



DomaCom

FRACTIONAL PROPERTY INVESTING

10th Annual Australian Microcap Investment Conference
23rd October 2019

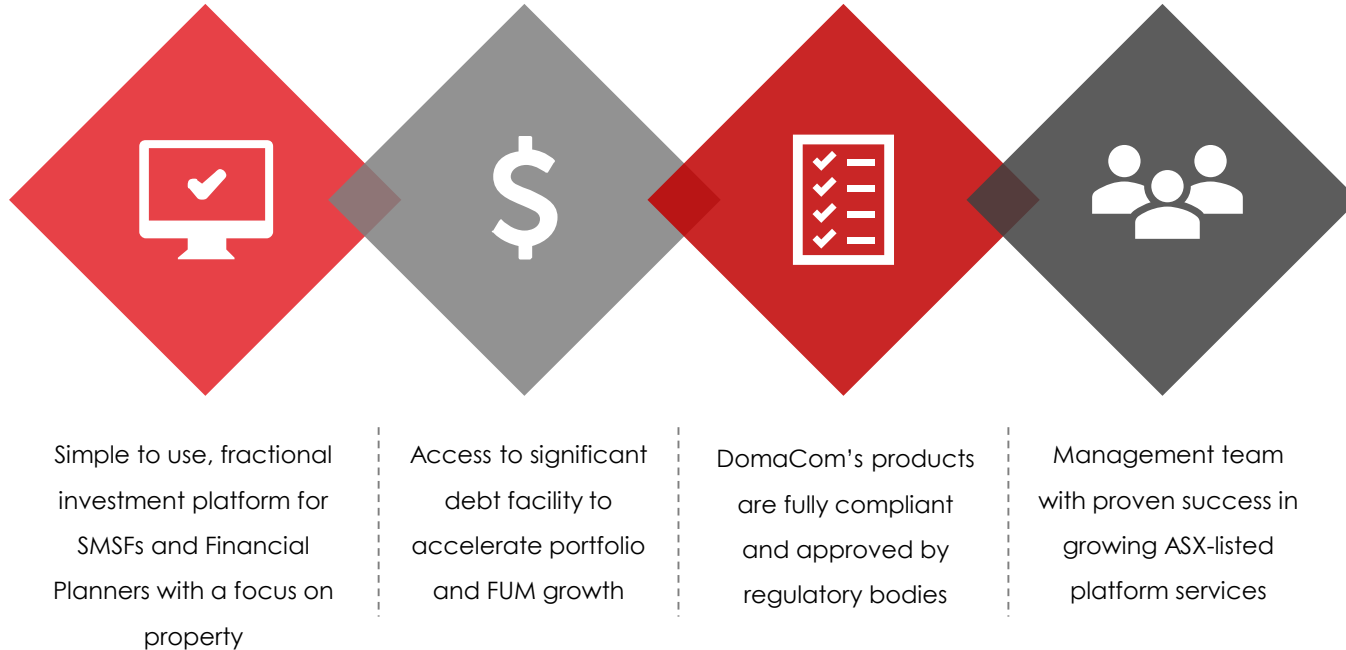
Arthur Naoumidis
Chief Executive Officer

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Introduction

The leading fractional investment platform



Fractional Property Investing

Disrupting the established ways of buying property



Traditionally, property has been an **all or nothing proposition**, you either buy the whole property or you buy nothing



Fractional Investing through DomaCom's platform makes it easy to **create a diverse property portfolio**

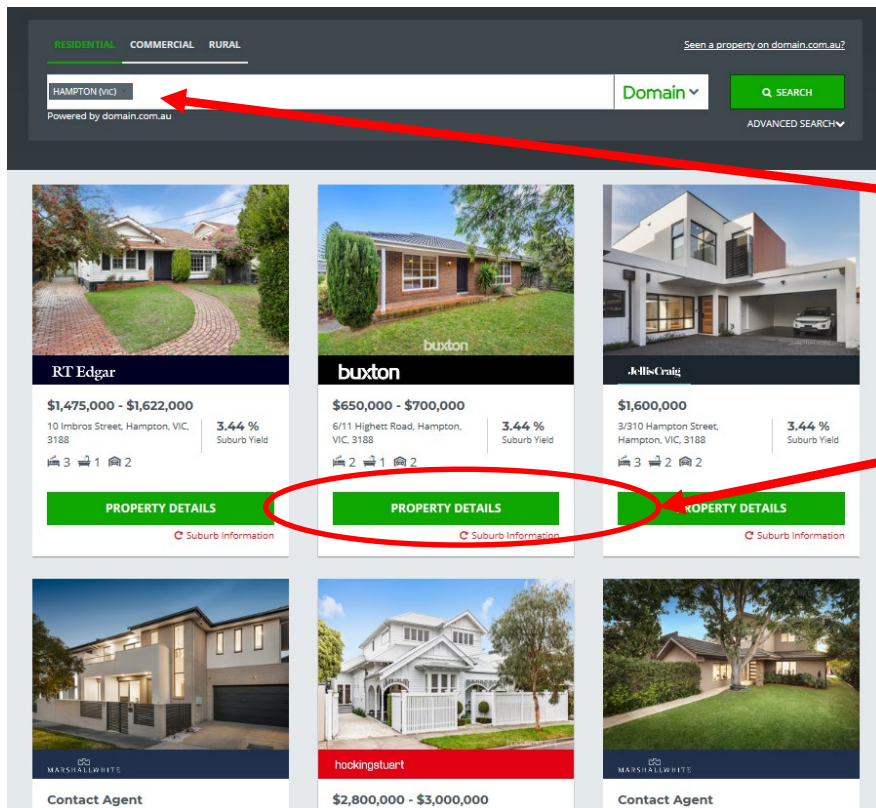


Fractional investing **enables investors to buy pieces of a property of your choice** together with other investors



Fractional investing **overcomes traditional barriers to entry** in property investing

Easy to use



The screenshot shows the DomaCom website interface. At the top, there are tabs for 'RESIDENTIAL', 'COMMERCIAL', and 'RURAL'. Below these is a search bar with 'HAMPTON (VIC)' entered. To the right of the search bar is a 'Domain' dropdown menu and a 'SEARCH' button. Below the search bar, there is a link to 'Seen a property on domain.com.au?' and a link to 'ADVANCED SEARCH'. The main content area displays a grid of property listings. Each listing includes a photo of the property, the agent's name, the price range, the address, the suburb, the yield, and a 'PROPERTY DETAILS' button. The first listing is for 'RT Edgar' in 'Hampton, VIC, 3188' with a price range of '\$1,475,000 - \$1,622,000' and a yield of '3.44 %'. The second listing is for 'buxton' in 'Hampton, VIC, 3188' with a price range of '\$650,000 - \$700,000' and a yield of '3.44 %'. The third listing is for 'Jellis Craig' in 'Hampton, VIC, 3188' with a price range of '\$1,600,000' and a yield of '3.44 %'. The fourth listing is for 'MARSHALLWHITE' in 'Hampton, VIC, 3188' with a price range of '\$2,800,000 - \$3,000,000' and a yield of '3.44 %'. The fifth listing is for 'MARSHALLWHITE' in 'Hampton, VIC, 3188' with a price range of '\$2,800,000 - \$3,000,000' and a yield of '3.44 %'. The sixth listing is for 'MARSHALLWHITE' in 'Hampton, VIC, 3188' with a price range of '\$2,800,000 - \$3,000,000' and a yield of '3.44 %'. A red arrow points to the 'HAMPTON (VIC)' search filter, and another red arrow points to the 'PROPERTY DETAILS' button for the first property.

RESIDENTIAL COMMERCIAL RURAL

Seen a property on domain.com.au?

HAMPTON (VIC) Domain SEARCH

Powered by domain.com.au ADVANCED SEARCH

RT Edgar
\$1,475,000 - \$1,622,000
10 Imbros Street, Hampton, VIC, 3188
3.44 % Suburb Yield
3 1 2
PROPERTY DETAILS
Suburb Information

buxton
\$650,000 - \$700,000
6/11 Highett Road, Hampton, VIC, 3188
3.44 % Suburb Yield
2 1 2
PROPERTY DETAILS
Suburb Information

Jellis Craig
\$1,600,000
3/310 Hampton Street, Hampton, VIC, 3188
3.44 % Suburb Yield
3 2 2
PROPERTY DETAILS
Suburb Information

MARSHALLWHITE
Contact Agent

hockingstuart
\$2,800,000 - \$3,000,000
Contact Agent

MARSHALLWHITE
Contact Agent

Select Suburb

Select Property

Direct Residential

[Home](#) / [Invest](#) / [Property](#) / **6/11 Highett Road, Hampton VIC 3188** [Take a quick tour](#)



PRICE
Contact Agent

VIC
3188

START A CAMPAIGN

[View full details on Domain](#)

6/11 Highett Road, Hampton VIC 3188

Contact Agent

2 Beds 1 Baths 2 Parking

Take a look to the broad lawns out front, see the space and style inside, take a view on beachside latte living within a stroll of it all! Beach-end within an equally easy walk of Sandringham's shopping village, Hampton's latte strip and the beachfront parks and walking tracks, this impeccably presented two bedroom unit offers easy living with so many lifestyle choices!

Spread wide with outlooks to the group's broad front lawns, there's room to lounge and dine (or fit a study area) in fan-cooled living and space for meals beside the stylish stainless-steel appliance kitchen. Perfectly polished with hardwood floors, timber venetians and built-in robes for both big bedrooms, this classic unit has all the comforts including ducted heating, reverse-cycle air-conditioning and an extra carspace in front of the auto-garage.

Super-secure with garage access directly into the courtyard and value-added with a gate direct to the group's fully-maintained lawned and fenced front yard, there's nothing to do here but enjoy your lifestyle choices or choose to let a lucky tenant make their own! For more information about this well-located unit contact Scott Hamilton or Brydie Hamilton.

To find out more, visit [domain.com.au](https://www.domain.com.au)

SUBURB INFORMATION

HAMPTON - (RESIDENTIAL)

Median Rent (12 mths):
\$477.50

Median Price Change (12 mths):
7.80 %

Median Price Change (3 yrs):
10.11 %

Median Sale Price (12 mths):
\$795,000.00

Average Hold Period:
0.00



Start Campaign

New Campaign

1

DETAILS

Provide some basic information

2

DESCRIPTION

Write a Campaign Description

3

MEDIA

Add images or video

4

KEY INFORMATION

Determine return profile & location

5

PREVIEW

View the summary

PROVIDE SOME BASIC INFORMATION

Step 1 of 5

Campaign Name*

[How does it work?](#)

6/11 Highett Road, Hampton VIC 3188

Campaign Type*

Campaign

Est Property Price ?

\$ 700,000

Debt/Loan % ?

60 %

La Trobe Financial

Minimum Pledge* ?

\$ 2,200

Target Amount ?

\$ 302,400

Property Type*

Residential

Allow Sharing (Unlisted) ?



← PREVIOUS STEP

SAVE & QUIT

NEXT STEP →

Select LVR

La Trobe Financial
is lender
@ 5.99%

Invest / Campaign / 6/11 Highett Road, Hampton VIC 3188 Take a quick tour

Remove Campaign Edit Campaign



TOTAL RAISED
\$0

TARGET AMOUNT
\$302,400

TOTAL UNFUNDED
\$0

TOTAL PLEDGED
\$0

ACCESS
Unlisted ?

TOTAL PARTICIPANTS
0

MINIMUM PLEDGE
\$2,200

DEBT PERCENTAGE
60%

MAKE A PLEDGE

SHARE THIS CAMPAIGN f t in %

Details

Track Campaign

Share with
Clients or
Family/friends

6/11 Highett Road, Hampton VIC 3188

This should be a great investment for the family

Key Information

 **0-8.5%**
Total Return* ?

 **0-5%**
Indicative Growth* ?

 **0-3.5%**
Est. Yield* ?

 **Hampton, VIC**



FUND
DMC0144AU

UNIT PRICE
\$1.0793

"DOYLES" LOWER COLERAINE ROAD, MUNTHAM VIC 3315, Australia

\$1,002,850.88
NET ASSET VALUATION

28 Feb 2022
NEXT RESOLUTION DATE

PLACE BUY ORDER

PLACE SELL ORDER

Buy and Sell | Details | Financials | Documents

Property Fund Trading

Current Price \$1.0793	Bids/Units No bids	Ask/Units \$1.0730/3,000.0000	Next Resolution Date ? 28 Feb 2022	
Asset Valuation \$1,000,000.00	Cash Assets \$4,723.81	Liabilities \$1,872.93	Net Asset Valuation \$1,002,850.88	Units issued 929,199.7956

Orders

Buy

+ Buy Order

Bid Date	Value	Est. Units ?	Unit Price
No current bids. Please place a new one			

Sell

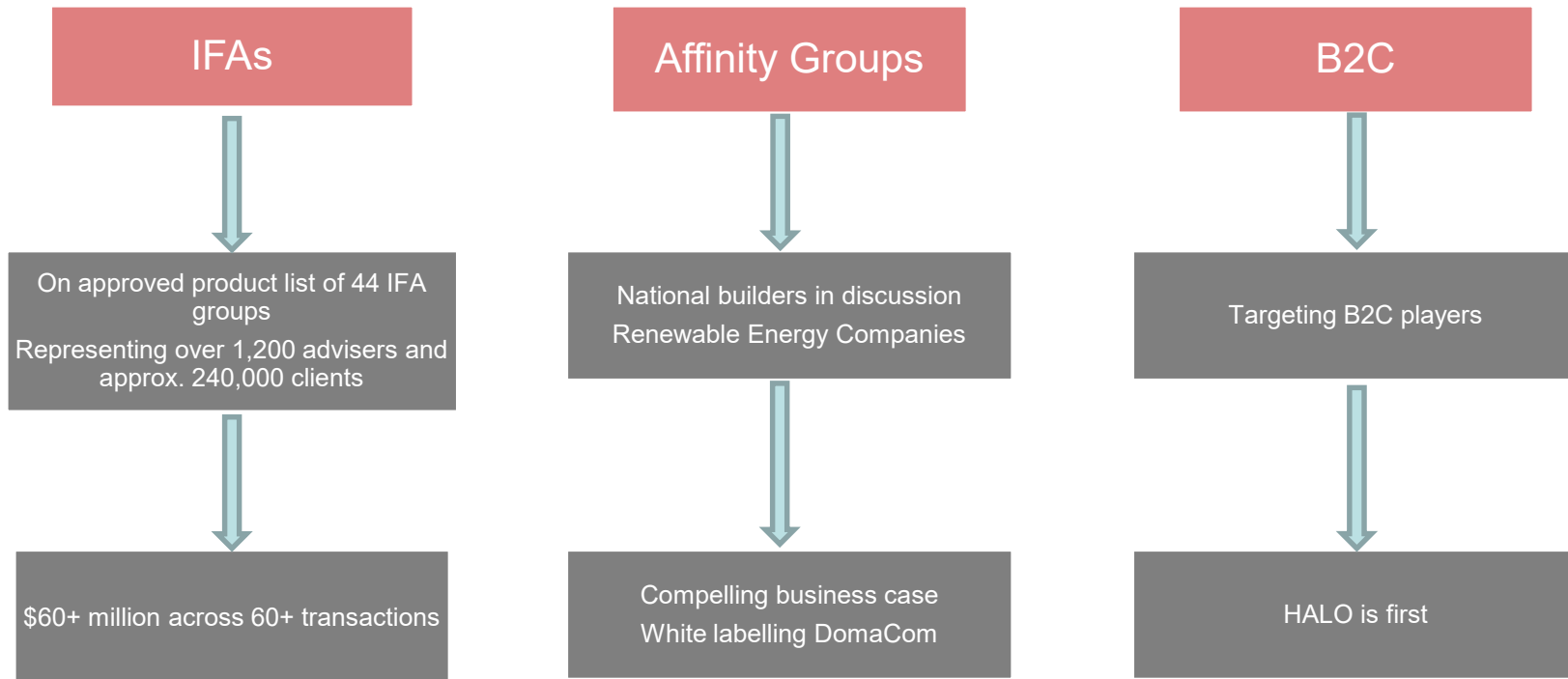
+ Sell Order

Offer Date	Quantity	Value ?	Unit Price	
27 Mar 2019	2,412.8611	\$2,589.00	1.0730	✕ Cancel ☑ Take
11 Apr 2019	4,850.0000	\$5,206.96	1.0736	✕ Cancel
27 Mar 2019	4,656.7943	\$5,000.00	1.0737	✕ Cancel
08 Apr 2019	2,499.3272	\$2,701.02	1.0807	✕ Cancel

Secondary Market Screen

- Buy or Sell
- At agreed price
- Settles Immediately
- All investors informed

Routes to Market – “Intel Inside”



Multiple Products

Fractional Property

SMSF's main target
SMSF Ruling
Internal Leverage

50% of investors are SMSFS
Targeting % of \$700B+ SMSF market

Equity Release

7 Years in Development
Is the only financial product

Adviser accreditation in progress
Over 65's own \$500 B

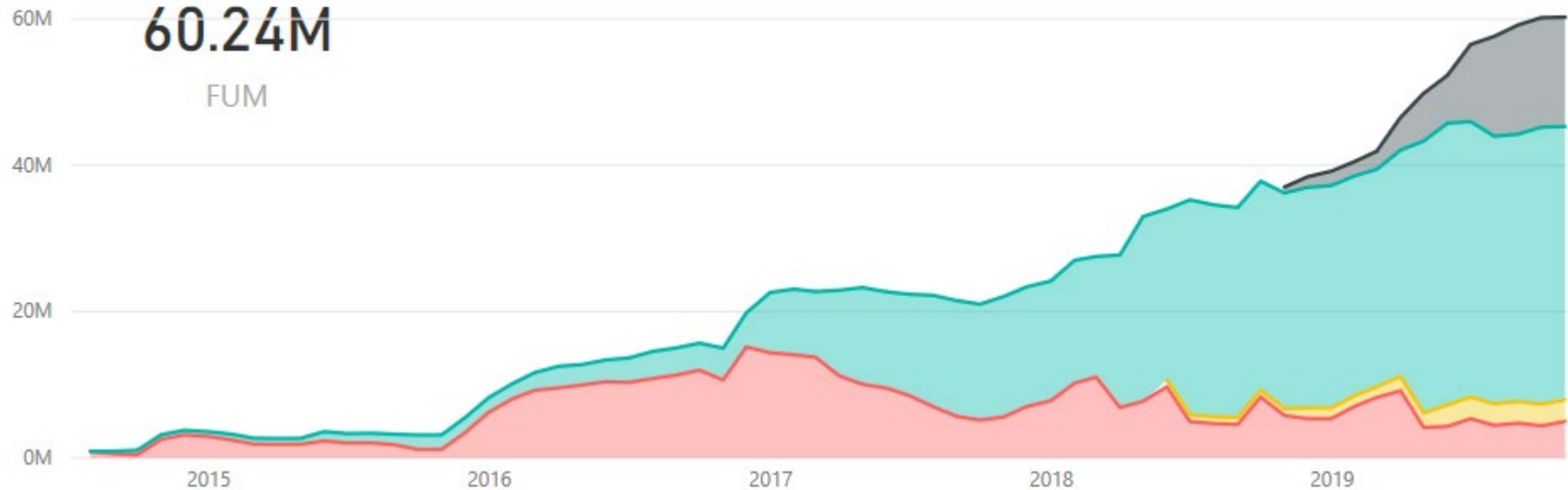
Lending

Advisers Syndicating Loans
Pooled Mortgage Sub-funds

Already > \$10 Million in FUM

We are growing with multiple asset types

Value ● Cash ● Loan ● Property ● Special Opportunity



Initial \$50 million low-interest facility secured with La Trobe Financial to fund ~\$100m property and hence grow FUM - first transaction settled

Key Milestones – Sole Purpose Test

- DomaCom spearheaded a legal challenge which clarifies sole purpose test
- DomaCom wins Full Federal Court Appeal on Sole Purpose Test on August 10th 2018 & ATO did not appeal to the High Court
- Game changer – you can use your SMSF to co-invest in a property and you or a relative can rent it!
- DomaCom liaising with ATO regarding SMSF Trustee declaration – declaration is imminent
- DomaCom can commence marketing once ATO declaration provided
- SMSF's & their families can invest up to 50% and have a related party rent subject to declaration
- Large FUM potential once DomaCom can commence marketing



Key Milestones – La Trobe Loan facility

- La Trobe has agreed to provide a residential and commercial loan facility to DomaCom Fund
- Initial size is \$50 Million – will extend
- Commercial Loan terms – 5.99% & Interest Only
- True non-recourse loan in Australia – secured only by the asset
- Solves key problem for DomaCom
 - Advisers need debt to make property investment to comply with best interest test
 - Lack of lending has held DomaCom back for past 5 years
 - All transaction now in progress are now leveraged
- Will accelerate FUM because
 - Reducing the amount of capital needed to be raised
 - Improving the tax efficiency of our sub-funds

Key Milestones – Senior Equity Release

A simple, efficient and regulated financial product for seniors to release a fraction of their property's value to help fund their retirement

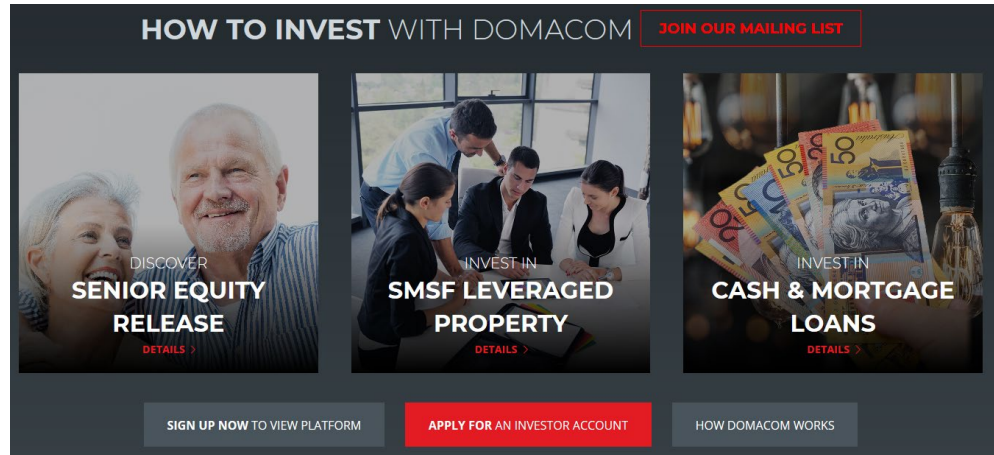
- After lengthy consultation with the regulator the product is now live

- SER is a **financial product** for advisers that helps many retirees solve their retirement funding problem

- Ideal product for advisers to affect multi generational wealth planning and property transfer

- Addressable market of ~3.8m Australians who fall in the 65+ age group = 15% of the population

- Large addressable market – in 2014 \$500 billion is held by Australians over 65 * Deloitte 2015



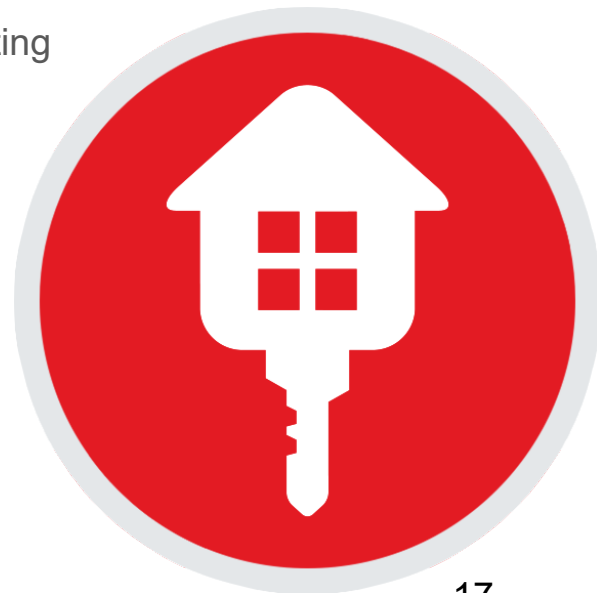
The screenshot displays the DomaCom website's 'HOW TO INVEST WITH DOMACOM' section. At the top right is a red button labeled 'JOIN OUR MAILING LIST'. Below this, three main investment options are presented in a grid:

- DISCOVER SENIOR EQUITY RELEASE** (with a 'DETAILS >' link)
- INVEST IN SMSF LEVERAGED PROPERTY** (with a 'DETAILS >' link)
- INVEST IN CASH & MORTGAGE LOANS** (with a 'DETAILS >' link)

At the bottom of the grid are three buttons: 'SIGN UP NOW TO VIEW PLATFORM' (grey), 'APPLY FOR AN INVESTOR ACCOUNT' (red), and 'HOW DOMACOM WORKS' (grey).

B2C Strategy

- DomaCom Leverages of other consumer focussed businesses
- New cornerstone shareholder HALO Technology provides B2C capability
 - Has \$2 billion in Funds Under Advice
- Possible mainstream implementation of fractional property investing
- Will the “share economy” concepts apply to home ownership?
 - Do you need to own all of the house?
 - Co-invest with your family
 - Use your super
- Fractional ownership allows institutional funding
 - Interest only
 - Same rent allows dearer house



- SMSF's invest in a leveraged sub-fund
- SMSF not required to own all the equity → fractional investing!
- Select LVR % needed - maximum of 60%
- All Banks have now withdrawn from LRBA's*¹ - LRBA is competing solution
- **No LRBA required for DomaCom**
- Loan at 5.99% with La Trobe Financial
- **True “Non Recourse” → no trustee guarantees**
- Must be positively geared → responsible borrowing

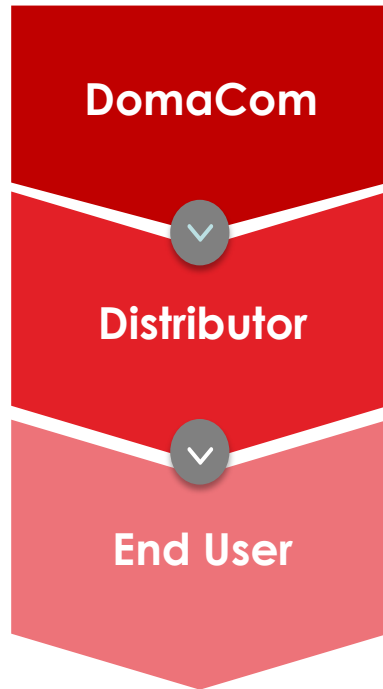
Supportive Landscape

Supportive Landscape that DomaCom can capitalise on



Growth Strategy

DomaCom is developing multiple distribution channels to maximise its reach in the SMSF market



Financial Planners

Grow product awareness and educate financial planners on DomaCom. Currently approved by 44 dealer groups (5% of market)

Large Institutions

Establish new product distribution channels through tier one banks and large developers

Cash-poor retirees

Targeting the aging population via recently approved Equity Release product. Product launch imminent

SMSF Clients

Continue to build market share within SMSF market to drive FUM growth, 50% of current investors are SMSF₂₀

Recapitalisation In progress

- \$8.75 Million raised since December 2018
- \$3 Million Rights issue being structured
- This will address remaining growth hurdle – our balance sheet!
- Only 10% of our clients are using the platform – this will rise rapidly once the balance sheet is addressed
- Operating Cash Cost¹ based reduced from circa \$7.5 million in 2016 to circa \$4.3 million in 2019
- Reduced Cost base to remain at around \$4.3 Million
- Legal costs to dramatically reduce
- Funds can now be directed to Marketing & Sales



Note 1: Annual operating cash cost base (on a financial year basis) excludes finance and depreciation costs

Corporate Overview

ASX Ticker

DCL

Share price as at 14 October 2019

\$0.087

Shares on issue

202.2m

Market Capitalisation as at 14 October 2019

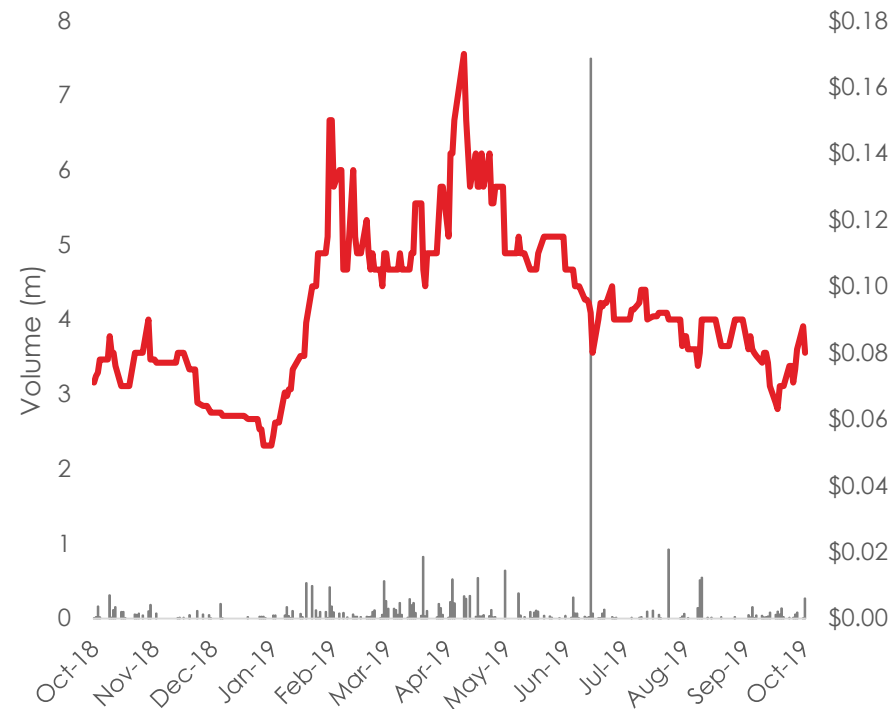
\$17.6m

FUM as at 14 October 2019

\$60.2m

Capital Raised since December 2018

\$8.75m



Key Takeaways

DomaCom is now significantly de-risked and positioned to rapidly grow FUM

Funded for growth

DomaCom now has access to significant debt funding, vital for property transactions



Huge addressable market

DomaCom is exceptionally well placed to win market share in the SMSF space and rapidly grow FUM

Experienced management

Leadership team with a track record of successfully commercialising platforms

Regulatory Clarity/Certainty

DomaCom's products have passed all necessary regulatory checkpoints and approvals

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DomaCom

FRACTIONAL PROPERTY INVESTING