

DomaCom Limited

ACN 604 384 885

Fourth Supplementary Prospectus

This supplementary prospectus is issued under section 719 of the *Corporations Act* 2001 (**Corporations Act**) (**Fourth Supplementary Prospectus**) and was lodged by DomaCom Limited ACN 604 384 885 (**Company**) with the Australian Securities and Investments Commission (**ASIC**). This Fourth Supplementary Prospectus supplements:

- (a) the replacement prospectus dated 8 July 2016 (**Replacement Prospectus**);
- (b) the first supplementary prospectus dated 2 August 2016;
- (c) the second supplementary prospectus dated 12 August 2016; and
- (d) the third supplementary prospectus dated 23 September 2016 (collectively, **Prospectuses**).

This Fourth Supplementary Prospectus must be read together with the Prospectuses.

This Fourth Supplementary Prospectus is dated 7 October 2016 and was lodged with ASIC on that date. Neither ASIC nor ASX takes any responsibility for the contents of this Fourth Supplementary Prospectus.

Words and expressions defined in the Replacement Prospectus have the same meaning in this Fourth Supplementary Prospectus.

Reasons for this Fourth Supplementary Prospectus

The purpose of this Fourth Supplementary Prospectus is to:

- inform investors of the completion of the independent expert's report and the status of the ASX listing application;
- revise the tables for the Use of Funds raised under the Offer in the Replacement Prospectus;
- release the audited financial accounts of the Company for the year ended 30 June 2016;
- revise pro-forma statements of financial accounts disclosed in the Replacement Prospectus based on the audited financial accounts for the last financial year; and
- provide an update on the Company's business activities.

Working Capital Requirement and Status of the Listing Application with ASX

In the Third Supplementary Prospectus, the Company informed investors of the refinement of its key business objective. The Company's business objective is to achieve a sustainable business model and breakeven level of FUM within 3 years - the Company has assessed the required level of FUM to achieve this business objective as being \$275 million.

Also as disclosed in the Third Supplementary Prospectus, the Company appointed an independent expert to prepare an independent expert's report (**IER**). The IER has been completed and provided to ASX. The IER will be released to the market as a pre-quotation disclosure on the ASX Market Announcement Platform prior to the listing of the Company. The Company is in discussions with ASX to progress the listing application further.

The Directors remain of the view that the Company will have sufficient working capital to achieve its stated business objective upon completion of the listing and is, therefore, in compliance with ASX Listing Rule 1.3.3.

Audited Financial Accounts of the Company for the year ended 30 June 2016

Given that the 2016 financial year ended on 30 June 2016, the Company has prepared its audited financial accounts for the year ended 30 June 2016 which are included as Annexure A to this Fourth Supplementary Prospectus.

A reviewed pro forma statement of financial accounts with the final capital raising results will be provided to ASX prior to the Company's admission to the Official List and disclosed as part of pre-quotations disclosure on the ASX Market Announcement Platform.

Update on Use of Funds raised under the Offer in the Replacement Prospectus

The minimum subscription amount under the Offer has increased from \$5 million to \$6 million. Accordingly, the Use of Funds tables in the Investment and Business Overview Section (page 18) and Section 11.2 (page 73) of the Replacement Prospectus have been replaced with the following table.

Capital raising (\$'million)

| | | | | | | | | |
|---|--------------|-----|---------------|-----|---------------|-----|---------------|-----|
| Cash proceeds from the issue of new shares | 6.0 | | 10.0 | | 15.7 | | 23.7 | |
| | | | | | | | | |
| Uses of Funds | | | | | | | | |
| Payments for the cost of the offer | (1.4) | 23% | (1.6) | 16% | (1.6) | 10% | (2.0) | 8% |
| Sell down by Existing Shareholders | | | | | (5.7) | 36% | (5.7) | 24% |
| Sales & Marketing (excluding staff costs) | (1.2) | 20% | (3.2) | 32% | (3.2) | 20% | (3.2) | 14% |
| Product Development (excluding staff costs) | (0.5) | 8% | (0.5) | 5% | (0.5) | 3% | (0.5) | 2% |
| Exploration of global opportunities | | | (0.5) | 5% | (0.5) | 3% | (0.5) | 2% |
| Platform Development | (2.1) | 36% | (2.8) | 28% | (2.8) | 18% | (2.8) | 12% |
| To provide further working capital for the business | (0.8) | 13% | (1.4) | 14% | (1.4) | 10% | (9.0) | 38% |
| Total use of funds | (6.0) | | (10.0) | | (15.7) | | (23.7) | |

Update on pro forma statements of financial accounts disclosed in the Replacement Prospectus

As a result of more recent financial information being available, certain information in Section 8 of the Replacement Prospectus is replaced as follows.

Section 8.3 Financial Analysis based on the audited/reviewed accounts

Table 3 Historical consolidated income statement

| | 2014 \$ (i)(iv) | 2015 \$ (ii)(iv) | 2016 \$ (iii) |
|---------------------------------------|-----------------------|------------------------|---------------------|
| Revenue | - | 8,826 | 20,642 |
| Other Income ^(v) | 240,997 | 421,774 | 888,192 |
| Business expenses | (1,903,407) | (4,366,860) | (6,949,959) |
| EBIT ^(vi) | (1,662,410) | (3,936,260) | (6,041,125) |
| Net Interest expense | (23,631) | (83,285) | (19,433) |
| Net Loss Before Tax | (1,686,041) | (4,019,545) | (6,060,558) |
| Income tax benefit / (expense) | (147,738) | (44,132) | - |
| Net Loss After Tax | (1,833,779) | (4,063,677) | (6,060,558) |

- (i) includes the results of DomaCom Australia Limited for the 12 months ended 30 June 2014
- (ii) includes the consolidated results of DomaCom Australia Limited, DomaCom Limited, DomaCom Platform Services Pty Ltd and DomaCom Singapore Private Limited for the 12 months ended 30 June 2015
- (iii) includes the historical consolidated results of DomaCom Australia Limited, DomaCom Limited, DomaCom Platform Services Pty Ltd and DomaCom Singapore Private Limited for 12 months ended 30 June 2016
- (iv) includes restated balances as a result of a revision to the accounting policy for R&D grants
- (v) Other Income – represents amounts received from the ATO for R&D claims for expenses that have not been capitalised
- (vi) EBIT – represents earnings before interest and tax

Section 8.7 Pro forma historical consolidated statement of financial position

Table 7 Pro forma historical consolidated statement of financial position (on page 45 of the Replacement Prospectus)

| | 2014 | 2015 | 2016 | Pro forma 30/06/2016 Minimum Subscription | Pro forma 30/06/2016 Current Subscription | Pro forma 30/06/2016 Maximum Subscription |
|----------------------------------|------------------|------------------|------------------|--|--|--|
| | \$ (i) | \$ (i) | \$ (i) | \$ (ii) | \$ (ii) | \$ (ii) |
| CURRENT ASSETS | | | | | | |
| Cash and cash equivalents | 347,661 | 720,935 | 1,746,197 | 6,773,378 | 8,049,128 | 18,113,378 |
| Receivables | 968,896 | 951,095 | 1,417,403 | 1,417,403 | 1,417,403 | 1,417,403 |
| Prepayments and other assets | 35,341 | 98,371 | 92,803 | 92,803 | 92,803 | 92,803 |
| TOTAL CURRENT ASSETS | 1,351,898 | 1,770,401 | 3,256,403 | 8,283,584 | 9,559,334 | 19,623,584 |
| NON-CURRENT ASSETS | | | | | | |
| Property, plant and equipment | 8,742 | 14,045 | 51,456 | 51,456 | 51,456 | 51,456 |
| Intangible assets | 1,636,398 | 2,224,141 | 2,795,341 | 2,795,341 | 2,795,341 | 2,795,341 |
| TOTAL NON-CURRENT ASSETS | 1,645,140 | 2,238,186 | 2,846,797 | 2,846,797 | 2,846,797 | 2,846,797 |
| TOTAL ASSETS | 2,997,038 | 4,008,587 | 6,103,200 | 11,130,381 | 12,406,131 | 22,470,381 |
| CURRENT LIABILITIES | | | | | | |
| Payables | 326,771 | 440,625 | 645,464 | 645,464 | 645,464 | 645,464 |
| Provisions | 94,665 | 103,959 | 176,315 | 176,315 | 176,315 | 176,315 |
| Interest bearing liabilities | 826,666 | 800,000 | - | - | - | - |
| TOTAL CURRENT LIABILITIES | 1,248,102 | 1,344,584 | 821,779 | 821,779 | 821,779 | 821,779 |
| NON-CURRENT LIABILITIES | | | | | | |
| Provisions | 4,475 | 28,771 | 59,688 | 59,688 | 59,688 | 59,688 |
| TOTAL NON-CURRENT | 4,475 | 28,771 | 59,688 | 59,688 | 59,688 | 59,688 |
| TOTAL LIABILITIES | 1,252,577 | 1,373,355 | 881,467 | 881,467 | 881,467 | 881,467 |
| NET ASSETS | 1,744,461 | 2,635,232 | 5,221,733 | 10,248,914 | 11,524,664 | 21,588,914 |
| EQUITY | | | | | | |
| Issued capital | 3,885,050 | 8,838,435 | 16,791,037 | 22,136,428 | 23,407,132 | 33,436,676 |
| Reserves | 249,600 | 250,663 | 945,120 | 1,189,467 | 1,189,467 | 1,189,467 |
| Accumulated losses | (2,390,189) | (6,453,866) | (12,514,424) | (13,076,981) | (13,071,935) | (13,037,229) |
| TOTAL EQUITY | 1,744,461 | 2,635,232 | 5,221,733 | 10,248,914 | 11,524,664 | 21,588,914 |

- (i) includes the historical statement of financial position.
- (ii) includes historical consolidated statement of financial position at 30 June 2016 after the pro forma adjustments set out below based on a minimum subscription of \$6,000,000, current subscription of \$7,350,000 as of 23 September 2016 and a maximum subscription of \$23,707,475.

8.8 Pro forma consolidated historical statement of cash flows

Table 8 Pro forma historical consolidated statement of cash flows (on page 46 of the Replacement Prospectus)

| | 2014 \$ (i) | 2015 \$ (ii) | 2016 \$ (iii) |
|---|----------------|-----------------|------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts from customers | 68 | 6,709 | 20,642 |
| Payments to suppliers and employees | (2,134,971) | (4,358,281) | (5,670,892) |
| Research and development tax offset received | 602,626 | 963,396 | 1,186,197 |
| Finance costs | (1,008) | (100,402) | (104,372) |
| Net cash used in operating activities | (1,533,285) | (3,488,578) | (4,568,425) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Payments for plant and equipment | (19,925) | (10,063) | (53,765) |
| Payments for intangible assets | (1,605,331) | (1,066,213) | (1,548,615) |
| Interest received | 3,975 | 28,149 | 47,240 |
| Net cash used in investing activities | (1,621,281) | (1,048,127) | (1,555,140) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Net proceeds from share issue | 2,585,000 | 4,909,252 | 7,952,702 |
| Proceeds from short term loans | 800,000 | 1,000,000 | - |
| Repayment of short term loans | - | (1,000,000) | (800,000) |
| Net cash provided by financing activities | 3,385,000 | 4,909,252 | 7,152,702 |
| Net increase in cash and cash equivalents | 230,434 | 372,547 | 1,029,037 |
| Cash and cash equivalents at the beginning of year | 117,227 | 347,661 | 720,935 |
| Net foreign exchange difference | - | 727 | (3,775) |
| Cash and cash equivalents at the end of year | 347,661 | 720,935 | 1,746,197 |

- (i) includes the cash flows of DomaCom Australia Limited for the 12 months ended 30 June 2014
- (ii) includes the consolidated cash flows of DomaCom Australia Limited, DomaCom Limited and DomaCom Singapore Private Limited for the 12 months ended 30 June 2015.
- (iii) includes the historical cash flows of DomaCom Australia Limited, DomaCom Limited, DomaCom Platform Services Pty Ltd and DomaCom Singapore Private Limited for 12 months ended 30 June 2016.

8.9 Comments on consolidated statement of financial position

The pro forma historical consolidated statement of financial position includes:

- the restated statement of financial position of DomaCom Australia Limited at 30 June 2014;
- the restated consolidated statement of financial position of DomaCom Limited, DomaCom Australia Limited, DomaCom Platform Services Pty Ltd and DomaCom Singapore Private Limited at 30 June 2015;
- the historical consolidated statement of financial position of DomaCom Limited, DomaCom Australia Limited, DomaCom Platform Services Pty Ltd and DomaCom Singapore Private Limited at 30 June 2016; and

- the pro forma consolidated statement of financial position of DomaCom Limited, DomaCom Australia Limited, DomaCom Platform Services Pty Ltd and DomaCom Singapore Private Limited at 30 June 2016 showing the impact of a minimum subscription of \$6,000,000, the current subscription of \$7,350,000 as of 23 September 2016 and a maximum subscription of \$23,707,475 under the Offer.

The key items included in the pro forma historical consolidated statement of financial position at 30 June 2016 are:

- Cash reflecting the balance of funds to be raised from the IPO;
- Intangible assets comprising capitalised development costs (\$2,730,532) and computer software (\$64,809). The capitalised development costs relating to the Fractional Property Investment Platform were amortised by \$270,712 for the 12 months ended 30 June 2016 in accordance with the accounting policy. The useful economic life has been determined to be 10 years based on the requirements set out in *AASB 138 Intangible Assets*, including consideration of expected period of use, technical, technological and commercial obsolescence and changes in market demand for services supported by the assets;
- Payables relating mainly to payments due to suppliers for services incurred in the ordinary course of business and recurring payroll and superannuation payables; and
- Reserves consisting of the Equity Compensation Reserve (\$939,124) set up as a result of the issue of Performance Rights, a separate Share Based Payments reserve (\$249,600) and a Foreign Currency Translation Reserve (\$743).

8.10 Pro forma adjustments

The following the transactions and events arising from the IPO which are to take place on or before the completion of the Offer, are referred to as pro forma adjustments and are presented as if they occurred on or before the 30 June 2016. IPO costs incurred at 30 June 2016 are included within historical costs and therefore are not included as pro forma adjustments.

8.10.1 Description of Pro forma adjustments

A minimum subscription of \$6,000,000, a current subscription of \$7,350,000 as of 23 September 2016 and a maximum subscription of \$23,707,475 (\$18,000,000 after \$5,707,475 of funds raised are applied to a sell down by existing shareholders) have been included as 30 June 2016 pro forma adjustments.

- For the minimum subscription pro forma capital raising costs of \$654,609 have been charged to Equity and \$318,210 to Profit & Loss. For the current subscription pro forma capital raising costs of \$733,905 have been charged to Equity and \$313,164 to Profit & Loss. For the maximum subscription pro forma capital raising costs of \$1,354,361 have been charged to Equity and \$278,458 to Profit & Loss. These represent an estimate of the remaining costs required to undertake the capital raising and listing. The allocation of costs between Equity and Profit and Loss is based on the purpose of the expenditure. Costs directly attributable to issuing new Shares are deducted from Equity. Costs that relate to the ASX listing, or are otherwise not directly attributable to issuing new shares, are recorded in Profit & Loss.
- Performance Rights issued to employees and Directors with an IPO vesting condition have been expensed in full representing a pro forma adjustment of \$244,347.

8.10.2 Impact of pro forma adjustments on Cash and Cash Equivalents

Table 9 Impact of pro forma adjustments on Cash and Cash Equivalents

| | Minimum Subscription of \$6,000,000 \$ | Current subscription of \$7,350,000 \$ | Maximum Subscription of \$23,707,475 \$ |
|--|---|---|--|
| Cash and cash equivalents held at 30 June 2016 | 1,746,197 | 1,746,197 | 1,746,197 |
| Share Issue | 6,000,000 | 7,350,000 | 18,000,000 |
| Share Issue Costs | (972,819) | (1,047,069) | (1,632,819) |
| Sub total pro forma adjustment | 5,027,181 | 6,302,931 | 16,367,181 |
| Pro forma cash and cash equivalents held as per the pro forma historical consolidated statement of financial position | 6,773,378 | 8,049,128 | 18,113,378 |

The minimum subscription will result in a net increase to cash and cash equivalent of \$5,027,181 being the net of cash raised of \$6,000,000 and costs incurred in respect to the capital raise of \$972,819.

The current subscription will result in a net increase to cash and cash equivalent of \$6,302,931 being the net of cash raised of \$7,350,000 as of 23 September 2016 and costs incurred in respect to the capital raise of \$1,047,069.

The maximum subscription will result in a net increase to cash and cash equivalent of \$16,367,181 being the net of cash raised of \$18,000,000 and costs incurred in respect to the capital raise of \$1,632,819.

8.10.3 Impact of pro forma adjustments on Issued Capital

Table 10 Impact of pro forma adjustments on Issued Capital

| | Minimum Subscription of \$6,000,000 \$ | Current subscription of \$7,350,000 \$ | Maximum Subscription of \$23,707,475 \$ |
|---|---|---|--|
| Shares on issue at 30 June 2016 | 16,791,037 | 16,791,037 | 16,791,037 |
| Share Issue | 6,000,000 | 7,350,000 | 18,000,000 |
| Share Issue Costs | (654,609) | (733,905) | (1,354,361) |
| Sub total pro forma adjustment | 5,345,391 | 6,616,095 | 16,645,639 |
| Pro forma shares on issue as per the pro forma historical consolidated statement of financial position | 22,136,428 | 23,407,132 | 33,436,676 |

The minimum subscription will increase issued capital by \$6,000,000. Costs directly attributable to the capital raising of \$654,609 are charged to equity. The impact of the pro forma adjustments on issued capital under the minimum subscription is an increase of \$5,345,391.

The current subscription will increase issued capital by \$7,350,000 based on the current subscription of \$7,350,000 as at 23 September 2016. Costs directly attributable to the capital raising of \$733,905 are charged to equity. The impact of the pro forma adjustments on issued capital under the minimum subscription is an increase of \$6,616,095.

The maximum subscription will increase issued capital by \$18,000,000 as \$5,707,475 of the \$23,707,475 maximum subscription will be the transfer of existing shares currently held by Existing Shareholders to Applicants. Costs directly attributable to the capital raising of \$1,354,361 are charged to equity. The impact of the pro forma adjustments on issued capital under the minimum subscription is an increase of \$16,645,639.

8.10.4 Impact of pro forma adjustments on Reserves

Table 11 Impact of pro forma adjustments on Reserves

| | Minimum Subscription of \$6,000,000 \$ | Current subscription of \$7,350,000 \$ | Maximum Subscription of \$23,707,475 \$ |
|---|---|---|--|
| Reserves at 30 June 2016 | 945,120 | 945,120 | 945,120 |
| Performance Rights vesting | 244,347 | 244,347 | 244,347 |
| Sub total pro forma adjustment | 244,347 | 244,347 | 244,347 |
| Reserves per the pro forma historical consolidated statement of financial position | 1,189,467 | 1,189,467 | 1,189,467 |

Performance Rights issued to staff and Directors with an IPO vesting condition have been allocated to Reserves representing a pro forma adjustment of \$244,347.

8.10.5 Impact of pro forma adjustments on Accumulated Losses

Table 12 Impact of pro forma adjustments on Accumulated Losses

| | Minimum Subscription of \$6,000,000 \$ | Current subscription of \$7,350,000 \$ | Maximum Subscription of \$23,707,475 \$ |
|--|---|---|--|
| Accumulated Losses at 30 June 2016 | (12,514,424) | (12,514,424) | (12,514,424) |
| Performance Rights vesting | (244,347) | (244,347) | (244,347) |
| Share Issue Costs charged to profit and loss | (318,210) | (313,164) | (278,458) |
| Sub total pro forma adjustment | (562,557) | (557,511) | (522,805) |
| Pro forma accumulated losses as per the pro forma historical consolidated statement of financial position | (13,076,981) | (13,071,935) | (13,037,229) |

Performance Rights issued to staff and Directors that vest on the ASX listing of the Company have been expensed in full representing a pro forma adjustment of \$244,347. Costs that relate to the

ASX listing, or are otherwise not directly attributable to issuing new Shares, are recorded in Profit & Loss. The impact on Accumulated Losses will depend on the amount raised under the Offer:

- the impact on Accumulated Losses under the minimum subscription is an increase of \$318,210. Accumulated losses have increased by \$562,557 under the minimum subscription.
- the impact on Accumulated Losses under the minimum subscription is an increase of \$313,164. Accumulated losses have increased by \$557,511 under the minimum subscription.
- The impact on Accumulated Losses under the maximum subscription is an increase of \$278,458. Accumulated losses have increased by \$522,805 under the maximum subscription.

Updates on DomaCom Business

Since the Replacement Prospectus was lodged with ASIC on 8 July 2016, a number of significant business activities have taken place and the following is a summary of these activities.

- 24 Book Builds have now been established and completed - 50% increase since 31st March 2016 (24 Sub-Funds each holding a single property asset). As at the date of this Fourth Supplementary Prospectus, the total FUM of the DomaCom Fund is \$15.7 million.
- 59 Book Builds with a target FUM of \$58 - 60 million are now in progress:
 - 11 new Book Builds are in progress with active bids in place and a total target FUM if completed of \$27 million;
 - further 43 new Book Builds have been created with marketing to commence with a target FUM if completed of \$21 million; and
 - 5 new Book Builds have commenced to crowd-fund the purchase of the 5 apartments on The Block with an estimated FUM if completed of \$10 - 12 million.
- An application has been lodged with ASIC to vary DomaCom Australia's AFSL to accommodate the platform to offer the DomaCom Corporate Bonds under the AFSL.
- The Company has won the 2016 Innovator Award in the CoreData SMSF Service Provider Awards 2016 - <http://www.smsmagazine.com.au/articles/recognition-for-best-smsf-services>.
- DomaCom is finalising arrangements to have the DomaCom Fund made available on one of the largest SMSF channels in Australia. Further details are expected to be announced shortly.

Consent and authorisation

In accordance with section 720 of the Corporations Act, each Director of the Company has given, and has not withdrawn, their consent to the lodgement of this Supplementary Prospectus with ASIC.

Grant Thornton Audit Pty Ltd ACN 130 913 594 has consented to being named as the Auditor of the DomaCom Group.

Signed for and on behalf of the Company

Arthur Naoumidis
Chief Executive Officer

Annexure A Audited Financial Accounts for the Financial Year ended 30 June 2016