.

Where a Director is not included in the table, they did not have any relevant interest in relevant securities of related bodies corporate of the Company during FY22.

Director	Related body corporate	Balance in which Director had relevant interest as at 1 July 2021	Balance in which Director had relevant interest as at 30 June 2022
Nick Falloon	Nine Entertainment Co. Holdings Limited	396,222 ordinary shares	396,222 ordinary shares
Lizzie Young	Nine Entertainment Co. Holdings Limited	77,989 ordinary shares 389,461 performance rights	104,096 ordinary shares 374,864 performance rights
Mike Sneesby	Nine Entertainment Co. Holdings Limited	81,083 ordinary shares	127,772 ordinary shares 889,855 performance rights

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

14. Additional Information

14.1 Loans in relation to KMP during FY22

There were no loans made, guaranteed or secured, directly or indirectly, by any member of the Domain Group in relation to any KMP, close members of the family of KMP, or entities over which any such persons have, directly or indirectly, control, joint control or significant influence during FY22 (FY21: nil).

14.2 Remuneration Consultants

No remuneration consultant (within the meaning of the Corporations Act) made any remuneration recommendation in relation to any of the KMP for FY22.

Corporate Governance Statement



Corporate Governance Statement

1. This Corporate Governance Statement

Introduction

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

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

The relevant reporting period for this Corporate Governance Statement is Domain's 2022 financial year which commenced on 1 July 2021 and ended on 30 June 2022 (**Reporting Period**).

This Corporate Governance Statement is current as at 17 August 2022 and has been approved by the Board.

Domain has adopted a number of policies and procedures designed to ensure that Domain is appropriately governed and managed. More information about Domain's corporate governance and copies of:

- Domain's Constitution;
- Domain's Board Charter and Board Committee Charters; and
- Domain Group policies and guidelines – including Domain's Securities Trading Policy, Continuous Disclosure Policy, Code of Conduct, Supplier Code of Conduct, Inclusion and Belonging Statement, Speak Up Policy and Anti-Bribery and Corruption Policy,

are available in the Corporate Governance section of Domain's Shareholder Centre website at shareholders.domain.com.au.

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

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

2. Board of Directors

As at the date of this Corporate Governance Statement, Domain has six Directors on its Board: five Non-Executive Directors and the Managing Director (CEO). Presently, Domain has three independent Non-Executive Directors and two non-independent Non-Executive Directors.

There was one change to the Board during the Reporting Period: Lizzie Young, a non-independent Non-Executive Director, resigned as a Director effective 30 June 2022.

There was one announced change to the Board after the Reporting Period and before the date of this Corporate Governance Statement: on 12 August 2022, Domain announced that Rebecca Haagsma would be appointed as a Director effective 1 September 2022. Rebecca Haagsma will be a non-independent Non-Executive Director. Section 4 of this Corporate Governance Statement sets out the basis for her being classified as a non-independent Director.

On and from this appointment, Domain will have seven Directors on its Board, with three independent Non-Executive Directors and three non-independent Non-Executive Directors, resulting in an equal split of independent and non-independent Non-Executive Directors.

The Non-Executive Directors, together with the Managing Director, bring a diverse range of skills and knowledge to the Board, including strong financial, risk, commercial and social expertise. Details of:

- The Directors on the Board, their appointment dates and qualifications and experience;
- The members of the Board Committees; and
- The number of Board and Board Committee meetings held during the Reporting Period and details of each Director's attendance at those meetings,

are set out in the Directors' Report on pages 37-49 of this Annual Report.

3. Role of the Board and Delegation of Authority

Overview of the Role of the Board

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

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

The Board's role is to:

- Represent and serve the interests of shareholders by overseeing Domain's strategies, policies and performance;
- Protect and optimise Company performance and build sustainable value for shareholders in accordance with any duties and obligations imposed on the Board by law and the Company's Constitution and within a framework of effective controls that enables risk to be assessed and managed;
- Set, review and monitor compliance with Domain's culture and governance framework; and
- Monitor that shareholders are kept informed of Domain's performance and major developments affecting its state of affairs.

The Board's responsibilities and reserved matters include:

- Appointing the CEO and evaluating the CEO's performance and remuneration;
- Monitoring the performance of the CEO and Executive Leadership Team (as defined below) and, where required, providing feedback to and challenging the CEO and Executive Leadership Team;
- Monitoring corporate performance and implementation of strategy and policy;
- Approving major capital expenditure, acquisitions and divestitures;
- Overseeing capital management, including approving dividend payments;
- Monitoring and reviewing management processes aimed at ensuring the integrity of financial and other reporting;
- Approving financial reports, profit forecasts and other reports required at law or under the ASX Listing Rules to be adopted by the Board; and
- Evaluating, at least annually, the performance of the Board, its Committees and individual Directors.

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

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

Delegation to Board Committees

The Board establishes Board Committees to assist with discharging its responsibilities. The three standing Board Committees that have been established are the:

- Audit and Risk Committee;
- People, Culture and Sustainability Committee; and
- Nomination Committee.

Further details about:

- The duties and responsibilities of each Board Committee are set out in Section 11 of this Corporate Governance Statement; and
- The details of the members of each Board Committee,

are set out in the Directors’ Report on pages 37-49 of this Annual Report.

Delegation to Management

The Board has appointed Jason Pellegrino as the CEO of the Company. He is responsible for the overall management of the Domain Group in accordance with the business strategy approved by the Board. The Board Charter provides that while the Board retains ultimate responsibility for the strategy and performance of the Company, the day-to-day operation of the Company is conducted by, or under the supervision of, the CEO as directed by the Board.

Further details of the roles and responsibilities of management are set out in ‘Executive Leadership Team’ in Section 9 of this Corporate Governance Statement.

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

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

4. The Directors and Independence

Board members

The Directors’ Report on pages 37-49 of this Annual Report gives details of the Directors, their length of service and their experience.

Independent directors

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

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

Non-independent Directors

Non-executive Directors

The other two Non-Executive Directors on the Board as at the date of this Corporate Governance Statement, Nick Falloon and Mike Sneesby, are considered by the Board to be non-independent due to their connection with Nine Entertainment Co. Holdings Limited (**Nine**), Domain’s majority shareholder.

Nick Falloon is on the board of Nine and serves as Deputy Chairman.

Mike Sneesby is also on the board of Nine and is an employee of Nine (as Chief Executive Officer).

In addition, each of Mr Falloon and Mr Sneesby hold interests in Nine as set out in notices of Directors’ interests (Appendix 3X or 3Y) lodged by the Company via the ASX Market Announcements Platform.

Lizzie Young was a Director for the duration of the Reporting Period and resigned with effect from 30 June 2022. During the Reporting Period, she was an employee of Nine (as Managing Director – Group Marketing and Local Markets), and held interests in Nine. Lizzie Young was considered by the Board to be non-independent during her period of service as a Director due to her connection with Nine.

CEO

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

Assessments and reviews

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

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

Appointment of Director

On 12 August 2022, the Company announced that Rebecca Haagsma would be appointed as a Director effective 1 September 2022.

Rebecca Haagsma is an employee of Nine (as Chief Product Officer). On and from her appointment, Rebecca Haagsma will be considered to be non-independent due to her connection with Nine.

Rebecca Haagsma’s interests in Domain and Nine (if any) will be lodged by the Company via the ASX Market Announcements Platform in accordance with the ASX Listing Rules.

Balance of independent and non-independent Directors

As at the date of this Corporate Governance Statement, Domain has six Directors on its Board. Half (three of six) of the Directors are non-independent Directors.

As noted in Section 2 of this Corporate Governance Statement, Lizzie Young, a non-independent Non-Executive Director, resigned as a Director effective 30 June 2022. Prior to her resignation, Domain had seven Directors on the Board, with a majority (four of seven) being non-independent Directors.

As also noted in Section 2 of this Corporate Governance Statement, on 12 August 2022, the Company announced that Rebecca Haagsma would be appointed as a Director effective 1 September 2022. As set out above, Rebecca Haagsma will be considered to be a non-independent Director given her connection with Nine. On and from this appointment, a majority of the Board (four of seven) will be non-independent Directors.

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

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

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5. Board Skills

The Directors each bring to the Board a valuable depth of knowledge and experience including global experience. They represent a cross-section of industries and bring a diverse range of skills including strong financial, risk, commercial and social expertise.

The following table sets out the Board’s skills matrix, being the skills, experience and diversity of the Directors on the Board as at the date of this Corporate Governance Statement.

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

Category	Percentage of Directors (substantial or extensive expertise)
Media expertise Expertise and experience in the media industry at a very senior level	100%
Strategy/risk Expertise in the development and implementation of strategic plans and risk management to deliver investor returns over time	100%
Executive leadership Experienced and successful leadership at a very senior executive level of large organisations	100%
Marketing and product development Expertise and senior executive experience in marketing and new media marketing metrics and tools	67%
Financial acumen Expertise in understanding financial accounting and reporting, corporate finance and internal financial controls, including an ability to probe the adequacies of financial and risk controls	100%
Remuneration Expertise in remuneration design to drive business success	83%
Capital projects, acquisitions and divestitures Experience in evaluating and implementing projects involving large-scale financial commitments, investment horizons and major transactions	83%
Governance Knowledge and experience of high standards of corporate governance, including ASX Listing Rules and practices	83%
Technology and data Expertise and experience in the adoption of new technology and technology projects and in the use of data and data analytics to drive successful sales, marketing and business development	67%
Health, safety and corporate responsibility Expertise related to workplace health and safety, environmental, community and social responsibility	50%
Public policy Experience in public and regulatory policy, including how it affects business	67%

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

6. Director Appointment, Rotation and Succession Planning

Appointment and Induction of Directors

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

As set out in Section 2 of this Corporate Governance Statement, on 12 August 2022, the Company announced that Rebecca Haagsma would be appointed as a Director effective 1 September 2022. A background check for Rebecca Haagsma was completed prior to her appointment.

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

Director Appointment Letter

All new Directors receive a written appointment letter setting out the terms of their appointment. Rebecca Haagsma has received such an appointment letter prior to her appointment as a Director effective 1 September 2022.

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

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

Director Shareholdings

Directors are encouraged to hold shares in Domain. Directors’ appointment letters set out the Board’s policy that new Directors must accumulate, during the period of four years from appointment, a portfolio of Domain shares equal to the value of 25% of annual directors’ fees per year for that four years (25% x 4), valued at the time of purchase.

As noted in the Remuneration Report on pages 51-78 of this Annual Report, not all Non-Executive Directors are remunerated by Domain. Directors nominated by Domain’s major shareholder, Nine, are not paid directors’ fees by Domain, and accordingly this policy does not apply to them. Of the Directors as at 30 June 2022, there were two Directors nominated by Nine in this position (Mike Sneesby and Lizzie Young). As noted in Section 2 of this Corporate Governance Statement, Lizzie Young resigned as a Director effective 30 June 2022.

Details of interests in Domain held by Directors are set out in the Remuneration Report on pages 51-78 of this Annual Report.

Director Rotation

Domain’s Annual General Meeting will be held on 9 November 2022.

Under Domain’s Constitution:

- At least one Director is required to stand for re-election at each Annual General Meeting;
- A director (that is not the managing director) appointed to fill a casual vacancy or an addition to the Board must not hold office (without re-election) past the next Annual General Meeting; and
- A director (that is not the managing director) must not hold office (without re-election) past the third Annual General Meeting following the meeting at which they were last elected or re-elected.

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

Consistent with the above, at Domain’s most recent Annual General Meeting on 4 November 2021:

- Mike Sneesby, who was appointed as a Director by the Board on 21 April 2021, retired and offered himself for election as a Director; and
- Diana Eilert and Greg Ellis, who had each served as Directors since 2017, retired and offered themselves for re-election as Directors.

The notice for that Annual General Meeting contained all material information in Domain’s possession relevant to a decision on whether or not to elect or re-elect those persons as Directors, including biographical details (including relevant qualifications and experience, and the skills they brought to the Board), confirmation that Domain had conducted appropriate background checks prior to the appointment of Mike Sneesby as a Director, and statements that the Board supported each re-election and a summary of the reasons why. The resolutions to re-elect each of them were carried.

As also noted in Section 2 of this Corporate Governance Statement, on 12 August 2022, the Company announced that Rebecca Haagsma would be appointed as a Director effective 1 September 2022. Accordingly, she will be required to stand for re-election at the next Annual General Meeting on 9 November 2022.

Evaluation of Board, Board Committees and Directors

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

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

The Board performance review was undertaken during the Reporting Period with the objective of continuous governance improvement, identifying Board performance improvement opportunities and any potential governance framework gaps. The review was undertaken through an internal process supported by the Company Secretary and covered individual Directors, the Chairman, Chairs of Committees, the Board as a whole as well as the Board Committees. The evaluation process comprised an individual Director questionnaire, a management questionnaire for those members of management that regularly interact with the Board, direct one-to-one discussions between individual Directors and the Chairman and, to complete the process, a Board group discussion. Consistent with the commentary to the ASX Recommendations, performance evaluation of the Chairman was completed by an independent Non-Executive Director, Geoff Kleemann.

7. Board Chairman

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

Domain’s Chairman is Nick Falloon and he is also Deputy Chairman of Nine, which is a substantial shareholder of Domain. As noted in Section 4 of this Corporate Governance Statement, as a result of his interests in Nine, he is considered to be a non-independent Director.

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

The Board is comfortable that Nick Falloon brings objective and independent judgement to all of the Board’s deliberations. Notwithstanding this, Geoff Kleemann, an independent Non-Executive Director, has been appointed by the Board to act as the independent Chair in relation to any matters where Nick Falloon may be conflicted. The Board has a standing item on its Board meeting agenda, chaired by Geoff Kleemann, for independent Director discussion. The non-independent Directors are not present for that agenda item.

8. CEO

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

9. Executive Leadership Team

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

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

The members of the Executive Leadership Team are employed under individual written executive service agreements which set out the terms of their employment, and Domain has a process to conduct appropriate background checks for new employees being appointed to the Executive Leadership Team.

During the Reporting Period, three persons were appointed to the Executive Leadership Team being Chief Product Officer Nathan Brumby, Chief Revenue Officer John Foong and Chief Marketing Officer Rebecca Darley. These persons all entered into individual written executive services agreements and appropriate background checks were completed.

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

In addition to regular check-ins, the members of the Executive Leadership Team are evaluated over a period of 12 months against key performance criteria aligned with the strategic priorities of the business. Throughout the year, the Executive Leadership Team collectively reviews delivery and performance of the strategic priorities as a group and the CEO also conducts individual reviews with Executive Leadership Team members. The CEO’s final end of year review usually occurs after the end of each financial reporting year in respect of the previous financial year. The reviews for the Reporting Period occurred between the end of the Reporting Period and the date of this Corporate Governance Statement.

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

10. Company Secretary

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

Consistent with the commentary to the ASX Recommendations, each Director is able to communicate directly with the Company Secretary and vice versa. Domain’s Company Secretary is Catriona McGregor.

The qualifications and experience of the Company Secretary are set out in the Directors’ Report on pages 37-49 of this Annual Report.

11. Board Committees

The Board has three standing Board Committees:

- the Audit and Risk Committee;
- the People, Culture and Sustainability Committee; and
- the Nomination Committee.

Board Committees – Charters

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

Audit and Risk Committee

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

The Audit and Risk Committee Charter was updated during the Reporting Period to, among other things, provide that the Committee's responsibilities include:

- Reviewing and making recommendations to the Board on the implementation and effectiveness of the Company's cyber and data security framework;
- Considering with management (and, if required, the internal and/or external auditor) the overall adequacy and effectiveness of the Company's legal, regulatory and ethical compliance programs; and
- Reviewing and considering the overall adequacy and effectiveness of the Company's Speak Up Policy and Anti-Bribery and Corruption Policy and recommending to the Board any necessary changes.

The Audit and Risk Committee is responsible for overseeing Domain's:

- Relationship with the external auditor and the audit function generally (including its quality);
- Financial and other periodic corporate reporting;
- Internal controls and systems; and
- Processes for identification and management of financial and non-financial risk.

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

The Chair of the Committee is Geoff Kleemann. He is an independent Director and, consistent with the ASX Recommendations, he is not the Chairman of the Board. Geoff Kleeman acts as the independent Chair in relation to any matters raised at a Board meeting where Nick Falloon (the Chairman of the Board) may be conflicted.

The Board considers that Geoff Kleemann is the appropriate person to act as the independent Chair of the Board in relation to any matters or decisions where the Chairman has a conflict. Geoff Kleemann has relevant financial and risk expertise having operated as Chief Financial Officer and Chair of the audit committee for a number of listed entities.

People, Culture and Sustainability Committee

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

The People, Culture and Sustainability Committee was previously known as the People and Culture Committee. The name of this committee was changed during the Reporting Period to better reflect that committee's responsibilities. The People, Culture and Sustainability Committee Charter was updated during the Reporting Period to reflect this change of name.

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

The People, Culture and Sustainability Committee's responsibilities include:

- Approving major changes and developments in the remuneration policies, superannuation arrangements, personnel practices and industrial relations strategies for the Domain Group;
- Reviewing and recommending to the Board employment and remuneration arrangements for the CEO including contract terms, annual remuneration and participation in the Company's incentive plans;
- Monitoring and reviewing Domain's strategies, processes and risk management policies to promote a safe and positive working culture, including by reviewing and approving the direction of the Company's policies to build a sustainable future (financially and otherwise);
- Reviewing the Company's employee engagement objectives, plans and measurement;
- Approving bullying and harassment policies; and
- Approving policies and procedures related to senior management recruitment, retention, performance assessment and termination.

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

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

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

Nomination Committee

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

The Nomination Committee Charter was updated during the Reporting Period to, among other things:

- Provide that all Directors have a standing invitation to attend Nomination Committee meetings; and
- Acknowledge that the offer of Board appointments must be made by the Board Chairman after having consulted all Directors, with any recommendation from the Nomination Committee having been circulated to all Directors.

The Nomination Committee assists the Board to ensure the Board is composed of Directors with a broad mix of skills, expertise, experience and diversity. It makes recommendations to the Board on the Board's size and composition, and the criteria for nomination as a Director and the membership of the Board more generally.

The Nomination Committee also assists the Board to evaluate the performance of the Board as a whole, Board Committees and individual Directors. It also ensures there are processes in place to support Director induction and education, and to regularly review Directors' commitment and effectiveness.

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

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

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

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

Details of the membership of each of the Board Committees, the number of times each Board Committee met during the Reporting Period, and how many meetings each member attended are set out in the Directors' Report on pages 37-49 of this Annual Report.

In addition to the matters set out in this Section 11 of this Corporate Governance Statement, the relevant qualifications and experience of the members of the Audit and Risk Committee are set out in the Directors' Report on pages 37-49 of this Annual Report.

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12. Values and Code of Conduct

Values

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



Open Minds Open Doors

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



Passion is Contagious

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



Have Adventures

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



Leap Grow Repeat

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

Domain’s values are publicly disclosed on its ESG (Social) website at domain.com.au/group/esg/social/, and are also promoted externally as part of Domain’s employee recruitment.

Domain employees receive appropriate training on these values and the Executive Leadership Team frequently references and reinforces these values in their communications and interactions with staff, in recognition awards and performance evaluations.

Code of Conduct

Domain has a Code of Conduct, a copy of which is available at Domain’s Shareholder Centre website at shareholders.domain.com.au.

The Code of Conduct applies to Directors, employees, interns, contractors, sub-contractors and employees of contractors and sub-contractors of Domain and its subsidiaries. It may also apply to contractors working on behalf of Domain, including Nine employees who work solely for Domain.

The Code of Conduct sets out the minimum standards of conduct expected of such persons, and aims to set honesty, trust and integrity as defining characteristics of the way these persons work, and to maintain transparency and promote the taking of accountability in dealing with teams and external parties. The Code of Conduct also sets out the responsibility of individuals for reporting Code breaches.

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

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

13. Suppliers, Whistleblowing and Anti-Bribery and Corruption

Supply Chain and Supplier Code of Conduct

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

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

In addition to implementing the Supplier Code, Domain has reviewed its operations and supply chains to identify and address any modern slavery risks in Domain’s operating and supply chain. Domain complies with its reporting requirements under the *Modern Slavery Act 2018* (Cth). Domain’s Modern Slavery Statement for the Reporting Period will be made available on or around the date of this Annual Report at Domain’s ESG (Social) website at www.domain.com.au/group/esg/social/.

Whistleblowing

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

In addition to the Speak Up Policy, Domain has internal Whistleblower Guidelines which are intended to support and guide those receiving, coordinating or investigating whistleblower reports, as well as those wishing to make reports under the Speak Up Policy.

Under the Speak Up Policy, Domain encourages employees to raise concerns about incidents via a range of methods, including:

- the Stopleveline Hotline;
- the CFO;
- the Chief People & Sustainability Officer;
- the CEO (for concerns relating to members of the Executive Leadership Team); and
- the Chairman (for concerns relating to any of the above persons).

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

Anti-Bribery and Corruption

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

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

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

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14. Diversity, Inclusion, Belonging and Human Rights

Inclusion and Belonging Commitment Statement (Diversity Policy)

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

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

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

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

Domain has adopted an Inclusion and Belonging Commitment Statement which is available at Domain’s Shareholder Centre website at shareholders.domain.com.au.

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

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

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

Measurable objectives

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

During the Reporting Period, the People, Culture and Sustainability Committee had measurable objectives for achieving gender diversity in the composition of its Board, the Executive Leadership Team, its ‘Senior Executives’ and the workforce generally, with objectives of representation of at least 40% female and 40% male (with a 20% swing variance) across each of these groups by the end of 2023.

For the purposes of these objectives, Senior Executives are persons holding Grade 5 roles under the Domain Job Architecture. Such persons are people leaders, who are seen as experts within the industry, with unique knowledge and extensive experience; they have deep subject matter expertise.

The Company’s progress towards achieving the measurable objectives and its workforce gender demographics more generally as at 30 June 2022 were:

Measure	Male	Female	Change from 30 June 2021
Proportion of men and women who are Directors (including CEO) ⁽ⁱ⁾	71%	29%	No change
Proportion of men and women who are in the Executive Leadership Team (including CEO and CEO-1)	60%	40%	FY21: 70% male, 30% female
Proportion of men and women who are Senior Executives (see definition above)	63%	37%	Not applicable (previous measurable objectives were set with respect to Senior Management (CEO-2))
Proportion of men and women across workforce generally ⁽ⁱⁱ⁾	52.0%	47.7%	FY21: 52% male, 48% female

- (i) The Directors include Lizzie Young who resigned as a Director effective 30 June 2022.
- (ii) During the Reporting Period, the Company created a new gender option for employees to self-identify as male, female or X (non-binary, gender diverse, other, unspecified, prefer not to say). 0.3% of the Company’s workforce generally as at 30 June 2022 self-identified in this way. As such, the respective proportions of men and women in this row total 99.7%.

As shown in the table above, the Company has seen a significant narrowing of the gender gap at the Executive Leadership Team level as at 30 June 2022 compared to 30 June 2021.

Other diversity and inclusion responsibilities and initiatives

Gender equality

Domain complies with the *Workplace Gender Equality Act 2012* (Cth) (**WGEA Act**). It has lodged its 2021-2022 Public Report under the WGEA Act with the Workplace Gender Equality Agency and this Report will be made available at Domain’s ESG (Social) website at domain.com.au/group/esg/social/ later in 2022, after Domain has completed relevant procedures under the WGEA Act. Domain has made available its questionnaire, workplace profile and management statistics table for its 2021-2022 Public Report at Domain’s ESG (Social) website at www.domain.com.au/group/esg/social/.

During the Reporting Period, as in previous financial years, Domain completed a gender pay gap analysis. When undertaking a gender pay gap analysis, the Company uses Workplace Gender Equality Agency tools to look at ‘like for like’ roles and identify any potential gender pay equity issues and/or gaps to be addressed. Domain will continue the process of regularly undertaking gap analyses and taking any needed steps to adjust the remuneration of employees to address any gaps identified.

LGBTQI+

During the Reporting Period, Domain participated for the second time in the Australian Workplace Equality Index (**AWEI**). The AWEI is Australia’s definitive national benchmark on LGBTQ workplace inclusion run by Pride in Diversity. Domain was awarded a bronze level recognition for its FY22 submission. Domain intends to continue this participation in future reporting periods.

Aboriginal and Torres Strait Islander Peoples

During the Reporting Period, Domain launched its first-ever Reconciliation Action Plan (**RAP**). The RAP covers the period from June 2022 to June 2023. Domain’s RAP sets out its vision for reconciliation – to establish a future where the original custodians of the land are accurately and appropriately recognised within a national culture that embraces and accepts all Aboriginal and Torres Strait Islander Peoples. The RAP sets out actions in the areas of relationships, opportunities and respect that Domain will pursue during the period, with clear deliverables, timelines and responsibility for each.

Domain’s RAP is available at Domain’s ESG (Social) website at domain.com.au/group/esg/social/.

Further information

Further information in relation to Domain’s diversity initiatives, including its focus in the Reporting Period on Traditional Owners and Aboriginal and Torres Strait Islander Peoples and LGBTQI+ inclusion, is set out in the Environmental, Social and Governance section on pages 19-34 of this Annual Report.

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Supporting our Employees

Domain appreciates that attracting, developing and retaining high performing employees is key to its success. During the Reporting Period, Domain introduced or updated a number of key employee wellbeing policies and initiatives, including in relation to domestic violence, gender affirmation, parental leave and working overseas. Details of these policies and initiatives are set out in the Environmental, Social and Governance section on pages 19-34 of this Annual Report.

Human Rights Policy

Domain is committed to conducting its activities in a manner that respects human rights. Domain has a Human Rights Policy. The Company’s approach to human rights is based on doing business in a way that respects the rights and dignity of people, avoids human rights abuses and upholds applicable legal requirements.

A copy of the Human Rights Policy is available at Domain’s Shareholder Centre website at shareholders.domain.com.au.

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

Domain’s Human Rights Policy applies in addition to:

- The Code of Conduct, which captures the principles by which Domain will conduct its business and interact with its people, customers and broader communities; and
- The Supplier Code, which sets out the minimum standards that Domain expects of its suppliers.

Further information in relation to Domain’s exposure to environmental and social risks, including human rights risks, is set out in Section 16 of this Corporate Governance Statement.

15. Remuneration

The Remuneration Report on pages 51-78 of this Annual Report describes the Company’s remuneration policies and practices for setting the level and composition of remuneration for Non-Executive Directors, the CEO and CFO, and their remuneration during the Reporting Period.

16. Risk Management

Risk management framework

The Board, with the support of the Audit and Risk Committee, oversees and monitors Domain’s risk framework.

The Domain Group’s risk management framework was reviewed by the Audit and Risk Committee and considered by the Board during the Reporting Period.

During the Reporting Period, as completed in the previous reporting period (the financial year ended 30 June 2021), the Audit and Risk Committee worked with the CEO, CFO and members of management to review the Company’s key risk areas, including contemporary and emerging risks (including cyber and data risks) and risks relevant to the Domain Group’s activities during that period, such as its acquisitions of Insight Data Solution and Realbase (integration risks). The Audit and Risk Committee monitors and reviews the risks reported by management and makes recommendations to the Board based on Domain’s risk appetite framework.

As noted in Section 11 of this Corporate Governance Statement, the Audit and Risk Committee Charter was updated during the Reporting Period, to expressly note the Audit and Risk Committee’s responsibilities in relation to risk management including reviewing and making recommendations to the Board on the implementation and effectiveness of the Company’s cyber and data security framework.

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

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

Economic, environmental and social risks

The Board, with the support of the Audit and Risk Committee, considers economic, environmental and social risks and opportunities and how they may impact the Company. For the reasons set out below, Domain does not view these risks as materially impacting Domain’s ability to create or preserve value for securityholders over the short, medium or longer term.

Economic risks

As a business that delivers technology and services to the real estate industry, Domain is exposed to the economic conditions of the property market. Whilst property listing volumes are cyclical in nature and are influenced by myriad economic factors, Domain has significant opportunities to grow revenue through increased take up of its premium listing products, Agent Solutions suite, Consumer Solutions and Property Data Solutions products to offset the impact of a property downturn on Domain’s ability to create or preserve shareholder value.

During the Reporting Period, Domain amended and extended its existing syndicated facility agreement, under which it has access to a total commitment of \$355m. The Board considers Domain has sufficient debt capacity to draw on, if needed, to address the impact of more challenging economic conditions in the property market and the wider economy.

Environmental risks

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

Information on environmental regulations applicable to Domain is set out in the Directors’ Report on pages 37-49 of this Annual Report.

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

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

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

Social risks

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

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

During the Reporting Period (in April 2022), the Company acquired Realbase, a business with operations and employees in New Zealand and the Philippines. This is the first time the Company has had employees based permanently overseas. As part of the integration of the Realbase business into Domain, the Company is monitoring risks raised by offshore arrangements, such as social risks in these other jurisdictions.

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

Environmental, Social & Governance Policy and Plan

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

Copies of these documents are available at Domain’s ESG website at www.domain.com.au/group/esg/.

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

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

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

The ESG Policy sets out, for each of these risks:

- Why it is important to the Company;
- How the Company is addressing the risk;
- Timelines for delivery of those actions; and
- How the risk is linked to the United Nations Sustainable Development Goals.

Actions the Company is currently undertaking in relation to environmental risks include improving the energy efficiency of its assets, and developing an emissions reduction strategy that will provide direction for the business to operate in a carbon neutral future.

More information on Environmental, Social and Governance

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

17. Audit, Financial Reporting and Tax

Internal Audit

During the previous reporting period (the financial year ended 20 June 2021), Domain established an outsourced internal audit function to provide an independent and objective view on key strategic, operational and financial risks faced by Domain and the effectiveness of its internal controls implemented to address those risks. Domain maintained this function during the Reporting Period.

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

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

Periodic Corporate Reporting

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

Declarations from CEO and CFO

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

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

Tax Transparency

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

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

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

In FY21, Domain was a ‘medium’ business under the Tax Transparency Code. Domain’s Tax Transparency Report for FY21, which encompasses Domain and its controlled entities, is available at Domain’s ESG (Governance) website at domain.com.au/group/esg/governance/.

As set out in this report, Domain applied the minimum standards for ‘medium’ businesses, and also provided an overview of tax contributions made to Australian State and Commonwealth governments, reflecting Domain’s commitment to transparency and integrity across tax matters. Additionally, this report sets out an explanation of the data disclosed by the ATO regarding the 2020 Domain Tax Consolidated Group’s income tax return.

Domain will submit a Tax Transparency Report for the Reporting Period (FY22). Once submitted, it will be available at Domain’s ESG (Governance) website at domain.com.au/group/esg/governance/.

Role of the Auditor and Audit Independence

The Company’s auditor audits Domain’s full-year financial statements. The Audit and Risk Committee assists the Board by overseeing Domain’s relationship with the external auditor. The Committee reviews the performance, independence and objectivity of the external auditor. It also monitors compliance with the Company’s External Audit Policy and Charter of Audit Independence, which are attached to the Audit and Risk Committee Charter.

The Charter of Audit Independence provides a framework for the Board and management to ensure that the external auditor is independent and seen to be independent. The purpose of an independent statutory audit is to provide shareholders with reliable and clear financial reports on which to base investment decisions.

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

The Charter of Audit Independence was updated during the Reporting Period to strengthen this framework, including to provide that any engagement of the Company’s auditor to provide non-audit services requires written approval of the Chair of the Audit and Risk Committee (regardless of the type of non-audit services or the quantum of fees).

A copy of the Charter of Audit Independence (attached to the Audit and Risk Committee Charter) is available at Domain’s Shareholder Centre website at shareholders.domain.com.au.

18. Continuous Disclosure

Continuous Disclosure Policy

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

Domain has a written Continuous Disclosure Policy to ensure that it complies with its disclosure obligations so that all investors have equal and timely access to material information concerning the entity – including its financial position, performance, ownership and governance.

A copy of Domain’s Continuous Disclosure Policy is available at Domain’s Shareholder Centre website at shareholders.domain.com.au.

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

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

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19. Investor Relations and Shareholders

Investor and Analyst Presentations

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

During the Reporting Period, the Company released a copy of presentation materials on the ASX Market Announcements Platform on four occasions (17 August 2021, 17 February 2022, 1 April 2022 and 3 May 2022). In each case, the materials were released ahead of the presentation.

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

Shareholder Communications and Investor Relations Program

The Company operates an investor relations program that facilitates two-way communications with investors. Domain's ASX announcements and governance landing pages include details of its investor relations contact person and their contact details.

The Directors also meet with proxy advisers and representatives of retail shareholders to understand their key focus areas and share Domain's approach in relation to those matters.

Consistent with the commentary to the ASX Recommendations, where significant comments or concerns are raised by investors or their representatives, they are conveyed to the Board and relevant senior executives. Shareholders have the option to receive communications from Domain and send communications to Domain and its share registry electronically.

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

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

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

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

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

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

Shareholder Participation and Voting

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

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

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

Consistent with the commentary on the ASX Recommendations, the above methods were adopted for the Company's Annual General Meeting held during the Reporting Period (in November 2021). As in 2020, the 2021 Annual General Meeting was held virtually due to ongoing Government restrictions relating to the COVID-19 pandemic and in the interests of the safety of Domain's shareholders and its employees, and the broader community. Shareholders were able to view and participate in the virtual meeting online in real time, and questions from shareholders were facilitated in the virtual environment.

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

Details in relation to Domain's 2022 Annual General Meeting are set out in the Corporate Directory on pages 175-178 of this Annual Report.

20. Employees and Securities

Trading in Company Securities

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

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

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

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

Equity-Based Remuneration Schemes

The Company has several equity-based remuneration schemes under the Domain Equity Incentive Plan and the Domain Executive Incentive Plan. Details of these schemes (as applicable to KMP) are set out in the Remuneration Report on pages 51-78 of this Annual Report. A summary of the Domain Equity Incentive Plan is set out on page 42 of the Scheme Booklet for the separation of the Company from Fairfax Media. The Scheme Booklet is available at Domain's Shareholder Centre website at shareholders.domain.com.au.

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

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



Management Discussion and Analysis Report

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Introduction	102
Directors' Report	
Remuneration Report	
Corporate Governance	
Mgmt Discussion and Analysis	
2022 Financial Report	
Independent Auditor's Report	
Shareholder Information	
Corporate Directory	

Management Discussion and Analysis Report

For the financial year ended 30 June 2022

Trading Overview

For the financial year ended 30 June 2022 (FY22), Domain Holdings Australia Limited (**Company** or **Domain**) and its controlled entities (together, **Domain Group**) reported a statutory net profit after tax attributable to members of the Company of \$35.1 million.

Operating earnings before interest, tax, depreciation and amortisation (**EBITDA**) (excluding significant items) of \$122.1 million was 21% above last year.

There were no new accounting standards, interpretations and amendments significantly impacting the Domain Group in FY22.

All revenue, expense and earning amounts in this Management Discussion and Analysis Report exclude significant items, unless otherwise specified.

Segment Performance

Core Digital

Revenue of \$325.5 million increased 23% from the financial year ended 30 June 2021 (FY21), with growth across all businesses in this segment.

Residential revenue increased 23% supported by growth in key metrics that contribute to controllable yield being price increases, and higher depth penetration. In addition, the market backdrop was supportive with new ‘for sale’ listings increasing 9%. The very strong H1 growth momentum moderated in H2, reflecting the exceptionally high depth penetration and revenue growth in FY21 H2 as the market recovered from COVID-19 related lows. Domain’s depth listings reached the highest level in the Company’s history and revenue per listing expanded significantly.

Media, Developers & Commercial revenue increased 7%, with a stronger H1 performance across all three businesses. H2 growth moderated reflecting the higher FY21 H2 comparable period. Commercial Real Estate (**CRE**) was the strongest performing business of the three and delivered solid revenue growth for the full year, benefiting from its flexible value-based pricing model. The business delivered record depth penetration which offset a softer listings environment. Developers delivered a solid depth performance in a challenging market for multi-storey developments and Media continued to leverage and benefit from quality audiences and content, however tough comparatives from H2 FY21 constrained growth in H2 FY22.

Agent Solutions revenue increased 67% year-on-year supported by the acquisition of the Realbase business in H2. The underlying Agent Solutions business also delivered strong double digit growth across both halves. Pricefinder delivered its best net subscriber performance of the past seven years, increasing acquisitions and reducing churn rate as a result of an enhanced sales effort. Real Time Agent (**RTA**) continues to scale strongly with 70% revenue growth supported by strong growth in new customer acquisition and geographic expansion.

During the year, the Property Data Solutions (**PDS**) business unit was separated from Agent Solutions to drive greater focus. PDS delivered reported revenue growth of 35%, and 13% on an underlying basis excluding the acquisition of Insight Data Solutions (**IDS**) in October 2021. Pricefinder’s growth accelerated in H2, benefiting from sales team relaunch and focus. The IDS acquisition marks a major step forward in accessing government and financial institution markets, providing long term growth opportunities.

Expenses for Core Digital of \$171.0 million increased 27% year-on-year and 16% on an ongoing¹. Key areas of increased spend included investment in staff to support the growth of the business, and part year expense contributions from the IDS and Realbase acquisitions IDS and Realbase costs contributed 5% to the year-on-year growth in expenses.

EBITDA of \$154.0 million increased 18% from the prior year with ongoing EBITDA up 31%,¹ reflecting revenue growth and margin expansion.

Consumer Solutions

Consumer Solutions revenue of \$9.4 million grew 69% year-on-year, due to strong growth of the Domain Home Loans (**DHL**) business, which benefited from improved conversion metrics and growth in settlements. DHL offers a differentiated consumer offering that leverages Domain’s unique property insights, and has maintained market leading consumer review scores.

Expenses of \$13.6 million increased 16% year-on-year and 11% on an ongoing basis.¹

The EBITDA loss of \$(4.3) million reduced from \$(6.2) million in FY21, reflecting the benefits of increased revenue scale and operating efficiencies.

Print

Revenue of \$21.7 million increased 22% year-on-year, with the growth concentrated in H1 as the business cycled the COVID-19 related pause in Print publications in FY21. H2 revenues declined modestly. Print revenue is experiencing a structural shift to digital and is exposed to property market volume related cyclicity.

Expenses of \$16.1 million increased 8%, and 3% on an ongoing basis,¹ reflecting disciplined cost management.

EBITDA of \$5.6 million doubled from the prior year, driven by revenue recovery, and continued strong cost management.

Financial Position

Operating earnings before interest and tax (**EBIT**) of \$91.9 million increased 42% from the prior year. Depreciation and amortisation of \$30.2 million decreased 16% from the prior year, largely due to lower amortisation of software and right-of-use assets.

FY22 recorded significant items of \$(20.2) million net of tax attributable to members of the Company. The restructuring and redundancy costs of \$8.2 million largely relate to Project Springboard (ongoing implementation of new finance and billing systems). \$8.0 million loss from remeasurement of contingent and deferred consideration mostly relating to the acquisition of IDS. \$5.5 million M&A transaction costs mostly related to the acquisitions of IDS and Realbase. \$2.4 million is from renegotiations of lease agreements for head office space and disposal of plant and equipment as a result of this.

Net cash inflow from operating activities of \$68.9 million increased 32% from the prior year, impacted by timing of receipts from customers and lower tax payments. Net cash outflow from investing activities was \$246.8 million, with outflows predominantly being acquisition of new businesses (total \$226.1 million) and capital expenditure (total \$20.9 million). During the year Domain raised \$180.1 million through issue of shares to support the investment in new business acquisitions. Dividends of \$4.3 million were in respect of dividends paid to non-controlling interests in subsidiaries. Cash and cash equivalents of \$67.1 million reduced both IDS and Pricefinder product drive subscription and transaction revenue 29% from the prior year. Net assets as at 30 June 2022 of \$1,115.2 million increased 17% from FY21.

Net debt was \$151.5 million at 30 June 2022, increased from \$79.0 million at 30 June 2021 reflecting the cash and cash equivalents movement described above and increase in non-current interest bearing liabilities.

¹ Ongoing result excludes JobKeeper and Project Zipline expense of \$8.0 million in FY22, and JobKeeper and Project Zipline benefit of \$6.5 million in FY21. Project Zipline was Domain’s voluntary employee and director program implemented during the initial stages of the COVID-19 pandemic to deliver a 20% reduction in employee cash salary costs.

Business Strategies and Future Prospects

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

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

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

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

For agents, Domain provides property marketing solutions for their customers, the vendors and a suite of connected solutions to generate leads and drive efficiencies in their workflow. Through innovating, partnering and buying technology, combined with leveraging the power of our data and products, Domain is enhancing the quality and breadth of its agent solution offerings. During FY22, Domain acquired Realbase, the largest real estate campaign management technology platform in Australia and New Zealand. This acquisition marked a significant step forward in the evolution of Domain's Marketplace strategy, accelerating the scale of Domain's Agent Solutions, strengthening Domain's comprehensive end-to-end agent workflow solutions for real estate agents.

Domain continues to grow its property data capabilities through its Property Data Solutions business unit. During FY22, Domain acquired Insight Data Solutions, a market-leading property data business focused on government and corporate customer segments. New and unique data products are being produced as Domain becomes more connected through the execution of the Marketplace strategy.

Underlying Drivers of Performance

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

Core Digital

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

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

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

- Pricefinder and Australian Property Monitors (APM) – which produce property data, insights and reporting tools to agents, financial institutions and other non-real estate businesses;
- RTA – which digitises key steps in the property journey, including agency agreements, auctions and contracts;
- Homepass – which provides open-for-inspection tools; and
- Realbase – which provides property campaign management tools, along with high growth products in digital proposals and social media.

Property Data Solutions: Revenue is derived from delivering data assets and insights to agents, consumers, government, financial institutions and corporates through subscriptions and transactions.

Consumer Solutions

Consumer Solutions revenue comprises commissions from Domain's home loans business. DHL operates as a joint venture with a specialist provider. Domain has stepped away from business activities through Domain Insure and other ventures to focus on DHL's award-winning services.

Print

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

Expenses

Expenses of \$234.6 million increased 24%, and 15.9% on an ongoing basis.¹ Costs from newly-acquired businesses IDS and Realbase contributed to the increase. Further information in relation to expenses is set out in Note 3 to the Financial Report on page 117 of this Annual Report.

The decision made by the Board in August 2022 to repay the JobKeeper grants received in FY21 impacted reported results for FY22. Further information in relation to the repayment of JobKeeper benefits is set out in Note 3 to the Financial Report on page 117 of this Annual Report.

Investor Presentation

The impacts of changes in the underlying drivers of performance on the current year result are set out in Domain's Investor Presentation for its FY22 results and associated commentary presented by the Domain Management team. A copy of the Investor Presentation has been lodged with the ASX by the Company on the date of this Annual Report.

Introduction	
Directors Report	
Remuneration Report	
Corporate Governance	
Mgmt Discussion and Analysis	
2022 Financial Report	
Independent Auditor's Report	
Shareholder Information	
Corporate Directory	

For personal use only

2022 Financial Report

Introduction

Directors' Report

Remuneration Report

Corporate Governance

Mgmt Discussion and Analysis

2022 Financial Report

Independent Auditor's Report

Shareholder Information

Corporate Directory

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the financial year ended 30 June 2022

	Note	30 June 2022 \$'000	30 June 2021 \$'000
Revenue from contracts with customers	2(A)	356,542	288,773
Other revenue and income	2(B)	1,558	6,084
Total revenue and income		358,100	294,857
Expenses from operations excluding depreciation, amortisation and finance costs	3(A)	(258,977)	(200,537)
Depreciation and amortisation	3(B)	(30,207)	(36,042)
Finance costs	3(C)	(5,931)	(7,360)
Net profit/(loss) from operations before income tax expense		62,985	50,918
Income tax expense	21	(23,327)	(15,357)
Net profit/(loss) from operations after income tax expense		39,658	35,561
Other comprehensive income/(loss) for the year		–	–
Total comprehensive income/(loss) for the year		39,658	35,561
Net profit/(loss) is attributable to:			
Owners of the parent		35,113	34,270
Non-controlling interest		4,545	1,291
		39,658	35,561
Total comprehensive income/(loss) is attributable to:			
Owners of the parent		35,113	34,270
Non-controlling interest		4,545	1,291
		39,658	35,561
Earnings per share			
Basic earnings per share (cents)	17	5.90	5.87
Diluted earnings per share (cents)	17	5.88	5.82

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 30 June 2022

	Note	30 June 2022 \$'000	30 June 2021 \$'000
Current assets			
Cash and cash equivalents	24	67,116	94,151
Trade and other receivables	9	61,239	51,108
Sublease receivable	13	1,473	1,379
Receivables – related parties	20	2,123	–
Total current assets		131,951	146,638
Non-current assets			
Intangible assets	7	1,361,571	1,100,025
Property, plant and equipment	12	9,076	11,787
Other receivables	9	6,337	3,966
Right of use assets	13	20,089	31,475
Sublease receivable	13	258	4,453
Equity accounted investments		300	–
Total non-current assets		1,397,631	1,151,706
Total assets		1,529,582	1,298,344
Current liabilities			
Payables – related parties	20	3,864	2,620
Trade and other payables	10	68,855	45,558
Lease liabilities	13	6,365	10,516
Provisions	11	7,791	6,353
Current tax liabilities		5,984	9,180
Total current liabilities		92,859	74,227
Non-current liabilities			
Interest bearing liabilities	8	218,648	173,116
Lease liabilities	13	19,454	33,650
Provisions	11	4,359	3,676
Other payables	10	10,701	1,500
Deferred tax liabilities	21	68,357	61,445
Total non-current liabilities		321,519	273,387
Total liabilities		414,378	347,614
Net assets		1,115,204	950,730
Equity			
Contributed equity	15	1,474,891	1,296,462
Shares held in trust	15	(7,547)	–
Reserves	15	(39,198)	(23,361)
Retained losses		(323,095)	(325,008)
Total parent entity interest		1,105,051	948,093
Non-controlling interest		10,153	2,637
Total equity		1,115,204	950,730

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

Consolidated Cash Flow Statement

for the financial year ended 30 June 2022

	Note	30 June 2022 \$'000	30 June 2021 \$'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		380,240	306,780
Payments to suppliers and employees (inclusive of GST)		(284,009)	(220,595)
Income taxes paid		(22,673)	(29,425)
Finance costs paid		(4,112)	(4,069)
Net financing component of lease receipts and payments	13	(870)	(1,035)
Interest received		303	439
Net cash inflow from operating activities	24	68,879	52,095
Cash flows from investing activities			
Payment for property, plant and equipment and software		(20,875)	(17,656)
Payment for purchase of controlled entities (net of cash acquired)	6	(226,104)	(1,530)
Disposal of controlled entities (net of cash disposed of)		25	–
Receipt of contingent consideration receivable		2,860	6,000
Payment of contingent and deferred consideration		(2,811)	–
Receipts from sublease receivable – principal component	13	1,314	1,103
Purchase of convertible notes		(1,200)	–
Net cash outflow from investing activities		(246,791)	(12,083)
Cash flows from financing activities			
Payment of lease liabilities – principal component	13	(9,606)	(8,682)
Dividends paid to non-controlling interest in subsidiaries		(4,259)	(5,040)
Proceeds from borrowings by subsidiary with non-controlling shareholder		1,456	3,028
Repayment of loan by subsidiary to non-controlling shareholder		(5,353)	–
Payments for acquisitions of treasury shares		(32,709)	–
Payment for purchase of non-controlling interest	20(E)	–	(1,150)
Proceeds from issue of shares by subsidiary to non-controlling shareholder		7,235	486
Proceeds from exercise of employee share options		5,978	–
Proceeds from borrowings		47,000	–
Dividends paid to shareholders		(35,056)	–
Proceeds from issue of share capital		180,096	–
Transaction costs incurred for issue of share capital		(2,380)	–
Payment of debt refinancing fees		(1,525)	–
Net cash outflow from financing activities		150,877	(11,358)
Net increase in cash and cash equivalents held		(27,035)	28,654
Cash and cash equivalents at the beginning of the year	24	94,151	65,497
Cash and cash equivalents at end of the year	24	67,116	94,151

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

Consolidated Statement of Changes in Equity

for the financial year ended 30 June 2022

		Reserves							
	Note	Contributed Equity \$'000	Shares Held In Trust \$'00	Other Reserves \$'000	Share- Based Payment Reserve \$'000	Total Reserves \$'000	Retained Losses \$'000	Non- Controlling Interest \$'000	Total Equity \$'000
Balance as at 30 June 2021	15	1,296,462	–	(40,907)	17,546	(23,361)	(325,008)	2,637	950,730
Profit for the year		–	–	–	–	–	35,113	4,545	39,658
Other comprehensive income		–	–	–	–	–	–	–	–
Total comprehensive income for the year		–	–	–	–	–	35,113	4,545	39,658
Dividends paid or declared to shareholders		–	–	–	–	–	(35,056)	–	(35,056)
Dividends paid or declared to non-controlling interest in subsidiaries		–	–	–	–	–	–	(4,264)	(4,264)
Transactions with non-controlling interest		–	–	–	–	–	–	7,235	7,235
Issue of share capital		180,095	–	–	–	–	–	–	180,095
Transaction costs		(1,666)	–	–	–	–	–	–	(1,666)
Acquisition of treasury shares		–	(32,709)	–	–	–	–	–	(32,709)
Vesting of options, performance and share rights	15	–	25,162	(11,883)	(7,301)	(19,184)	–	–	5,978
Release of unvested employee incentive shares	15	–	–	–	(2,327)	(2,327)	1,856	–	(471)
Shares in lieu of cash	15	–	–	–	977	977	–	–	977
Share-based payments, net of tax	15	–	–	–	4,697	4,697	–	–	4,697
Total transactions with owners		178,429	(7,547)	(11,883)	(3,954)	(15,837)	(33,200)	2,971	124,816
Balance as at 30 June 2022		1,474,891	(7,547)	(52,790)	13,592	(39,198)	(323,095)	10,153	1,115,204

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

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

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

Notes to the Consolidated Financial Statements

for the financial year ended 30 June 2022

1. About This Report

A. Corporate information

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

The Group is principally engaged in the provision of real estate media and classified advertising services. The Group's principal place of business is Pyrmont, Australia. Further information on the nature of the operations and principal activities of the Group is provided in the Directors' Report. Information on the Group's structure is provided in Note 20. Information on other related party relationships of the Group is provided in Note 20.

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

B. Basis of preparation

This financial report is for the 12 months from 1 July 2021 to 30 June 2022 (2021: 12 months from 1 July 2020 to 30 June 2021).

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

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

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

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

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

There were no new accounting standards, interpretations and amendments significantly impacting the Group in the financial year ended 30 June 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 financial year ended 30 June 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 AASs *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 AASs *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
- Amendments to AASs – Initial Application of AASB 17 and AASB 9 *Comparative Information*
- Amendments to AASs *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.

C. Significant judgements, estimates and assumptions

The carrying amounts of certain assets and liabilities are determined based on estimates and assumptions of future events.

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

- Note 6: Business combinations
- Note 7: Intangible assets
- Note 10: Trade and other payables
- Note 13: Leases
- Note 22: Employee entitlements

D. Principles of consolidation

i. Controlled entities

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

ii. Non-controlling 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.

2. Revenues

	Note	30 June 2022 \$'000	30 June 2021 \$'000
A. Revenue From Contracts With Customer			
Residential		239,224	195,280
Media, Developers and Commercial		49,434	46,029
Agent Solutions		21,922	13,141
Property Data Solutions		14,915	11,020
Core Digital		325,495	265,470
Consumer Solutions		9,364	5,536
Print		21,683	17,767
Total revenue from contracts with customers		356,542	288,773
B. Other Revenue And Income			
Interest income		393	690
Gain on lease modifications		236	–
Remeasurement on contingent and deferred consideration	4	–	4,577
Gain on debt refinance	4	738	–
Rental income		28	632
Other		163	185
Total other revenue and income		1,558	6,084
Total revenue and income		358,100	294,857

Accounting policy

Revenue from contracts with customers

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

Listing services

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

Subscription services

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

Advertising services

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

Commission income

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

Bundling of products and services

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

Other services

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

Financing Components

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

Other income

Interest income

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

Rental income

Rental income arising from subleased properties accounted for as operating leases is accounted for on a straight-line basis over the lease terms. It is included in other income in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

3. Expenses

	Note	30 June 2022 \$'000	30 June 2021 \$'000
A. Expenses From Operations Excluding Depreciation, Amortisation and Finance Costs			
Staff and employee related costs ⁽ⁱ⁾		130,191	95,568
Production and distribution costs		26,792	22,260
Promotions		34,270	35,768
Rent and outgoings		2,115	1,726
IT and communication costs		18,676	16,708
Fringe benefits tax, travel, entertainment and employee related costs		4,703	3,096
Remeasurement of contingent and deferred consideration	4	8,020	3,000
Loss on sale of assets		118	–
Loss on lease modification	4	2,652	–
Restructuring costs	4	8,170	7,175
Costs related to mergers and acquisitions	4	5,500	1,361
Other		17,770	13,875
Total expenses from operations excluding depreciation, amortisation and finance costs		258,977	200,537
B. Depreciation and Amortisation			
Depreciation of plant and equipment	12	1,144	2,261
Depreciation of leasehold improvements	12	1,902	2,573
Depreciation of right of use assets	13	5,607	7,299
Amortisation of software ⁽ⁱ⁾	7	16,158	18,492
Amortisation of customer relationships and tradenames	7	5,396	5,417
Total depreciation and amortisation		30,207	36,042
C. Finance Costs			
External parties borrowing costs		4,970	6,084
Finance costs on leases	13	961	1,276
Total finance costs		5,931	7,360
D. Other Expense Disclosures			
Lease rental expense		985	719
Share-based payment expense ⁽ⁱⁱ⁾		7,498	8,016
Total other expenses		8,483	8,735

(i) During the period, 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 have increased by \$5.7 million, amortisation of software has increased by \$0.4 million and capitalised works in progress have increased by \$0.4 million as disclosed in Note 7.

Prior period staff and employee related costs are reduced by government grants of \$5.7 million relating to JobKeeper (total of \$6.5 million less \$0.8 million transferred to capitalised labour costs) and a \$5.0 million benefit as a result of Project Zipline (voluntary employee and director programme in response the COVID-19 pandemic).

(ii) Share-based payment expense of \$7.5 million (2021: \$8.0 million) excludes \$0.3 million (2021: \$0.6 million) transferred to capitalised labour costs related to Project Zipline.

Accounting policy

Borrowing costs include interest, amortisation of discounts or premiums relating to borrowings and amortisation of costs incurred in connection with arrangement of borrowings.

Government grants related to income are accounted for in accordance with AASB 120 *Accounting for Government Grants and Disclosure of Government Assistance* and are presented as part of profit or loss and are deducted in reporting the related expense.

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:

	30 June 2022 \$'000	30 June 2021 \$'000
Restructuring costs ⁽ⁱ⁾	(8,170)	(7,175)
Gain on debt refinance ⁽ⁱⁱ⁾	738	–
Remeasurement of contingent and deferred consideration ⁽ⁱⁱⁱ⁾	(8,020)	1,577
Net loss on lease modification ^(iv)	(2,416)	–
Costs related to mergers and acquisitions ^(v)	(5,500)	(1,361)
Total significant items before tax	(23,368)	(6,959)
Income tax benefit on significant items	3,162	2,367
Net significant items after income tax	(20,206)	(4,592)

(i) Restructuring charges of \$8.2 million and \$7.2 million pre-tax in June 2022 and June 2021 respectively, largely relate to the implementation of new finance and billing systems.

(ii) On 13 December 2021, the Company announced that the Group had entered into an agreement to amend and extend its existing syndicated loan facility agreement which resulted in a gain on debt modification of \$0.7 million.

(iii) Loss on contingent and deferred consideration relates to an increase in the contingent consideration payable for Insight Data Solutions Holdings Pty Ltd (expense of \$7.8 million), Commercialview.com.au Pty Limited Tranche 3A (expense of \$0.1 million) and Bidtracker Holdings Pty Ltd Tranche 3 (expense of \$0.1 million).

Prior year gain on contingent and deferred consideration related to an increase in the deferred consideration receivable for Commerce Australia Pty Ltd and a reduction in the deferred consideration payable for Bidtracker Holdings Pty Ltd Tranche 3 (net gain of \$4.6 million) and the revaluation of contingent consideration payable for Commercialview.com.au Pty Limited Tranches 3A and 3B (expense of \$3.0 million).

(iv) In December 2021, the Group renegotiated its lease agreements for its head office in Pyrmont, NSW which resulted in a gain on lease modification of \$0.2 million. As a result of the lease amendments, the Group disposed of \$2.6 million of plant and equipment resulting in a net loss on lease modification of \$2.4 million. On lease modification, total current and non-current lease liabilities reduced by \$11.1 million, right of use assets reduced by \$8.1 million and sublease receivables reduced by \$2.8 million.

(v) On 15 October 2021, Property Data Solutions (2) Pty Ltd, a wholly-owned subsidiary of the Company, acquired 100% of the shares of Insight Data Solutions Holdings Pty Ltd. 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 these acquisitions of \$1.6 million and \$2.6 million respectively. Refer to Note 6 for further details. Remaining current year costs relate to additional mergers and acquisitions (M&A) and strategic advice.

Prior year costs related to the establishment of MarketNow Payments Pty Ltd, disposal of Commerce Australia Pty Ltd and other M&A and strategic advice.

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) During the period, Domain has stepped away from business activities through Domain Insure and other ventures to focus on Domain Home Loan's award-winning services.

B. Results by operating segment

The segment information provided to the Board of Directors, CEO and CFO for the reportable segments for the financial year ended 30 June 2022 is as follows:

	Segment Revenue \$'000	Revenue From External Customers \$'000	Underlying EBITDA® \$'000
30 June 2022			
Core Digital	325,495	325,495	153,994
Consumer Solutions	9,364	9,364	(4,270)
Print	21,683	21,683	5,614
Corporate	188	–	(33,240)
Total for the Group	356,730	356,542	122,098
30 June 2021			
Core Digital	265,470	265,470	130,028
Consumer Solutions	5,536	5,536	(6,204)
Print	17,767	17,767	2,820
Corporate	768	–	(26,055)
Total for the Group	289,541	288,773	100,589

(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:

	30 June 2022 \$'000	30 June 2021 \$'000
Underlying EBITDA from continuing operations	122,098	100,589
Significant income before tax (including significant interest income)	974	4,577
Significant expense before tax	(24,342)	(11,536)
Depreciation and amortisation	(30,207)	(36,042)
Interest income	393	690
Finance costs	(5,931)	(7,360)
Reported net profit before tax	62,985	50,918

A summary of significant items before tax by operating segments is provided for the financial years ended 30 June 2022 and 30 June 2021.

	Restructuring Costs \$'000	Remeasurement of Contingent Consideration \$'000	Lease Modification \$'000	Gain on Debt Refinance \$'000	Costs Related to Mergers & Acquisitions \$'000	Total \$'000
30 June 2022						
Core Digital	–	(8,020)	–	–	–	(8,020)
Consumer Solutions	–	–	–	–	–	–
Print	–	–	–	–	–	–
Corporate	(8,170)	–	(2,416)	738	(5,500)	(15,348)
Consolidated entity	(8,170)	(8,020)	(2,416)	738	(5,500)	(23,368)
30 June 2021						
Core Digital	–	1,577	–	–	–	1,577
Consumer Solutions	–	–	–	–	–	–
Print	–	–	–	–	–	–
Corporate	(7,175)	–	–	–	(1,361)	(8,536)
Consolidated entity	(7,175)	1,577	–	–	(1,361)	(6,959)

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

Accounting policy

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenue and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity’s chief operating decision makers to assess performance, make resource allocation decisions and for which discrete financial information is available.

6. 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 30 June 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%

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Assets acquired and liabilities assumed

The provisionally determined fair values of the identifiable assets and liabilities acquired are detailed below, with their measurement to be finalised within one year from the date of acquisition.

	IDS Group \$'000	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 asset	–	1,588
Investments accounted for using the equity method	–	300
Intangible assets	3,379	310
Property, plant and equipment	21	244
Leasehold Improvements	–	109
Deferred tax assets	358	1,174
Total non-current assets	3,758	3,725
Total assets	4,417	10,775
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	1,048	–
Total non-current liabilities	1,048	1,595
Total liabilities	7,524	14,558
Total identifiable net liabilities at fair value	(3,107)	(3,783)
Goodwill arising on acquisition	82,352	177,726
Total identifiable net liabilities and goodwill attributable to the Group	79,245	173,943
Purchase consideration	\$'000	\$'000
Cash paid	54,720	173,943
Contingent consideration	24,525	–
Total purchase consideration	79,245	173,943
Net cash outflow on acquisition	\$'000	\$'000
Cash paid	(54,720)	(173,943)
Cash acquired	622	1,937
Net cash outflow	(54,098)	(172,006)

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.

Goodwill of \$82.4 million was recognised at the time of acquisition. The goodwill 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 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 post acquisition, resulting in the remeasurement of the contingent consideration to \$32.3 million as disclosed in Note 10, constituting a loss of \$7.8 million recognised through profit or loss as disclosed in Note 4.

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.

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.

Costs incurred in relation to the acquisition amounted to \$1.6 million as disclosed in Note 3(A) and Note 4.

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 strengthen Domain's comprehensive end-to-end agent workflow solutions for real estate agents.

Goodwill of \$177.7 million was recognised at the time of acquisition. The goodwill comprises expected synergies arising from the acquisition however has not been allocated to any cash-generating unit as at 30 June 2022 as disclosed in Note 7(A). None of the goodwill recognised is expected to be deductible for income tax purposes.

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 30 June 2024 to 30 June 2026. As at the acquisition date and 30 June 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.

The on target and maximum consideration for the transaction is \$205 and \$230 million respectively. The range of potential outcomes, undiscounted, is \$173.9 million to \$230.0 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.

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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.

Total transaction and share issuance costs incurred in relation to the acquisition of the Realbase Group amounted to \$4.9 million, \$2.5 million of which are disclosed in Note 3(A) and Note 4 of the Financial Statements for the year ended 30 June 2022. \$2.4 million of share issuance costs are recognised as a reduction to contributed equity.

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. Where appropriate, Management obtained external expert advice for these key assumptions and continues to seek further advice (where applicable) on these throughout the measurement period. Given the fair value measurement was performed using significant non-observable inputs, the fair value was classified as a Level 3 measurement, refer to Note 14(E).

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 \$32.3 million discounted (\$36.7 million undiscounted), with the resulting loss 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

	30 June 2022 \$'000	30 June 2021 \$'000
Brand and tradenames	269,852	270,131
Goodwill	1,037,894	777,816
Software	16,839	12,567
Software (capital works in progress) ⁽ⁱ⁾	7,075	4,668
Customer relationships	29,911	34,843
Total intangible assets	1,361,571	1,100,025

(i) Current period capitalised works in progress is inclusive of \$0.4 million adjustment as a result of the repayment of JobKeeper during the period. The prior period balance is net of \$0.8 million capitalised government grants related to JobKeeper. Refer to Note 3 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.

Reconciliations

Reconciliations of the carrying amount of each class of intangible at the beginning and end of the financial year ended 30 June 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
30 June 2022							
Balance at beginning of the year		270,131	777,816	12,567	4,668	34,843	1,100,025
Additions		–	–	1,035	18,298	–	19,333
Reclassification from works in progress		–	–	15,891	(15,891)	–	–
Acquisitions through business combinations	6	185	260,078	3,504	–	–	263,767
Disposals		–	–	–	–	–	–
Amortisation	3(B)	(464)	–	(16,158)	–	(4,932)	(21,554)
At 30 June 2022, net of accumulated amortisation and impairment		269,852	1,037,894	16,839	7,075	29,911	1,361,571
At 30 June 2022							
Cost		274,867	1,472,808	116,462	7,075	65,406	1,936,618
Accumulated amortisation and impairment		(5,015)	(434,914)	(99,623)	–	(35,495)	(575,047)
Net carrying amount		269,852	1,037,894	16,839	7,075	29,911	1,361,571

	Note	Brand and Tradenames \$'000	Goodwill \$'000	Software \$'000	Software (Capital Works In Progress) \$'000	Customer Relationships \$'000	Total \$'000
30 June 2021							
Balance at beginning of the year		270,510	777,827	18,452	3,486	39,881	1,110,156
Additions		–	–	1,233	12,556	–	13,789
Reclassification from works in progress		–	–	11,374	(11,374)	–	–
Disposals		–	(11)	–	–	–	(11)
Amortisation	3(B)	(379)	–	(18,492)	–	(5,038)	(23,909)
At 30 June 2021, net of accumulated amortisation and impairment		270,131	777,816	12,567	4,668	34,843	1,100,025
At 30 June 2021							
Cost		272,785	1,212,730	94,058	4,668	65,405	1,649,646
Accumulated amortisation and impairment		(2,654)	(434,914)	(81,491)	–	(30,562)	(549,621)
Net carrying amount		270,131	777,816	12,567	4,668	34,843	1,100,025

A. Impairment testing of indefinite life intangible assets

The Group performed its annual impairment test in June 2022. The carrying amounts of goodwill and indefinite life intangibles are allocated to the Group's cash-generating units (CGU) as follows:

Allocation to Group's CGUs	Operating Segment	Goodwill \$'000	Brand and Tradenames \$'000	Total \$'000
30 June 2022				
Domain Digital	Core Digital	734,373	254,923	989,296
Allhomes	Core Digital	35,091	–	35,091
Commercial Real Estate	Core Digital	8,352	–	8,352
Insight Data Solutions	Core Digital	82,352	–	82,352
Domain Home Loans	Consumer Solutions	–	8,327	8,327
Unallocated ⁽ⁱ⁾		177,726	–	177,726
Total intangible assets		1,037,894	263,250	1,301,144
30 June 2021				
Domain Digital	Core Digital	734,373	257,231	991,604
Allhomes	Core Digital	35,091	–	35,091
Commercial Real Estate	Core Digital	8,352	–	8,352
Domain Home Loans	Consumer Solutions	–	6,019	6,019
Total intangible assets		777,816	263,250	1,041,066

(i) At 30 June 2022, all of the goodwill arising from the acquisition of Realbase of \$177.7 million has not been allocated to any CGUs. Management continues to evaluate the purchase price allocation for the business combination and considers that the provisional goodwill cannot be reliably allocated until the accounting for the business combination is complete. The unallocated goodwill has been tested for impairment at 30 June 2022 at a level which it can reliably be measured, being the combined Realbase and Domain Digital CGUs and no impairment loss was noted.

The recoverable amounts of the CGUs are determined based on fair value less costs of disposal, using a discounted cash flow methodology. The valuations used to support the carrying amounts of the intangible assets are based on forward looking key assumptions that are, by nature, uncertain. Any changes in the assumptions can lead to significant changes in the recoverable amounts of the CGUs. The Group has based its impairment testing upon conditions existing as at 30 June 2022 and what the Management and the Directors believe can reasonably be expected at that date. The nature and basis of the key assumptions used to estimate future cash flows and the discount rates used in the projections, when determining the recoverable amount of each CGU, are set out below:

Key Assumptions	Domain Digital	Allhomes	Commercial Real Estate	Insight Data Solutions	Domain Home Loans
Based on Board-approved annual budget.	Year 1 cash flows	Year 1 cash flows	Year 1 cash flows	Year 1 cash flows	Year 1 cash flows
Revenue growth is in line with digital business industry trends, market maturity and Management's expectations of market development. Management forecasts the operating costs based on the current structure of the business and does not reflect any future restructurings or cost saving measures.	Year 2 – 10 cash flows	Year 2 – 5 cash flows	Year 2 – 10 cash flows	Year 2 – 5 cash flows	Year 2 – 10 cash flows

		Domain Digital	Allhomes	Commercial Real Estate	Insight Data Solutions	Domain Home Loans
30 June 2022						
Terminal growth rate	These rates are consistent with industry specific forecasts in which the CGU operates.	2.50%	2.50%	2.50%	2.50%	2.50%
Discount rate (post tax)	Reflects current market assessment of the time value of money and the risks specific to the relevant market in which the CGU operates.	10.00%	10.00%	10.00%	10.50%	12.75%
30 June 2021						
Terminal growth rate	These rates are consistent with industry specific forecasts in which the CGU operates.	2.50%	2.50%	2.50%	n/a	2.50%
Discount rate (post tax)	Reflects current market assessment of the time value of money and the risks specific to the relevant market in which the CGU operates.	9.70%	9.70%	9.70%	n/a	13.10%

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Accounting policy

Brand and tradenames

The Group's brands and tradenames operate in established markets with limited licence conditions and are expected to continue to complement the Group's new media initiatives. On this basis, the Directors have determined that the majority of brands and tradenames have indefinite useful lives as there is no foreseeable limit to the period over which the assets are expected to generate net cash inflows for the Group. These assets are not amortised but are tested for impairment annually. Tradenames that have been assessed to have a finite useful life are amortised using a straight-line basis over their useful lives.

Goodwill

Goodwill represents the excess of cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired entity at the date of acquisition. Goodwill is not amortised but is tested for impairment annually. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's CGUs that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Where goodwill has been allocated to a CGU and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the CGU retained.

Software, databases and websites

Internal and external costs directly incurred in the purchase or development of software (excluding SaaS costs) or databases are capitalised as intangible assets, including subsequent upgrades and enhancements, when it is probable that they will generate future economic benefits attributable to the Group.

Internal and external costs directly incurred in the development of websites are capitalised as intangible assets and amortised on a straight-line basis over their useful lives.

Customer relationships

Customer relationships purchased in a business combination are amortised on a straight-line basis over their useful lives.

Impairment of assets

Intangibles are tested for impairment where there is an indication that the asset may be impaired. Goodwill and other indefinite life assets are further tested at least annually in June each year. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. To determine the recoverable amount, Management's best estimate of future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment whenever there is an indication of a potential reversal and at least annually.

Amortisation

Amortisation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Tradenames (finite useful life)	5 – 25 years
Customer relationships	10 – 13 years
Software, databases and websites	2 – 4 years

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each reporting date. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount. These are included in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Determining whether cloud computing arrangements contain a software licence intangible asset

The Group evaluates cloud computing arrangements to determine if it provides a resource that the Group can control. The Group determines that a software licence intangible asset exists in a cloud computing arrangement when both of the following are met at the inception of the arrangement:

- The Group has the contractual right to take possession of the software during the hosting period without significant penalty.
- It is feasible for the Group to run the software on its own hardware or contract with another party unrelated to the supplier to host the software.

Capitalisation of configuration and customisation costs in SaaS arrangements

Where the Group incurs costs to configure or customise SaaS arrangements and such costs are considered to enhance current on-premise software or provide code that can be used by the Group/Company in other arrangements, the Group applies judgement to assess whether such costs result in the creation of an intangible asset that meets the definition and recognition criteria in AASB 138 *Intangible Assets*.

Significant estimate: Impact of possible changes in key assumptions

(i) **Domain Digital**

The estimated recoverable amount of this CGU is in excess of the carrying amount. Future net cash flows of this CGU are based on the key assumptions noted above, each of which are subject to some uncertainty. Any reasonable change in the key assumptions would not result in the carrying amount materially exceeding its recoverable amount.

(ii) **Allhomes**

The impairment testing described above and performed at 30 June 2022 did not result in any impairment being recognised. However, due to the impact of the COVID-19 pandemic and the uncertainties around economic conditions, headroom is minimal at \$15.8 million. As a result, the model will be sensitive to changes in assumptions. If any of the following changes occur, the headroom would reduce to nil:

- If the post-tax discount rate applied to the cash flow projections of this CGU had been 2.3% higher than Management's estimates (12.33% instead of 10.0%);
- If the forecast EBITDA margin is reduced by 7.29% from the next financial year compared to Management's estimate;
- If the forecast revenue growth is reduced by 5.69% from the next financial year compared to Management's estimate; or
- If the Group's terminal growth rate is 3.23% lower than Management's estimate (-0.73% instead of 2.50%).

(iii) **Commercial Real Estate**

The estimated recoverable amount of this CGU is in excess of the carrying amount. Future net cash flows of this CGU are based on the key assumptions noted above, each of which are subject to some uncertainty. Any reasonable change in the key assumptions would not result in the carrying amount materially exceeding its recoverable amount.

(iv) **Domain Home Loans**

The estimated recoverable amount of this CGU is in excess of the carrying amount. Future net cash flows of this CGU are based on the key assumptions noted above, each of which are subject to some uncertainty. Any reasonable change in the key assumptions would not result in the carrying amount materially exceeding its recoverable amount.

(v) **Insight Data Solutions**

The estimated recoverable amount of this CGU is in excess of the carrying amount. Future net cash flows of this CGU are based on the key assumptions noted above, each of which are subject to some uncertainty. Any reasonable change in the key assumptions would not result in the carrying amount materially exceeding its recoverable amount.

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Introduction	
Directors Report	
Remuneration Report	
Corporate Governance	
Mgmt Discussion and Analysis	
2022 Financial Report	
Independent Auditor's Report	
Shareholder Information	
Corporate Directory	

8. Interest Bearing Liabilities

	Note	30 June 2022 \$'000	30 June 2021 \$'000
Non-current interest bearing liabilities – unsecured			
Bank borrowings		218,648	173,116
Total non-current interest bearing liabilities		218,648	173,116
Net debt			
Cash and cash equivalents	24	(67,116)	(94,151)
Non-current interest bearing liabilities		218,648	173,116
Net debt		151,532	78,965

A. Financing arrangements

The Group's net debt was \$151.5 million as at 30 June 2022 (30 June 2021: \$79.0 million).

B. Bank borrowings

Facility	Interest Rate	Maturity ⁽ⁱⁱ⁾	Financial Year 2022 Commitment	Financial Year 2021 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	\$120.0 million
C – Revolving loan	BBSY + 1.35% – 2.05%(i)	Dec-26	\$140.0 million	\$100.0 million
Total			\$355.0 million	\$225.0 million

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

(ii) Maturity relates to financial year 2022 commitment

In December 2021, the Group refinanced its debt entering into a revised and restated \$355.0 million syndicated bank facility (previously: \$225.0 million).

The debt refinance was treated as a non-substantial modification under AASB 9 *Financial Instruments* with a gain of \$0.7 million recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income and disclosed as a significant item in Note 4.

The interest rate for drawings under this facility is the applicable bank bill swap bid rate (BBSY) plus the relevant credit margin. As at 30 June 2022, the Group had drawn \$220.0 million (30 June 2021: \$173.0 million) of the total available facility with \$135.0 million (30 June 2021: \$52.0 million) unused credit facilities.

C. Fair value measurement

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

Accounting policy

Subsequent to initial recognition at fair value (net of transaction costs), interest bearing liabilities are measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Consolidated Statement of Profit or Loss over the period of the borrowings using the effective interest method.

9. Trade and Other Receivables

	30 June 2022 \$'000	Restated ⁽ⁱ⁾ 30 June 2021 \$'000
Current		
Trade debtors	51,154	41,975
Expected credit loss	(408)	(298)
	50,746	41,677
Prepayments	4,872	3,873
Deferred consideration receivable	–	2,860
Commission receivable	2,703	1,664
Other receivables	2,918	1,034
Total current receivables	61,239	51,108
Non-current		
Commission receivable	6,337	3,966
Total non-current receivables	6,337	3,966

(i) The prior year commission receivable balance has been restated to account for the split between current and non-current.

Impaired trade debtors

The Group's trade receivables represent balances from a large number of customers and financial institutions. The trade receivables are non-interest bearing and are generally on 14-to-45-day terms. As there is no significant financing component, the provision for doubtful debts is accordingly measured at an amount equal to 'lifetime expected credit losses'.

The Group has used a provision matrix to determine the expected credit loss (ECL) on its receivables. The provision matrix is based on historical loss rates, adjusted, if necessary, for forward looking information.

	Current	31-60 Days	61-90 Days	91-120 Days	120+ Days
Expected credit loss rate % at 30 June 2022	0.24%	2.64%	7.75%	18.72%	30.00%
Expected credit loss (\$'000)	88	48	57	65	150

	Current	31-60 Days	61-90 Days	91-120 Days	120+ Days
Expected credit loss rate % at 30 June 2021	0.29%	3.35%	9.77%	27.58%	30.00%
Expected credit loss (\$'000)	106	26	26	23	117

An analysis of trade debtors that are not considered impaired is as follows:

	30 June 2022 \$'000	30 June 2021 \$'000
Neither past due nor impaired	37,585	40,194
Past due 0 – 30 days	9,943	839
Past due 31 – 60 days	1,851	264
Past 60 days	1,367	380
Total trade debtors	50,746	41,677

Movements in the provision for doubtful debts are as follows:

	30 June 2022 \$'000	30 June 2021 \$'000
Balance at beginning of the year	(298)	(999)
Additional provisions	(1,099)	(1,606)
Receivables written off as uncollectible	65	603
Provision released during the year	924	1,704
Balance at end of the year	(408)	(298)

Accounting policy

Trade receivables

Trade receivables are initially recognised at cost less the ECL calculated based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and economic environment. The Group's trade receivables book is very short dated, being non-interest bearing and generally on 14-to-45-day terms. As such, the forecast horizon is limited to a short period after financial year end. Notwithstanding the short-term nature of the trade receivables, the effect of forward-looking information was taken into consideration by the Group as at 30 June 2022.

The provision matrix used to calculate ECL is initially based on the Group's historical observed default rates and the matrix is adjusted for forward-looking information. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECL is an estimate. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

Other receivables

Other receivables include investments in convertible notes measured at fair value through profit or loss (Level 3 in the fair value hierarchy, refer to Note 14(E)).

10. Trade and Other Payables

	30 June 2022 \$'000	30 June 2021 \$'000
Current		
Trade and other payables	27,350	29,664
Contract liabilities	16,803	11,687
Interest payable	–	38
Deferred consideration	1,601	1,519
Contingent consideration	23,101	2,650
Total current payables	68,855	45,558
Non-current		
Contingent consideration	10,701	1,500
Total non-current payables	10,701	1,500

Reconciliation

Reconciliation of contingent and deferred consideration during the year are set out below:

	30 June 2022 \$'000	30 June 2021 \$'000
At 1 July	5,669	4,224
Arising during the year	–	4,150
Acquisitions through business combinations	24,525	–
Remeasured	8,020	(1,175)
Utilised	(2,811)	(1,530)
At 30 June	35,403	5,669
Current	24,702	4,169
Non-current	10,701	1,500
Total contingent consideration	35,403	5,669

Accounting policy

Trade and other payables

Liabilities for trade creditors and other payables are carried at amortised cost which is the fair value of the consideration to be paid in the future for goods and services received. Trade payables are non-interest bearing and are generally on 30-day terms.

Contract liabilities

Revenue is recognised on an accruals basis in accordance with the substance of the relevant agreement. When cash is received for services not yet provided this income is deferred until the services have been fully performed. This income is recognised as a liability on the balance sheet to reflect the future obligations of the Group.

Deferred consideration

Deferred consideration to be transferred by the acquirer on business combinations is recognised at fair value at the acquisition date and is not subject to variability. This payable is recognised as a liability on the balance sheet until it falls due and is paid to extinguish the obligations of the Group.



Significant estimate: Contingent consideration – impact of possible changes in key assumptions

Contingent consideration to be transferred by the acquirer on business combinations is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration are recognised in accordance with AASB 9 *Financial Instruments* in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Contingent considerations resulting from business combinations are measured at the fair value of the Group's best estimate of the expenditure required to settle the present obligation at the reporting date. The determination of these fair values involves judgement around the forecast results of those businesses and therefore the fair value was classified as a Level 3 measurement, refer to Note 14(E).

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11. Provisions

	30 June 2022 \$'000	30 June 2021 \$'000
Current		
Employee benefits	7,733	5,950
Restructuring and redundancy	–	208
Refund liability	26	166
Other	32	29
Total current provisions	7,791	6,353
Non-current		
Employee benefits	2,627	1,976
Makegood	1,039	1,406
Other	693	294
Total non-current provisions	4,359	3,676

Reconciliation

Reconciliations of the carrying amount of each class of provision, other than employee benefits, during the year are set out below:

	Restructuring and Redundancy \$'000	Makegood \$'000	Refund Liability \$'000	Other \$'000
30 June 2022				
Balance at beginning of the year	208	1,406	166	323
Additional provision	–	–	–	762
Revaluation	–	–	(137)	–
Utilised/released	(208)	(367)	(3)	(360)
Balance at end of the year	–	1,039	26	725
At 30 June 2022				
Current	–	–	26	32
Non-current	–	1,039	–	693
Total provisions, excluding employee benefit	–	1,039	26	725

	Restructuring and Redundancy \$'000	Makegood \$'000	Refund Liability \$'000	Other \$'000
30 June 2021				
Balance at beginning of the year	87	1,313	345	286
Additional provisions	200	380	307	49
Revaluations	–	–	(410)	–
Utilised/released	(79)	(287)	(76)	(12)
Balance at end of the year	208	1,406	166	323
At 30 June 2021				
Current	208	–	166	29
Non-current	–	1,406	–	294
Total provisions, excluding employee benefits	208	1,406	166	323

Accounting policy

Provisions are recognised when the Group has a legal or constructive obligation to make a future sacrifice of economic benefits to others as a result of past transactions or events, it is probable that a future sacrifice of economic benefits will be required and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of Management’s best estimate of the expenditure required to settle the present obligation at the reporting date using a discounted cash flow methodology. The risks specific to the provision are factored into the cash flows and as such a risk-free government or corporate bond rate relative to the expected life of the provision is used as a discount rate. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

A provision for dividends is not recognised as a liability unless the dividends are declared on or before the reporting date, and the distribution is no longer at the discretion of the Company.

Employee benefits

Current liabilities for wages and salaries, holiday pay, annual leave and long service leave are recognised in the provision for employee benefits and measured at the amounts expected to be paid when the liabilities are settled.

The employee benefit liability expected to be settled within twelve months from reporting date is recognised in current liabilities. The non-current provision relates to entitlements, including long service leave, which are expected to be payable after twelve months from reporting date and, where material, are measured as the present value of expected future payments to be made in respect of services, employee departures and periods of service. Expected future payments are discounted using market yields at reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

The Group recognises a provision and an expense for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation.

Restructuring and redundancy

The provision is in respect of amounts payable in connection with restructuring, including termination benefits, on-costs, outplacement and consultancy services.

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

Property

The provision for property costs is in respect of make good provisions. A corresponding make good asset was recognised and is amortised over the shorter of the lease term or the useful life of the assets.

Refund liability provision

The provision is in respect of amounts payable associated with certain print and digital listing services. These services provide a customer with a right of refund if specific conditions relating to the listing and sale of the property are met. Revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore, the amount of revenue recognised is adjusted for expected no sale services, which are estimated based on historical data. For services that are expected to generate a no sale outcome, instead of revenue, the Group recognises a refund liability.

12. Property, Plant and Equipment

	30 June 2022 \$'000	30 June 2021 \$'000
Leasehold improvements		
At cost	17,055	20,209
Accumulated depreciation and impairment	(8,734)	(10,253)
Total leasehold improvements	8,321	9,956
Plant and equipment		
At cost	12,031	10,320
Accumulated depreciation and impairment	(11,276)	(8,489)
Total plant and equipment	755	1,831
Total property, plant and equipment	9,076	11,787

Reconciliations

Reconciliations of the carrying amount of each class of property, plant and equipment during the year are set out below:

Note	Leasehold Improvements \$'000	Plant and Equipment \$'000	Total \$'000
30 June 2022			
Balance at beginning of the year	9,956	1,831	11,787
Additions	2,440	420	2,860
Acquisitions through business combinations	109	265	374
Disposals	(2,282)	(617)	(2,899)
Depreciation	3(B) (1,902)	(1,144)	(3,046)
At 30 June 2022, net of accumulated depreciation and impairment	8,321	755	9,076
At 30 June 2022			
At cost	17,055	12,031	29,086
Accumulated depreciation and impairment	(8,734)	(11,276)	(20,010)
Net carrying amount	8,321	755	9,076

Note	Leasehold Improvements \$'000	Plant and Equipment \$'000	Total \$'000
30 June 2021			
Balance at beginning of the year	9,512	3,658	13,170
Additions	3,166	697	3,863
Disposals	(149)	(263)	(412)
Depreciation	3(B) (2,573)	(2,261)	(4,834)
At 30 June 2021, net of accumulated depreciation and impairment	9,956	1,831	11,787
At 30 June 2021			
At cost	20,209	10,320	30,529
Accumulated depreciation and impairment	(10,253)	(8,489)	(18,742)
Net carrying amount	9,956	1,831	11,787

Accounting policy

Property, plant and equipment is recorded at cost less accumulated depreciation and any accumulated impairment losses. Directly attributable costs arising from the acquisition or construction of fixed assets, including internal labour and interest, are also capitalised as part of the cost.

Recoverable amount

All items of property, plant and equipment are reviewed as part of the annual CGU impairment testing given the recoverable amounts for these assets cannot be determined individually.

Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Leasehold improvements	over the lease term; currently up to 7 years
Plant and equipment	up to 13 years

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount. These are included in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

13. Leases

The Group leases office space and car parking facilities in various locations around Australia. The leases typically run for a period of between five and ten years and may include extension options which provide operational flexibility. Lease payments are renegotiated on renewals to reflect market rentals.

Set out below are the carrying amounts of the right of use (ROU) assets, sublease receivables and lease liabilities recognised and the related movements during the year:

	Right of Use Assets \$'000	Sublease Receivable \$'000	Lease Liabilities \$'000
30 June 2022			
Balance at beginning of the year	31,475	5,832	(44,166)
Additions	2,336	–	(2,399)
Derecognition	(11,151)	–	11,897
Modifications	3,036	(2,788)	(757)
Depreciation	(5,607)	–	–
Interest income/(expense)	–	91	(961)
Lease (receipts)/payments	–	(1,404)	10,567
At 30 June 2022	20,089	1,731	(25,819)
30 June 2021			
Balance at beginning of the year	34,644	6,993	(49,095)
ROU asset to sublease receivable transfer	4	(57)	–
Additions	4,213	–	(3,831)
Derecognition	(87)	–	78
Depreciation	(7,299)	–	–
Interest income/(expense)	–	241	(1,276)
Rental (income)/expense	–	(1,345)	9,958
At 30 June 2021	31,475	5,832	(44,166)

The cash receipts and payments are presented in the following lines of the Consolidated Cash Flow Statement:

	30 June 2022 \$'000	30 June 2021 \$'000
Receipts from sublease – principal component	1,314	1,103
Payment of lease liabilities – principal component	(9,606)	(8,682)
Financing component of lease receipts and payments	(870)	(1,035)
Net cash payments	(9,162)	(8,614)

The following table sets out a maturity analysis of the sublease receivable, showing the undiscounted lease payments to be received after the reporting date:

	30 June 2022 \$'000	30 June 2021 \$'000
Within one year	1,473	1,404
One to two years	296	1,459
Two to three years	–	1,507
Three to four years	–	1,507
Four to five years	–	281
Five years or more	–	–
Total undiscounted lease receivable	1,769	6,158
Unearned finance income	(38)	(326)
Sublease receivable	1,731	5,832

Accounting policy

Accounting where the Group is the lessee

Contract periods are generally fixed and may include multiple extension options. At contract commencement date, where the lease asset is available for use, leases are recognised as a ROU asset with a corresponding lease liability.

ROU assets

ROU assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. ROU asset costs include an amount equal to the lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. ROU assets are depreciated over the lease term on a straight-line basis and subject to impairment.

Lease liabilities

Lease liabilities are measured at amortised cost using the effective interest method calculated as the present value of lease payments over the lease term using the Group’s incremental borrowing rate (IBR) at commencement date, if the interest rate implicit in the lease is not readily available. When the lease contains an extension or purchase option that the Group considers reasonably certain to be exercised, the cost of the option is included in the lease payments. Interest expense is recognised under Finance costs as disclosed in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. Lease liabilities are re-measured to reflect changes in future lease payments associated with changes in indices or rates, extension, purchase or termination options, modifications and residual value guarantee payments.

Discount rate

In calculating the present value of the lease payments, the Group uses its IBR at the lease commencement date. The Group applied a single discount rate to the portfolio of leases with reasonably similar characteristics. The IBR for lease liabilities was based on reference yield rates derived for the same term as the lease and adjusted for credit risk.

Lease term

The term of each lease is based on the original lease term unless Management is reasonably certain to exercise options to extend the lease.

Presentation

In the Consolidated Balance Sheet, the ROU asset, sublease receivable assets and lease liabilities are presented separately from other assets and liabilities.

Short-term leases and leases of low-value assets

The Group applies the short-term and low-value lease exemptions and does not recognise ROU assets or lease liabilities on such leases. Instead, lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

Accounting where the Group is the lessor

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The classification of the sublease is determined with reference to the ROU asset arising from the head lease.

Where the sublease is treated as a finance lease, the Group derecognises the ROU asset and recognises a sublease receivable with the difference taken to the Consolidated Statement of Profit or Loss and Other Comprehensive Income as a gain or loss. Sublease receivables are subsequently remeasured if there is a change in the lease term.

The sublease receivable is remeasured and assessed for impairment at each reporting date in accordance with AASB 9 *Financial Instruments*.

Significant judgements, estimates and assumptions

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its IBR to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the ROU asset in a similar economic environment. The IBR therefore reflects what the Group would have to pay, which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs when available and is required to make certain entity-specific estimates.

In determining the lease term, Management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

14. Financial and Capital Risk Management

Financial risk management

The Group's principal financial instruments comprise cash, short-term deposits and bank loans. The main purpose of these financial instruments is to manage liquidity and to raise finance for the Group's operations. The Group has various other financial instruments, such as trade and other receivables, trade and other payables, lease receivables and lease liabilities, which arise directly from its operations. The Group's risk management activities for interest rate and foreign exchange exposures are carried out centrally by the Company's Group Treasury department.

Capital risk management

The capital structure of Group entities is monitored using the net debt to EBITDA ratio. The ratio is calculated as net debt divided by underlying EBITDA. Net debt is calculated as total interest-bearing liabilities less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, buy back shareholder equity, issue new shares, improve EBITDA, sell assets or reduce debt. The Group manages the capital structure to ensure:

- sufficient finance capacity for the business is maintained at a reasonable cost;
- sufficient funds are available for the business to implement its capital expenditure and M&A strategies; and
- all financial covenants are complied with.

Risk factors

The key financial risk factors, including market risk, that arise from the Group's activities, including the Group's policies for managing these risks are outlined below.

A. Interest rate risk

Interest rate risk refers to the risks that the value of a financial instrument or future cash flows associated with the instrument will fluctuate due to movements in market interest rates.

Interest rate risk arises from interest bearing financial assets and liabilities that the Group utilises. Interest bearing assets are predominantly short-term liquid assets. The Group's borrowings which have a variable interest rate attached give rise to cash flow interest rate risk.

The Group's risk management policy for interest rate risk seeks to reduce the effects of interest rate movements on its asset and liability portfolio.

A change in interest rates of up to 200 basis points would not have a material impact on the net profit after tax incurred by the Group.

Interest rate risk measurement and reporting

The Group may enter into transactions to provide protection against fluctuations in short-term interest rates which may affect the economics of investment and financing decisions.

Considerations are made to material interest rate transactions to ensure that the Group:

- has some protection from significant increases in short-term interest rates, thereby adding some degree of certainty to the financial budgeting process; and
- maintains sufficient interest rate flexibility to participate in normal yield curve environments without unduly paying up for term interest rate hedges; repay debt without significant swap (fixed rate) break costs; and undertake interest rate maturity extension trades as appropriate.

Measurement of interest rate risk

The interest rate exposure has been assessed using:

- Forecast net debt (based on the Group's rolling 12-month net debt forecast plus budget and strategic plan).
- Interest rate exposure will be recognised as the actual or forecast interest bearing liability (net of cash balances) over the appropriate period.

B. Foreign currency risk

Foreign currency risk refers to the risk that the value or the cash flows arising from a financial commitment, or recognised asset or liability will fluctuate due to changes in foreign currency rates. The Group's foreign currency exchange risk arises primarily from receipts and payments settled and prices dependent on foreign currencies. None of these are material to the Group on an individual or collective basis hence foreign currency risk is not considered to be a key risk. The Group is exposed to foreign exchange risk from various immaterial currency exposures, primarily with respect to United States Dollars. The Group currently has no foreign currency hedges in place.

C. Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause the Group to make a financial loss. The Group has exposure to credit risk on all financial assets included in the Group's Balance Sheet. To help manage this risk, the Group:

- has a policy for establishing credit limits for the entities it deals with;
- may require collateral where appropriate; and
- manages exposures to individual entities it transacts with (through a system of credit limits).

Financial institutions and cash deposits

The Group has policies that limit the amount of credit exposure to any financial institution. Cash transactions are limited to financial institutions that meet minimum credit rating criteria in accordance with the Group's policy requirements. As at 30 June 2022 counterparty credit risk was limited to financial institutions with S&P credit ratings ranging from -AA to A.

Trade and other receivables

The Group's credit risk is mainly concentrated across a number of customers and financial institutions. The Group does not have any significant credit risk exposure to a single or group of customers or individual institutions. The Group recognises trade and other receivables at cost less the lifetime expected credit loss calculated based on its historical credit loss experience, adjusted for forward-looking factors specific to the Group's customers and the economic environment in which the Group operates.

Refer to Note 9 for an ageing analysis of trade receivables and the movement in the allowance for expected credit loss. All other financial assets are not impaired and are not past due. Based on the credit history of these classes, it is expected that these amounts will be received when due.

D. Liquidity risk

Liquidity risk is the risk that the Group cannot meet its financial commitments as and when they fall due.

To help reduce this risk the Group:

- has liquidity management which targets a minimum level of undrawn committed facilities and cash relative to EBITDA;
- has readily accessible funding arrangements in place; and
- staggers maturities of financial instruments.

Refer to Note 8(B) for details of the Group's unused credit facilities as at 30 June 2022.

The contractual maturity of the Group's financial liabilities is shown in the tables below. The amounts represent the future undiscounted principal and interest cash flows and therefore may not equate to the values disclosed in the balance sheet.

	1 Year or Less \$'000	1 to 2 Years \$'000	2 to 5 Years \$'000	More Than 5 Years \$'000	Total \$'000
At 30 June 2022					
Related party payables	(3,864)	–	–	–	(3,864)
Payables	(44,153)	–	–	–	(44,153)
Contingent consideration	(24,702)	–	(15,079)	–	(39,781)
Lease liabilities	(6,452)	(6,799)	(12,152)	(5,842)	(31,245)
Interest bearing liabilities	(3,790)	(3,801)	(227,480)	–	(235,071)
Total	(82,961)	(10,600)	(254,711)	(5,842)	(354,114)
At 30 June 2021					
Related party payables	(2,620)	–	–	–	(2,620)
Payables	(42,908)	–	–	–	(42,908)
Contingent consideration	(2,650)	(1,500)	–	–	(4,150)
Lease liabilities	(10,516)	(11,178)	(24,885)	(143)	(46,722)
Interest bearing liabilities	(3,096)	(120,077)	(55,719)	–	(178,892)
Total	(61,790)	(132,755)	(80,604)	(143)	(275,292)

E. Fair value

The Group uses various methods in estimating the fair value of a financial asset or liability. The different methods have been defined as follows:

- Level 1:** The fair value is calculated using quoted prices in active markets.
- Level 2:** Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3:** Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. There were no changes in the Group's valuation processes, valuation techniques, and types of inputs used in the fair value measurements during the period.

The following table present the Group's assets and liabilities measured and recognised at fair value on a recurring basis as at 30 June 2022:

	Note	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
At 30 June 2022					
Assets					
Convertible notes	9	–	–	1,200	1,200
Liabilities					
Contingent consideration	6	–	–	(39,781)	(39,781)
At 30 June 2021					
Liabilities					
Contingent Consideration	6	–	–	(4,150)	(4,150)

15. Equity

	Note	30 June 2022 \$'000	30 June 2021 \$'000
Ordinary shares			
631,657,153 ordinary shares authorised and fully paid (2021: 584,263,689)	(A)	1,474,891	1,296,462
Shares held in trust			
1,711,285 treasury shares (2021: Nil)	(B)	(7,547)	–
At 30 June 2022		1,467,344	1,296,462

Reconciliations

Movements for each class of contributed equity, by number of shares and dollar value, are set out below:

(A) Ordinary Shares	30 June 2022 No. of Shares	30 June 2021 No. of Shares	30 June 2022 \$'000	30 June 2021 \$'000
Balance at beginning of the year	584,263,689	584,263,689	1,296,462	1,296,462
Shares issued to institutional and retail investors	47,393,464	–	180,095	–
Transaction costs incurred for issued share capital (net of taxes)	–	–	(1,666)	–
Balance at end of the year	631,657,153	584,263,689	1,474,891	1,296,462
(B) Shares Held In trust	30 June 2022 No. of Shares	30 June 2021 No. of Shares	30 June 2022 \$'000	30 June 2021 \$'000
Balance at beginning of the year	–	(632,791)	–	(2,042)
Shares acquired	(6,261,931)	–	(32,709)	–
Release of shares ⁽ⁱⁱⁱ⁾	4,550,646	632,791	25,162	2,042
Balance at end of the year	(1,711,285)	–	(7,547)	–

(i) During FY22, share options and share or performance rights under the FY19 Long-Term Incentive plan, Project Zipline and Domain Incentive Plan Transition Grant vested to participants. Refer to Note 22 for further details.

(ii) On 27 August 2020, 632,791 Engagement Shares vested under the Executive Engagement Plan. Refer to Note 22 for further details.

Accounting policy

Ordinary shares

Ordinary shares are classified as equity and entitle the holder to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person, or by proxy, at a meeting of the Company.

Incremental costs

Incremental costs directly attributable to the issue of new shares or options are recognised in equity as a reduction from the proceeds. Incremental costs directly attributable to the issue of new shares for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

Reserves

	Note	30 June 2022 \$'000	30 June 2021 \$'000
Other reserves	(A)	(52,790)	(40,907)
Share-based payment reserve	(B)	13,592	17,546
Total reserves		(39,198)	(23,361)
(A) Other Reserves			
Balance at beginning of the year		(40,907)	(38,777)
Transactions with non-controlling interest ⁽ⁱ⁾	20	–	(2,130)
Vesting of performance and share rights		(11,883)	–
Balance at end of the year		(52,790)	(40,907)

(i) Transactions involving non-controlling interest that do not result in the loss of control for the Company are recorded in the acquisition reserve. The acquisition reserve records the difference between the carrying value of the non-controlling interest and the consideration paid or received.

	30 June 2022 \$'000	30 June 2021 \$'000
(B) Share-Based Payment Reserve		
Balance at beginning of the year	17,546	3,351
Vesting of employee engagement shares	(7,301)	–
Release of employee incentive shares	(2,327)	(1,544)
Share rights in lieu of cash	977	–
Share-based payment expense, net of tax	4,697	15,739
Balance at end of the year	13,592	17,546

The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including Key Management Personnel, as part of their remuneration. Refer to Note 22 for further details.

16. Dividends

	Consolidated 30 June 2022 \$'000	Consolidated 30 June 2021 \$'000	Company 30 June 2022 \$'000	Company 30 June 2021 \$'000
A. Dividends Paid				
Dividend: fully franked 4.0 cents – paid 9 September 2021	23,371	–	23,371	–
Interim 2022 dividend: fully franked 2.0 cents – paid 15 March 2022	11,685	–	11,685	–
Total dividends paid	35,056	–	35,056	–

B. Dividends Proposed and Not Recognised as a Liability

Since the end of the financial year, the Directors have resolved to pay a dividend of 4.0 cents per fully paid ordinary share, 100% franked at the corporate tax rate of 30%. The aggregate amount of the dividend to be paid on 13 September 2022 out of profits, but not recognised as a liability at the end of the year, is expected to be \$25.3 million.

	Company 30 June 2022 \$'000	Company 30 June 2021 \$'000
C. Franked Dividends		
Franking account balance as at reporting date at 30% (2021: 30%)	32,608	29,437
Franking debits that will arise from the payment of dividends	(10,828)	(10,016)
Franking credits that will arise from the payment of income tax payable balances as at the end of the year	3,047	7,471
Total franking credits available for subsequent financial years based on a tax rate of 30%	24,827	26,892

Accounting policy

A provision for dividends is not recognised as a liability unless the dividends are declared, determined or publicly recommended on or before the reporting date.

17. Earnings Per Share

	30 June 2022	30 June 2021
Earnings per share (EPS)		
Basic EPS (in cents)	5.90	5.87
Diluted EPS (in cents)	5.88	5.82
Earnings reconciliation – basic		
Net profit attributable to owners of the parent (\$'000)	35,113	34,270
Earnings reconciliation – diluted		
Net profit attributable to owners of the parent (\$'000)	35,113	34,270
Weighted average number of ordinary shares used in calculating basic EPS	594,785,293	584,263,689
Weighted average number of ordinary shares used in calculating diluted EPS	597,386,199	588,386,753

Accounting policy

Basic earnings per share

Basic EPS is calculated by dividing the net profit attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share

Diluted EPS is calculated by dividing the net profit attributable to owners of the parent adjusted by the after-tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the effect on revenues and expenses of conversion to ordinary shares associated with dilutive potential ordinary shares by the weighted average number of ordinary shares and ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

18. Commitments and Contingencies

At 30 June 2022, the Group had commitments of \$0.2 million (30 June 2021: \$0.9 million) relating to the design and implementation of new financial reporting and billing systems and \$0.1 million relating to operating lease commitments.

19. 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.

20. 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.

Compensation of KMP and Non-Executive Directors of the Group

	30 June 2022 \$	30 June 2021 \$
Short-term benefits	3,682,161	3,102,979
Long-term benefits	36,529	28,642
Share-based payment	1,252,205	1,411,709
Total compensation paid	4,970,895	4,543,330

The amounts disclosed in the table are the amounts recognised as an expense during the year related to KMP and Non-Executive Directors of the Group.

Interests held by KMP under employee share plans

Shares and share options held by KMP under the Long Term Incentive Plan, Executive Engagement Plan and Executive Retention Plan to purchase ordinary shares have the following exercise prices:

Issue Date	Note	Exercise Price \$	30 June 2022 Number Outstanding	30 June 2021 Number Outstanding
2022 (Performance Rights under Long Term Incentive Plan)	(i)	various	425,070	–
2021 (Performance Rights under Long Term Incentive Plan)	(i)	nil	612,310	612,310
2020 Executive Incentive Plan (EIP)	(ii)	nil	–	72,684
2020 (Options under Long Term Incentive Plan)	(i)	3.0169	–	2,238,888
2020 Share Rights Program (Project Zipline)	(iii)	nil	–	193,088
Total			1,037,380	3,116,970

- (i) Refer to Long Term Incentive Plan in Section 9 of the Remuneration Report for details of vesting and expiry dates.
- (ii) The share rights were granted during the year ended 30 June 2021 in lieu of cash. Refer to details of Executive Incentive Plan in Section 9.3 of the Remuneration Report.
- (iii) Refer to Project Zipline Share Rights in Section 9.3 of the Remuneration Report for details of vesting and expiry dates.

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	
	30 June 2022 \$000s	30 June 2021 \$000s	30 June 2022 \$000s	30 June 2021 \$000s
Ultimate parent company				
Sales to related parties	4,163	3,711	–	–
Purchases from related parties	(6,521)	(7,205)	–	–
Amounts owed by related parties	–	–	2,920	311
Amounts owed to related parties	–	–	(6,784)	(2,931)
Other related parties				
Amounts owed by related parties ⁽ⁱ⁾	–	–	2,123	–

- (i) Amounts owed by related parties are inclusive of an expected credit loss provision of \$0.1 million.

Accounting policy

Amounts payable and receivable to and from related parties are carried at amortised cost and interest payable is recognised on an accruals basis.

D. Parent entity information

The following disclosures relate to the Company as an individual entity, being the ultimate parent entity of the Group.

	30 June 2022 \$000s	30 June 2021 \$000
Financial position of parent entity		
Current assets	49,474	58,244
Total assets	1,253,321	1,286,322
Current liabilities	(64,082)	(222,942)
Total liabilities	(185,303)	(350,080)
Net assets	1,068,018	936,242
Total equity of parent entity		
Contributed equity	1,467,345	1,296,462
Reserves	4,485	20,307
Profit reserve	24,639	24,639
Retained losses	(428,451)	(405,166)
Total equity	1,068,018	936,242
Result of parent entity		
Profit/(loss) for the year	9,915	23,394
Other comprehensive income	–	–
Total comprehensive (loss) for the year	9,915	23,394

The Company has entered into a deed of cross guarantee with the effect that the Company guarantees debts in respect of its subsidiaries within the Closed Group. Further details regarding the deed are set out in Note 20(F).

At 30 June 2022, the Parent Company had commitments of \$0.2 million relating to the design and implementation of new financial reporting and billing systems. Prior year commitments were \$0.9 million relating to the design and implementation of new financial reporting and billing systems and the Melbourne office fit-out.

E. Controlled entities

The following entities were controlled as at the end of the year:

			Ownership Interest	
	Note	Country of Incorporation	30 June 2022 %	30 June 2021 %
Domain Holdings Australia Limited	(iii)	Australia		
Controlled entities				
Alldata Australia Pty Ltd	(iii)	Australia	100.00	100.00
Allhomes Pty Limited	(iii)	Australia	100.00	100.00
Australian Property Monitors Pty Limited	(iii)	Australia	100.00	100.00
Realbase Pty Ltd	(v)(iii)	Australia	100.00	–
Realbase Inc	(v)(iii)	Philippines	99.99	–
Campaigntrack Limited	(v)(iii)	New Zealand	100.00	–
Campaigntrack Pty Ltd	(v)(iii)	Australia	100.00	–
Realhub Services Pty Ltd	(v)(iii)	Australia	100.00	–
Realhub Studios Pty Ltd	(v)(iii)	Australia	100.00	–
Realhub Systems Pty Ltd	(v)(iii)	Australia	100.00	–
Workstream Technologies Pty Ltd	(v)(iii)	Australia	100.00	–
Campaigntrack Pty Ltd	(v)(iii)	Australia	100.00	–
Bidtracker Holdings Pty Ltd	(iii)	Australia	100.00	100.00
BH Two Pty Ltd	(iii)	Australia	100.00	100.00
Bidtracker IP Pty Ltd	(iii)	Australia	100.00	100.00
Bidtracker (VIC) Pty Ltd	(iii)	Australia	100.00	100.00
Bidtracker (NSW) Pty Ltd	(iii)	Australia	100.00	100.00
Commercial Real Estate Holdings Pty Limited	(iii)	Australia	100.00	100.00
Commercial Real Estate Media Pty Limited		Australia	67.37	67.37
Commercialview.com.au Pty Limited (previously Commercialview.com.au Limited)		Australia	67.37	67.37
Commercial Real Estate Media Nominees Pty Limited		Australia	100.00	100.00
Domain Group Finance Pty Limited	(iii)	Australia	100.00	100.00
Property Data Solutions Pty Ltd	(iii)	Australia	100.00	100.00
Property Data Solutions (2) Pty Ltd		Australia	100.00	100.00
Insight Data Solutions Holdings Pty Ltd	(iv)	Australia	100.00	–
Insight Data Solutions Pty Ltd		Australia	100.00	–
IDS Gov Services Pty Ltd		Australia	100.00	–
Digital Home Loans Pty Limited	(vii)	Australia	60.00	60.00
Domain Insure Pty Ltd		Australia	70.00	70.00
Homepass Pty Ltd		Australia	100.00	100.00
Homepass Australia Pty Ltd		Australia	100.00	100.00
MarketNow Payments Pty Ltd		Australia	60.00	60.00
MMP Holdings Pty Ltd	(iii)	Australia	100.00	100.00
Metro Media Services Pty Ltd	(iii)	Australia	100.00	100.00

			Ownership Interest	
	Note	Country of Incorporation	30 June 2022 %	30 June 2021 %
Metro Media Publishing Pty Ltd		Australia	92.55	92.55
MMP (DVH) Pty Ltd		Australia	63.00	63.00
MMP Bayside Pty Ltd		Australia	78.40	78.40
Review Property Pty Ltd	(iii)	Australia	100.00	100.00
MMP Eastern Pty Ltd		Australia	70.00	70.00
MMP Moonee Valley Pty Ltd		Australia	70.00	70.00
MMP (Melbourne Times) Pty Ltd		Australia	70.00	70.00
MMP Greater Geelong Pty Ltd	(i)	Australia	48.25	48.25
MMP (CGE) Pty Ltd	(iii)	Australia	100.00	100.00
MMP Community Network Pty Ltd	(iii)	Australia	100.00	100.00
National Real Estate Media Pty Limited	(iii)	Australia	100.00	100.00
National Real Estate Nominees Pty Limited		Australia	100.00	100.00
South Australia Real Estate Media Pty Limited		Australia	50.00	50.00
Western Australia Real Estate Media Pty Limited		Australia	50.00	50.00
New South Wales Real Estate Media Pty Limited		Australia	50.00	50.00
Northern Territory Real Estate Media Pty Limited		Australia	50.00	50.00
Queensland Real Estate Media Pty Limited		Australia	50.00	50.00
Tasmania Real Estate Media Pty Ltd		Australia	50.00	50.00
Australian Capital Territory Real Estate Media Pty Limited		Australia	100.00	100.00
NON-CONTROLLED ENTITIES (EQUITY ACCOUNTED)				
Oneflare Pty Ltd	(ii)	Australia	–	20.80
Ibenta Pty Ltd	(v)	Australia	40.00	–
CT Signs Pty Ltd	(v)(vi)	Australia	50.00	–
CT Content House Pty Ltd	(v)(vi)	Australia	50.00	–
Campaigntrack Print Pty Ltd	(v)(vi)	Australia	50.00	–
Real Growth Solutions Ltd	(v)	New Zealand	50.00	–

- (i) Where ownership is less than 50% control is achieved through the ability to direct the operations of the entity.
- (ii) On 29 March 2022 the Company sold its interest in Oneflare Pty Ltd.
- (iii) The Company and the controlled entities incorporated within Australia are party to Corporations Instrument 2016/785 issued by the Australian Securities & Investment Commission. These entities have entered into a deed of cross guarantee dated November 2017 (as varied from time to time) under which each entity guarantees the debts of the others. These companies represent a Closed Group for the purposes of the Corporations Instrument and there are no other members of the Extended Closed Group. Under the Corporations Instrument, these entities have been relieved from the requirements of the Corporations Act 2001 (Cth) with regard to the preparation, audit and publication of accounts.
- (iv) On 15 October 2021, Property Data Solutions (2) Pty Ltd, a wholly-owned subsidiary of the Company, acquired 100% of the share capital in Insight Data Solutions Holdings Pty Ltd and its subsidiaries (**IDS Group**).
- (v) On 29 April 2022, Domain Holdings Australia Limited acquired 100% of Realbase Pty Ltd its subsidiaries and equity accounted investments (**Realbase Group**).
- (vi) As part of the acquisition of the Realbase Group, Domain acquired put options to sell its shareholding in these equity accounted investments. The put options expire 12 months from the date of completion. Management determined the fair value of the put options at acquisition and at 30 June 2022 to be nil.
- (vii) During the year ended 30 June 2022, Digital Home Loans Pty Limited issued new shares to the company and the non-controlling interest in proportion to their existing shareholding for cash consideration.

F. Deed of cross guarantee

The Company and certain wholly-owned entities (**the Closed Group**) identified at (E) in this Note are parties to a deed of cross guarantee under ASIC Corporations Instrument 2016/785. Pursuant to the requirements of that Corporations Instrument, a summarised Consolidated Balance Sheet as at 30 June 2022 and Consolidated Statement of Profit or Loss and Other Comprehensive Income for the financial year ended 30 June 2022, comprising the members of the Closed Group after eliminating all transactions between members are set out below:

Consolidated Balance Sheet

	30 June 2022 \$000	30 June 2021 \$000
Current assets		
Cash and cash equivalents	65,141	94,072
Trade and other receivables	57,910	50,483
Sublease receivable	1,473	1,379
Total current assets	124,524	145,934
Non-current assets		
Shares in controlled entities	30,577	33,762
Intangible assets	1,351,960	1,090,426
Property, plant and equipment	8,278	11,583
Right of use assets	20,089	31,475
Sublease receivable	257	4,453
Equity Accounted investments	300	–
Deferred tax assets	–	40,311
Total non-current assets	1,411,461	1,212,010
Total assets	1,535,985	1,357,944
Current liabilities		
Payables	75,250	51,519
Lease liabilities	6,365	10,516
Provisions	6,372	9,002
Current tax liabilities	3,669	7,520
Total current liabilities	91,656	78,557
Non-current liabilities		
Interest bearing liabilities	218,648	173,116
Lease liabilities	19,454	33,650
Provisions	3,661	3,382
Other non-current liabilities	10,701	102,243
Deferred tax liabilities	69,082	–
Total non-current liabilities	321,546	312,391
Total liabilities	413,202	390,948
Net assets	1,122,783	966,996
Equity		
Contributed equity	1,470,078	1,298,963
Reserves	6,930	24,520
Retained losses	(354,225)	(356,487)
Total equity	1,122,783	966,996

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	30 June 2022 \$'000	30 June 2021 \$'000
Total revenue	301,452	246,503
Share of net losses of associates and joint ventures	–	–
Expenses before finance costs	(244,192)	(188,888)
Finance costs	(5,624)	(7,191)
Net profit/(loss) from operations before income tax expense	51,636	50,424
Income tax expense	(18,959)	(9,164)
Net profit/(loss) from operations after income tax expense	32,677	41,260

21. Taxation

Profit or Loss

The major components of income tax expense for the years ended 30 June 2022 and 2021 are as follows:

	30 June 2022 \$'000	30 June 2021 \$'000
Current income tax		
Current income tax expense	22,665	22,917
Adjustments for current tax of prior periods	(3,908)	(1,234)
Deferred tax		
Deferred income tax expense	2,418	(5,690)
Adjustments for deferred tax of prior periods	2,152	(636)
Income tax expense in the statement of profit or loss	23,327	15,357

Equity

	30 June 2022 \$'000	30 June 2021 \$'000
Current tax – credited directly to equity	–	–
Net deferred tax – debited/(credited) to equity	2,588	(7,226)
Total income tax charged to equity	2,588	(7,226)

Reconciliation of tax expense and the accounting profit multiplied by Australia's company tax rate for 2022 and 2021:

	30 June 2022 \$'000	30 June 2021 \$'000
Net profit/(loss) from operations before income tax expense	62,985	50,918
Tax at the Australia tax rate of 30% (2021: 30%)	18,895	15,276
Tax effect of amounts that are not deductible/(taxable) in calculating taxable income:		
Adjustments in respect of current and deferred income tax of previous years	(1,755)	(1,870)
Adjustments in relation to derecognised tax losses	1,599	2,578
Recognition of previously derecognised tax losses	(178)	(68)
Share-based payments	268	37
Non-assessable income	–	(369)
Non-deductible expenses	4,005	203
Other	493	(430)
At the effective income tax rate of 37% (2021: 30%)	23,327	15,357

Deferred tax

Deferred tax assets and liabilities are attributable to the following:

	Consolidated Balance Sheet		Consolidated Statement of Profit or Loss and Other Comprehensive Income	
	30 June 2022 \$'000	30 June 2021 \$'000	30 June 2022 \$'000	30 June 2021 \$'000
Property, plant and equipment	9,270	9,358	1,282	366
Tradenames	(89,855)	(91,466)	1,618	1,625
ROU assets	(6,468)	(9,856)	4,117	2,187
Subleases	(77)	(1,336)	1,231	348
Provisions	2,858	3,988	(88)	260
Accruals	712	1,242	(386)	1,296
Leases	7,746	13,250	(6,224)	(2,601)
Share-based payments	1,451	10,509	1,201	2,787
Other	6,006	2,866	1,819	58
Deferred tax expense			4,570	6,326
Net deferred tax liabilities	(68,357)	(61,445)		
Net deferred tax liabilities comprise:				
Deferred tax assets	31,986	41,329		
Deferred tax liabilities	(100,343)	(102,774)		
	(68,357)	(61,445)		

Accounting policy

Current income tax

Current income tax liabilities are measured at the amount expected to be paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date. Current income tax relating to items recognised directly in equity is recognised in equity and not in the Consolidated Statement of Profit or Loss.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor the taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside the profit or loss is recognised in either **other comprehensive income** or directly in equity.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Tax consolidation

(i) Members of the tax consolidated group and the tax sharing arrangement

The Company and its 100% owned Australian resident subsidiaries formed a tax consolidated group with effect from 22 November 2017. Domain is the head entity of the tax consolidated group. Members of the tax consolidated group have entered into a tax sharing agreement that provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts have been recognised in the Financial Statements in respect of this agreement on the basis that the possibility of default is remote.

(ii) Tax effect accounting by members of the tax consolidated group

The head entity and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. The Group has applied the group allocation approach in determining the appropriate amount of current taxes and deferred taxes to be allocated to members of the tax consolidated group.

The current and deferred tax amounts are measured in a systematic manner that is consistent with the broad principles in AASB 112 Income Taxes. The nature of the tax funding agreement is discussed further below.

Nature of the tax funding agreement

Members of the Domain tax consolidated group have entered into a Tax Funding Agreement that governs the allocation and funding of the group’s tax liability each financial year. Pursuant to the agreement, members of the group compensate the head entity for the member’s allocation of current tax payable and the head entity compensates its members for any tax receivable relating to the member’s unutilised tax losses for the financial year. The funding amounts are determined based on accounting policies.

Tax losses

At the reporting date, the Group has unused Australian capital losses of \$22.0 million (2021: \$4.2 million) which are available indefinitely for offset against future capital gains subject to continuing to meet the relevant statutory tests. A deferred tax asset has not been recognised in association with these capital losses as it is not probable that there will be sufficient capital gains available against which these losses can be utilised in the foreseeable future.

At the reporting date, the Group has unused Australian revenue losses of \$37.6 million (2021: \$30.2 million) for which no deferred tax asset has been recognised on the balance sheet in respect of these revenue losses as it is not probable that there will be sufficient taxable income available against which these losses can be utilised in the foreseeable future.

Voluntary Tax Transparency Code

The Company has adopted the Voluntary Tax Transparency Code from the financial year ended 30 June 2019 which demonstrates the Company’s commitment to transparency and integrity across tax matters.

GST

Revenues, expenses and assets are recognised net of the amount of GST. Cash flows are included in the Cash Flow Statement on a gross basis and the GST components of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

22. Employee Entitlements

A. Number of employees

At 30 June 2022 the Group employed 1,050 full-time employees (2021: 723) and 75 part-time and casual employees (2021: 63).

B. Employee share plans

The Company had the following employee share plans during the year, the terms of which are set out below:

1. Long Term Incentive Plan

The Long Term Incentive Plan is available to certain permanent employees of the Group.

Options

For 2020, participants in the plan were granted Options. The Options have a vesting hurdle of absolute total shareholder return (**Absolute TSR**) over the three years from issue with no retest. Options do not carry any dividend or voting rights prior to exercise. Participants are also required to pay \$3.0169 (2019: \$3.1606) per Option to convert the Options into shares if the vesting criteria are met.

Vesting of the Options granted is subject to achieving an Absolute TSR performance hurdle. The test is based on the compound annual growth rate (**CAGR**) for the Company’s Absolute TSR over the Performance Period. The Board will also take into account any dividends (or other distributions) paid on the Company’s shares during the Performance Period in calculating the Absolute TSR. If the performance hurdle is satisfied, and the Company share price at the time is equal to or greater than the exercise price of the Options, the Options will vest and become exercisable. At 30 June 2022, the vesting hurdle was not satisfied and therefore no Options vested.

A Monte Carlo simulation approach is used to value the Awards subject to the Absolute TSR performance conditions.

Within the Monte Carlo approach, the underlying stochastic process of the Company’s Absolute TSR is assumed to follow Geometric Brownian motion under a risk-neutral measure and each simulation comprises of the following steps:

- Simulate Absolute TSR performance of the Company as at the end of the Performance Period.
- Proportion of Absolute TSR hurdled award vested is calculated based on the vesting schedule.
- Present value of Absolute TSR hurdled award vested is recorded.

The weighted average inputs to the valuation of options valued at grant date by an external specialist using the Monte Carlo option pricing model are as follows:

	LTI FY20 – FY24 (Absolute TSR)	LTI FY20 – FY22 (CEO Options)	LTI FY21 – FY23 (Relative TSR)	LTI FY21 – FY23 (CAGR EBITDA)	LTI FY22 – FY24 (Relative TSR) Oct 21 Joiners	LTI FY22 – FY24 (CAGR EBITDA) Oct 21 Joiners	LTI FY22 – FY24 (Relative TSR) Mar 22 Joiners	LTI FY22 – FY24 (CAGR EBITDA) Mar 22 Joiners
Dividend yield	2.44%	2.42%	1.78%	1.78%	1.45%	1.45%	1.50%	1.50%
Risk free interest rate	0.90%	0.90%	0.11%	0.11%	0.27%	0.27%	1.51%	1.51%
Expected volatility	36.0%	34.0%	38.0%	38.0%	39.0%	39.0%	39.0%	39.0%
Expected life	3.8 years	3.6 years	3.0 years	3.0 years	3.0 years	3.0 years	2.57 years	2.57 years
Share price at grant date	\$3.3117	\$3.1970	\$4.42	\$4.42	\$5.51	\$5.51	\$4.05	\$4.05
Fair value at grant date	\$0.64	\$0.54	\$3.09	\$4.22	\$3.66	\$5.30	\$1.86	\$3.90

Performance Rights

For 2021 and 2022, participants in the respective plans were granted Performance Rights (**Rights**) being the right to acquire one fully paid ordinary Domain share or a cash payment in lieu of a share at the Company's discretion, which are subject to a three-year performance period. There are two tranches with specific vesting hurdles to be met – tranche 1 being relative total shareholder return (**Relative TSR**), and tranche 2 being CAGR of EBITDA. Rights do not carry any dividend or voting rights prior to exercise. There is no exercise price for the Rights.

Vesting of the Rights granted is subject to achieving a Relative TSR and EBITDA CAGR. The Relative TSR compares the growth in the Company's share price to a comparator group over the performance period. The Board will also take into account any dividends (or other distributions) paid on the Company's shares during the performance period. The EBITDA CAGR is based on the Company achieving a pre-set compound annual growth rate of EBITDA over the performance period. If the performance hurdle for each tranche is satisfied, the Rights will vest and become exercisable.

For allocation purposes, the value of each Performance Right has been worked out using an average price of Shares traded on the ASX, being the volume-weighted average market price (**VWAP**) of Shares over the 30 trading days beginning on 1 July of the respective year:

LTI FY21 – FY23		LTI FY22 – FY24
30-trading day period	1 July 2020 – 11 August 2020	1 July 2021 – 11 August 2021
VWAP	\$3.3096	\$4.9183

2. CEO Executive Engagement Plan

Options

As approved by the Shareholders at the Annual General Meeting held 11 November 2019, Jason Pellegrino was awarded 1,600,000 Options over Company shares, equivalent in value to 120% of his total remuneration package. The number of Options to be allocated is calculated based on the value of each Option. The allocation price of each Option was equal to the VWAP of the Company's shares over the 30-day trading period beginning on 01 July 2019 (\$3.0169). Vesting hurdles and conditions for these shares are those outlined under the Long Term Incentive Plan above. At 30 June 2022, the vesting hurdle was not satisfied and therefore no Options vested.

Performance Rights

As approved by the Shareholders at the Annual General Meeting held 10 November 2020, Jason Pellegrino was awarded 435,098 Performance Rights over Company shares, equivalent to 120% of his total remuneration package. The number of Rights to be allocated is calculated based on the value of each Right. The allocation price of each Right was equal to the VWAP of the Company's shares over the 30-trading day period beginning on 01 July 2020 (\$3.3096). Vesting hurdles and conditions for these Rights are those outlined under the Long Term Incentive Plan above.

As approved by the Shareholders at the Annual General Meeting held 4 November 2021, Jason Pellegrino was awarded 303,078 Performance Rights over Company shares, equivalent to 120% of his total remuneration package. The number of Rights to be allocated is calculated based on the value of each Right. The allocation price of each Right was equal to the VWAP of the Company's shares over the 30-trading day period beginning on 01 July 2021 (\$4.9183). Vesting hurdles and conditions for these Rights are those outlined under the Long Term Incentive Plan above.

3. Project Zipline

As a response to the COVID-19 pandemic employees and all Non-Executive Directors remunerated by the Company were offered the opportunity to participate in a Share Rights program. Employees could receive a percentage of their salary package as a one-off grant of share rights, or elect to reduce working hours, or to both receive a percentage of their salary package in share rights and reduce their hours, or to take a period of leave without pay. Non-Executive Directors remunerated by the Company could receive 50% of their directors' fees package as a one-off grant of share rights. The share rights vested on 7 November 2021. The total number of Share Rights per participating employee or Director is calculated by the total amount of forgone salary or directors' fees divided by the VWAP of the Company's shares over the 10-day trading period from 26 March 2020 to 8 April 2020 inclusive (\$2.0093).

The Project Zipline Share Rights vested on 7 November 2021.

4. Domain Incentive Plan

The Domain Incentive Plan is available to certain permanent employees of the Group.

For FY21 only, there were two grants as detailed below:

1. FY21 Transition Grant: This was half the value of the participants target opportunity, with the performance against the financial measures of Group Revenue and Group EBITDA guaranteed at target, irrespective of business performance. This will be assessed at the end of the performance period (1 July 2020 to 30 June 2021) with the portion achieved vesting after this time. The Rights vested in November 2021. Participants have two years from the date of vesting to exercise the Rights.

2. FY21 DIP Grant: This was based on the participants target opportunity and will be assessed over the two-year performance period (1 July 2020 to 30 June 2022) with the portion achieved vesting after this time. The Rights will vest in November 2022. Participants have two years from the date of vesting to exercise the Rights.

For FY22, participating employees were offered the FY22 DIP Grant based on the participants target opportunity and will be assessed over the two-year performance period (1 July 2021 to 30 June 2023). The Rights will vest in October 2023. Participants have two years from the date of vesting to exercise the Rights.

Participants in the plan were granted Performance Rights (**Rights**) being the right to acquire one fully paid ordinary Domain share or a cash payment in lieu of a share at the Company's discretion, which are subject to a two-year performance period. There are three tranches with specific vesting hurdles to be met for both grants – tranche 1 being personal performance, tranche 2 being Company EBITDA, and tranche 3 being Company Revenue. Rights do not carry any dividend or voting rights prior to exercise. There is no exercise price for the Rights. The allocation price of each Right was equal to the VWAP of the Company's shares over the 30-trading day period beginning on 1 July of the respective year:

DIP FY21 – FY22		DIP FY22 – FY243
30-trading day period	1 July 2020 – 11 August 2020	1 July 2021 – 11 August 2021
VWAP	\$3.3096	\$4.9183

Vesting of the Rights granted is subject to achieving the above hurdles. Personal Performance is based on the relative assessment of holistic performance. The Company EBITDA is based on the Company meeting an EBITDA target in each performance year of the performance period. The Company Revenue requires the Company to meet a Revenue target in each performance year of the performance period. If the performance hurdle for each tranche is satisfied, the Rights will vest and become exercisable. If the Personal Performance tranche performance hurdle is not satisfied, then all three tranches will lapse in full.

The weighted average inputs to the valuation of Performance Rights valued at grant date by an external specialist using the Monte Carlo option pricing model are as follows:

	Transition DIP FY21	DIP FY21 – FY22	DIP FY22 – FY23 Oct 21 Joiners	DIP FY22 – FY23 Mar 22 Joiners
Dividend yield	1.78%	1.78%	1.45%	1.50%
Risk free interest rate	0.11%	0.11%	0.27%	1.51%
Expected volatility	38.0%	38.0%	39.0%	39.0%
Expected life	1.0 years	2.0 years	2.0 years	1.57 years
Share price at grant date	\$4.42	\$4.42	\$5.51	\$4.05
Fair value at grant date	\$4.22	\$4.22	\$5.30	\$3.97

Accounting policy

Share-based compensation benefits can be provided to employees in the form of equity instruments. The cost of share-based payments is recognised over the period in which the performance and/or service conditions are fulfilled (the vesting period), ending on the date on which the relevant employees become entitled to the award (the vesting date).

At each reporting date until vesting, the cumulative charge to the Consolidated Statement of Profit or Loss and Other Comprehensive Income is the product of (i) the grant date fair value of the award; (ii) the current best estimate of the number of awards that will vest, taking into account such factors as the likelihood of employee turnover during the vesting period and the likelihood of non-market performance conditions being met; and (iii) the expired portion of the vesting period.

The fair value at the grant date of equity instruments issued to employees for no cash consideration under the Long Term Incentive Plan is recognised as an employee benefits expense over the vesting period. Any shares purchased, but which have not yet vested to the employee as at reporting date are accounted for as treasury shares (shares held in trust) of the Group.

Significant judgements, estimates and assumptions

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

23. Remuneration of Group Auditors

During the year, the following amounts were paid or payable for services provided by the auditor of the Group:

	30 June 2022 \$	30 June 2021 \$
Amounts received or due and receivable by Ernst & Young Australia for:		
Audit and review of Financial Statements	989,801	996,522
Other assurance services and agreed upon procedures	37,440	27,560
Other services	15,000	18,025
Total remuneration of group auditors	1,042,241	1,042,107

24. Notes to the Cash Flow Statement

A. Reconciliation of net profit after income tax expense to net cash inflow from operating activities

	Note	30 June 2022 \$'000	30 June 2021 \$'000
Net profit for the year		39,658	35,561
Non-cash items			
Depreciation and amortisation	3(B)	30,207	36,042
Share-based payment expense		7,413	7,964
Fair value adjustment of contingent consideration	4	8,020	(1,577)
Loss on disposal of investments and other assets		2,813	196
Gain on debt refinance	4	(738)	–
Other non-cash items		(751)	537
Change in operating assets and liabilities, net of effects from acquisitions			
(Increase)/decrease in trade receivables		(15,456)	(14,839)
Increase/(decrease) in trade and other payables		(3,788)	1,582
Increase in provisions		1,001	665
Increase/(decrease) in tax balances		500	(14,036)
Net cash inflow from operating activities		68,879	52,095

B. Cash and cash equivalents

Reconciliation of cash and cash equivalents at end of the financial year (as shown in the Consolidated Cash Flow Statement) to the related item in the Consolidated Balance Sheet is as follows:

	30 June 2022 \$'000	30 June 2021 \$'000
Total cash and cash equivalents at the end of the year	67,116	94,151

Accounting policy

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short-term investments with original maturities of three months or less that are readily convertible to cash and subject to insignificant risk of changes in value. Bank overdrafts are shown within interest bearing liabilities in current liabilities on the balance sheet.

Directors’ Declaration

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

1. In the opinion of the Directors:
- a. the Financial Statements and Notes of the Company and its subsidiaries (collectively the **Group**) are in accordance with the *Corporations Act 2001* (Cth) including:

i. giving a true and fair view of the Group’s consolidated financial position as at 30 June 2022 and of its consolidated financial performance for the financial year ended 30 June 2022; and

ii. complying with the Australian Accounting Standards and the Corporations Regulations 2001 (Cth);

b. as at the date of this declaration, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

c. as at the date of this declaration, there are reasonable grounds to believe that the Company and the subsidiaries identified in Note 20(F) to the Financial Statements will be able to meet any obligations or liabilities to which they are or may become subject to, by virtue of the Deed of Cross Guarantee between the Company and those subsidiaries.
2. The Company has included in the Notes to the Financial Statements, in accordance with the Australian Accounting Standards, an explicit and unreserved statement of compliance with international financial reporting standards. Note 1(B) to the Financial Statements notes that the Financial Statements and Notes comply with International Financial Reporting Standards issued by the International Accounting Standards Board.
3. This declaration has been made after receiving the declarations required to be made to the Directors from the Chief Executive Officer and the Chief Financial Officer in accordance with section 295A of the *Corporations Act 2001* (Cth) for the financial year ended 30 June 2022.

On behalf of the Board

Nick Falloon
Chairman

Sydney
17 August 2022

Jason Pellegrino
Chief Executive Officer and Managing Director

Independent Auditor's Report

Independent Auditor's Report



Auditor’s Independence Declaration



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Independent Auditor's Report to the Members of Domain Holdings Australia Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Domain Holdings Australia Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated balance sheet as at 30 June 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 year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a) Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2022 and of its consolidated financial performance for the year ended on that date; and
- b) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

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1. Impairment Assessment of Goodwill and Other Intangible Assets

Why significant	How our audit addressed the key audit matter
At 30 June 2022, the Group's consolidated balance sheet includes goodwill and other intangible assets with a carrying value of \$1,361.6 million, representing 89% of total assets. The Directors have assessed goodwill and other intangible assets for impairment at 30 June 2022. As disclosed within Note 7 to the financial statements, the assessment of the impairment of the Group's goodwill and other intangible assets incorporated significant judgments and estimates, based upon conditions existing as at 30 June 2022, specifically concerning factors such as forecast cashflows, discount rates and terminal growth rates. The estimates and assumptions relate to future performance, market and economic conditions. This was considered to be a key audit matter due to the significance of the intangible assets relative to total assets and the judgments and estimates exercised in the impairment testing	Audit procedures we performed included the following: - Assessed the Group's determination of the CGUs used in the impairment model, based on our understanding of the Group's businesses and cash inflows - Assessed whether the impairment testing methodology used by the Group met the requirements of Australian Accounting Standards - Tested the mathematical accuracy of the impairment testing models including the consistency of relevant data with latest Board approved forecasts - Assessed the reasonableness of future cash flow forecasts used by the Group by considering the reliability of the Group's historical cash flow forecasts, our knowledge of the business and corroborating data with external information where possible - Evaluated the appropriateness of discount and terminal growth rates applied with involvement from our valuation specialists - Performed sensitivity analysis on key assumptions including discount rates, terminal growth rates and EBITDA forecasts for each of the Group's CGUs Assessed the adequacy of the financial report disclosures contained in Note 7.

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2. Fair value of contingent consideration payable relating to the acquisition of Insight Data Solutions

Why significant	How our audit addressed the key audit matter
On acquisition date of Insight Data Solutions (“IDS”), the Group’s consolidated balance sheet included a contingent consideration liability for the fair value of earn out arrangements of \$24.5 million. The maximum potential undiscounted contingent consideration payable is \$99 million. The Directors have re-assessed the fair value of the contingent consideration at 30 June 2022 to \$32.3 million and recognized \$7.8 million within the income statement. As disclosed within Note 6 to the financial statements, the determination of the fair value is based on discounted cashflows, which are based on key assumptions including the discount rate, the future business performance of IDS and the likelihood and timing of IDS securing and delivering specified government contracts over the earn out period ending in June 2027. The Directors have obtained external expert advice for these key assumptions as at acquisition date. This was considered to be a key audit matter due to the significance of the maximum potential contingent consideration payable, the significant judgments applied in the determination of its fair value and the inherent complexity in the earn out methodology and calculations.	Audit procedures we performed as at acquisition date and 30 June 2022 included the following: ▶ Tested the mathematical accuracy of the calculation of the contingent consideration payable ▶ Assessed whether the contingent consideration calculation methodology and data inputs are in line with the terms of the Share Sale Agreement ▶ Assessed the reasonableness of the forecast cashflows within the contingent consideration calculation with reference to due diligence reports, external data where appropriate and sensitivity analysis ▶ Assessed the adequacy of the financial report disclosures.

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Information Other than the Financial Report and Auditor’s Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Company’s 2022 Annual Report, but does not include the financial report and our auditor’s report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor’s Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- ▶ Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 53 to 77 of the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Domain Holdings Australia Limited for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.

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Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Ernst & Young

Jodie Inglis
Partner
17 August 2022

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Shareholder Information

Introduction

Directors
Report

Remuneration
Report

Corporate
Governance

Mgmt Discussion
and Analysis

2022 Financial
Report

Independent
Auditor's Report

**Shareholder
Information**

Corporate
Directory

Shareholder Information

Information about Securities

The information in this section of this Annual Report in relation to Domain Holdings Australia Limited (**Company** or **Domain**) is current as at 1 August 2022 (**Relevant Date**), except where stated otherwise.

Classes of securities on issue

The following table sets out the eight classes of securities on issue in the Company as at the Relevant Date.

Short name	Description
Ordinary Shares	Fully-paid ordinary shares
Options	Two classes of Options over Ordinary Shares
Issued Share Rights	Five classes of Share Rights: 1. Project Zipline Share Rights Share Rights granted as part payment of employee remuneration or directors' fees (as applicable) under the Domain Equity Incentive Plan 2. EIP STI Share Rights Share Rights granted in respect of the short term incentive award under the Domain Equity Incentive Plan 3. EIP LTI Share Rights Share Rights granted in respect of the long term incentive award under the Domain Equity Incentive Plan 4. DIP 1 Share Rights Share Rights granted in respect of the Domain Incentive Plan (DIP 1) under the Domain Equity Incentive Plan 5. DIP 2 Share Rights Share Rights granted in respect of the Domain Incentive Plan (DIP 2) under the Domain Equity Incentive Plan

There are no other classes of security on issue other than as described above.

Ordinary Shares

Voting rights

Ordinary Shares carry voting rights.

Each Ordinary Shareholder has the voting rights set out in rule 6.9 of the Company's Constitution. At a general meeting, each Ordinary Shareholder present has one vote on a show of hands and one vote for each share held at the Record Time (as defined in the Constitution).

A copy of the Constitution is available on the Company's Shareholder Centre website at shareholders.domain.com.au.

ASX code

Ordinary Shares use ASX Code DHG.

Options

Each Option entitles the Option holder to an Ordinary Share, subject to certain vesting conditions and the terms of the Domain Equity Incentive Plan.

Voting rights

Unvested Options do not carry voting rights.

ASX codes

The two classes of Options use ASX Codes DHGAA and DHGAB.

Issued Share Rights

Each Share Right entitles the Share Right holder to an Ordinary Share (or, in certain circumstances, a right to a cash payment in lieu of Ordinary Shares), subject to certain vesting conditions and the terms of the Domain Equity Incentive Plan.

Voting rights

None of the classes of Issued Share Rights carry voting rights.

ASX codes

The following table sets out, for each class of Issued Share Rights, where a summary of material terms is set out in, and the ASX Code used.

Class of Issued Share Right	Summary of material terms set out in	ASX Code
Project Zipline Share Rights	Appendices 3G lodged with ASX by the Company on 7 May 2020 and 19 November 2020	DHGAC
EIP STI Share Rights	Appendix 3G lodged with ASX by the Company on 8 October 2020	DHGAD
EIP LTI Share Rights	Appendix 3G lodged with ASX by the Company on 19 November 2020	DHGAE
DIP 1 Share Rights	Appendix 3G lodged with ASX by the Company on 19 November 2020	DHGAF
DIP 2 Share Rights	Appendix 3G lodged with ASX by the Company on 19 November 2020	DHGAG

Quotation of securities

Quotation on ASX

Ordinary Shares are quoted on the ASX.

Options and Issued Share Rights are not quoted on the ASX.

Quotation on stock exchanges other than ASX

The Company's securities are not quoted on any stock exchange other than the ASX.

No on-market buy-backs

As at the Relevant Date, there is no current on-market buy-back of securities.

Quoted Securities (Ordinary Shares)

Number of holders of quoted securities

The following table sets out, as at the Relevant Date, the number and distribution of holders of Ordinary Shares.

Total number of holders of Ordinary Shares	13,748
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Distribution of holders of quoted securities

The following table sets out, as at the Relevant Date, a distribution schedule of the number of holders of Ordinary Shares.

Number of Ordinary Shares	Number of Ordinary Shareholders	% of Ordinary Shares held
1 – 1,000	9,697	0.59
1,001 – 5,000	3,000	1.10
5,001 – 10,000	592	0.68
10,001 – 100,000	415	1.63
100,001 and over	44	95.99

Number of restricted securities and securities subject to voluntary escrow

The following table sets out, as at the Relevant Date, the number of restricted securities and securities subject to voluntary escrow.

Of the classes of securities on issue, only Ordinary Shares are subject to voluntary escrow.

Number of Ordinary Shares subject to voluntary escrow	Date escrow period ends
0	Not applicable

Number of holders with less than marketable parcels

The following table sets out, as at the Relevant Date, the number of holders holding less than a marketable parcel of Ordinary Shares (the Company’s main class of securities) based on the closing market price on the Relevant Date.

Number of holders with less than a marketable parcel of Ordinary Shares (based on a closing market price of \$3.45 as at the Relevant Date)	1,082
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Securities purchased on-market during the reporting period

The following table sets out the number of securities purchased on-market under or for the purposes of an employee incentive scheme or to satisfy the entitlements of holders of options or other rights to acquire securities granted under an employee incentive during FY22.

	Total number of securities purchased during FY22	Average price per security at which the securities were purchased during FY22
Under or for the purposes of an employee incentive scheme (the Domain Executive Incentive Plan or the Domain Equity Incentive Plan)	6,325,246	\$4.91
To satisfy the entitlement of the holders of options or other rights to acquire securities granted under an employee incentive scheme (the Domain Executive Incentive Plan or the Domain Equity Incentive Plan)	6,121,986	\$4.91

Issues of securities approved under Corporations Act

As at the Relevant Date, there are no issues of securities approved for the purposes of item 7 of section 611 of the *Corporations Act 2001* (Cth) which have not yet been completed.



Unquoted Securities (Options and Issued Share Rights)

Number of holders of unquoted securities

The following table sets out, as at the Relevant Date, the number of Options and each class of Issued Share Rights and the number of holders of each class of unquoted security.

Unquoted securities	Total number of unquoted securities	Total number of holders of unquoted securities
Options	4,036,841	8
Issued Share Rights	4,890,786	186

Names of holders of 20% or more of unquoted securities in a class

As the Options and Issued Share Rights were issued under an employee incentive scheme, the names of any persons that hold 20% or more of the Options and/or any class of Issued Share Rights, and the number of Options and/or Issued Share Rights held by such persons, are not set out in this section of this Annual Report.

Distribution of holders of unquoted securities

The following tables set out, as at the Relevant Date, distribution schedules of the number of holders of Options and Issued Share Rights.

Options

Number of Options	Number of holders of Options	% of Options held
1 - 1,000	0	0
1,001 - 5,000	0	0
5,001 - 10,000	0	0
10,00 - 100,000	0	0
100,001 - and over	8	100

Issued Share Rights

Number of Issued Share Rights	Number of holders of Issued Share Rights	% of Issued Share Rights held
1 - 1,000	9	4.84
1,001 - 5,000	61	32.80
5,001 - 10,000	46	24.73
10,00 - 100,000	60	32.26
100,001 - and over	10	5.38

20 Largest Ordinary Shareholders and Substantial Shareholders

20 largest Ordinary Shareholders

The following table sets out, as at the Relevant Date:

- the names of the 20 largest holders of Ordinary Shares (the Company’s only class of quoted securities);
- the number of securities each holds; and
- the percentage of capital each holds.

Rank	Name of substantial holder	Number of Ordinary Shares held	% of Ordinary Shares
1	Fairfax Media Limited	286,110,115	45.30
2	Fairfax SPV No 1 Pty Limited	93,224,257	14.76
3	HSBC Custody Nominees (Australia) Limited	74,943,339	11.86
4	J P Morgan Nominees Australia Pty Limited	54,280,538	8.59
5	Citicorp Nominees Pty Limited	41,395,533	6.55
6	National Nominees Limited	35,961,857	5.69
7	BNP Paribas Nominees Pty Ltd	5,393,039	0.85
8	Citicorp Nominees Pty Limited	1,930,106	0.31
9	Pacific Custodians Pty Limited	1,690,998	0.27
10	BNP Paribas Noms Pty Ltd	1,520,635	0.24
11	Pacific Custodians Pty Limited	1,211,707	0.19
12	Savanah Investments Pty Ltd	727,536	0.12
13	BNP Paribas Nominees Pty Ltd	700,000	0.11
14	Colonial First State Inv Ltd	679,972	0.11
15	BNP Paribas Nominees Pty Ltd	601,814	0.10
16	Powerwrap Limited	555,729	0.09
17	Wilmar Enterprises Pty Ltd	500,000	0.08
18	BNP Paribas Nominees Pty Ltd	457,176	0.07
19	HSBC Custody Nominees (Australia) Limited – A/C 2	304,808	0.05
20	UBS Nominees Pty Ltd	291,013	0.05

Substantial Shareholders

The following table sets out, as at the Relevant Date:

- the names of substantial shareholders in the Company; and
- the number of securities to which each substantial holder and its associates have a relevant interest, as disclosed in substantial shareholder notices received by the Company.

Substantial shareholder name	Number of shares in which substantial shareholder and its associates have a relevant interest	% holding
Nine Entertainment Co. Holdings Limited	379,334,372	60.06
FIL Limited	41,426,614	6.56

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Corporate Directory

Introduction	Directors' Report	Remuneration Report	Corporate Governance	Mgmt Discussion and Analysis	2022 Financial Report	Independent Auditor's Report	Shareholder Information	Corporate Directory
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Corporate Directory

This section

The information in this section of this Annual Report in relation to Domain Holdings Australia Limited (**Company** or **Domain**) is current as at 17 August 2022.

Annual General Meeting

Domain's 2022 Annual General Meeting will be held at 10:00am on Wednesday, 9 November 2022.

Domain's 2020 and 2021 Annual General Meetings were held via virtual technology rather than at a physical location due to Government restrictions relating to the COVID-19 pandemic and in the interests of safety of Domain's shareholders and employees, and the broader community.

Domain intends to hold its 2022 Annual General Meeting as a 'hybrid' meeting (a meeting held at a physical location and using virtual meeting technology). The Company will provide shareholders with details of the Annual General Meeting, including technology to be used to hold the meeting, in the notice of meeting to be sent to shareholders prior to that meeting in accordance with the *Corporations Act 2001* (Cth).

Financial Calendar 2023

Interim Result – 16 February 2023

Final Result – 17 August 2023

Annual General Meeting – 7 November 2023

Company Secretary

Catriona McGregor

Registered Office

Level 5, 100 Harris Street
Pyrmont NSW 2009

Website

Corporate information, the Annual Report, ASX Announcements relating to the Company and other investor information can be found on the Company's Shareholder Centre website at shareholders.domain.com.au.

Share Registry

Link Market Services
Level 12, 680 George Street
Sydney NSW 2000
Locked Bag A14
Sydney South NSW 1235

P: +61 1300 138 914 (toll free within Australia)
F: +61 2 9287 0303

registrars@linkmarketservices.com.au
www.linkmarketservices.com.au

Securities Exchange Listing

The Company's Ordinary Shares are listed on the ASX as DHG.

The Company's securities are not listed on any stock exchange other than ASX.

Investor Relations

Jolanta Masojada
E: jolanta.masojada@domain.com.au

Media Enquiries

Sarah Macartney
E: sarah.macartney@domain.com.au

How to Obtain the Annual Report

The Company supports the use of electronic communications in seeking to protect the environment by minimising use of paper. The Company has notified all shareholders that they may elect to receive, free of charge, a copy of the Company's reports for each financial year as a hard copy or as an electronic copy.

Each shareholder who has elected to receive a copy of the Company's Annual Report will receive a copy in the form they have chosen. Shareholders who have not elected to receive a copy of the Company's Annual Report, can access it at the Company's Shareholder Centre website at shareholders.domain.com.au.

Direct Payment to Shareholders' Accounts

The Company pays dividends by direct deposit to shareholders' bank accounts and does not issue cheques except in exceptional circumstances. Shareholders can obtain a direct deposit form at the Share Registry.

Payments are electronically credited on the dividend date and confirmed by payment advice which is either mailed or sent by email. Shareholders should notify the Share Registry of their tax file number so that dividends can be paid without tax being withheld.

Consolidating Shareholdings

Shareholders who wish to consolidate separate holdings of Domain shares into one account should notify the Share Registry in writing by post or by email.