

DomaCom Limited
AGM
Chairman's Address
13th November 2019
ASX: DCL



DomaCom
FRACTIONAL PROPERTY INVESTING

Chairman's Address - Environment



- We are in an environment we have never seen before in our lifetime
 - Brexit, Trade Wars,
 - Moving to zero interest rates around the world (and some negative)
 - The search for yield will be dangerous
 - Effectiveness of quantitative easing questionable
 - Inflation below the RBA benchmarks
 - Unemployment rate – full employment

DomaCom proposition a great way to diversify that search for yield or supplement with Equity Release

Chairman's Address



We continue to align our business model with key market segments – socially responsible

- **Community Interest** - Aligns with govt policy and community needs
- **Baby boomers** - Early release of equity for the ageing population.
- **Millennials, Gen Y** - Structures to get young people into housing.
- **Socially responsible** - Assisting with social and environmental investing (eg solar).
- **Diversification** - reducing risk by providing diversification in residential property



Chairman's Address

The year ahead – put the pedal down!

- Capital.
- Equity release
- Sole purpose test
- Community housing
- Renewable energy projects
- An improving property market



We look forward to reporting our successes throughout the year!



DomaCom

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2019 DomaCom AGM (ASX:DCL)

CEO Report

13th November 2019

Arthur Naoumidis
Chief Executive Officer

2019 – Year of Milestones



DomaCom wins SMSF Sole Purpose Test Full federal Court action – ATO Declaration 31 October 2019

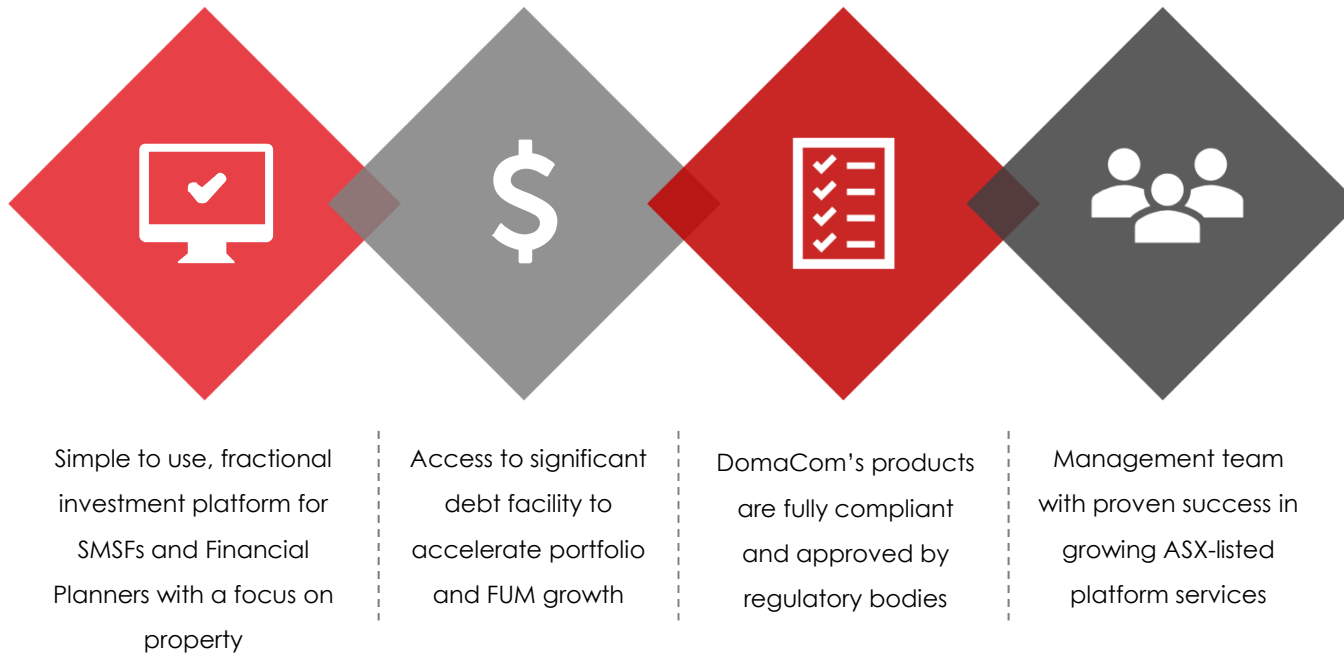
DomaCom's Senior Equity Release product launched

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

Capital position stabilised & cornerstone investor obtained

\$61.1 Million FUM milestone reached – 53% uplift in 2019

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

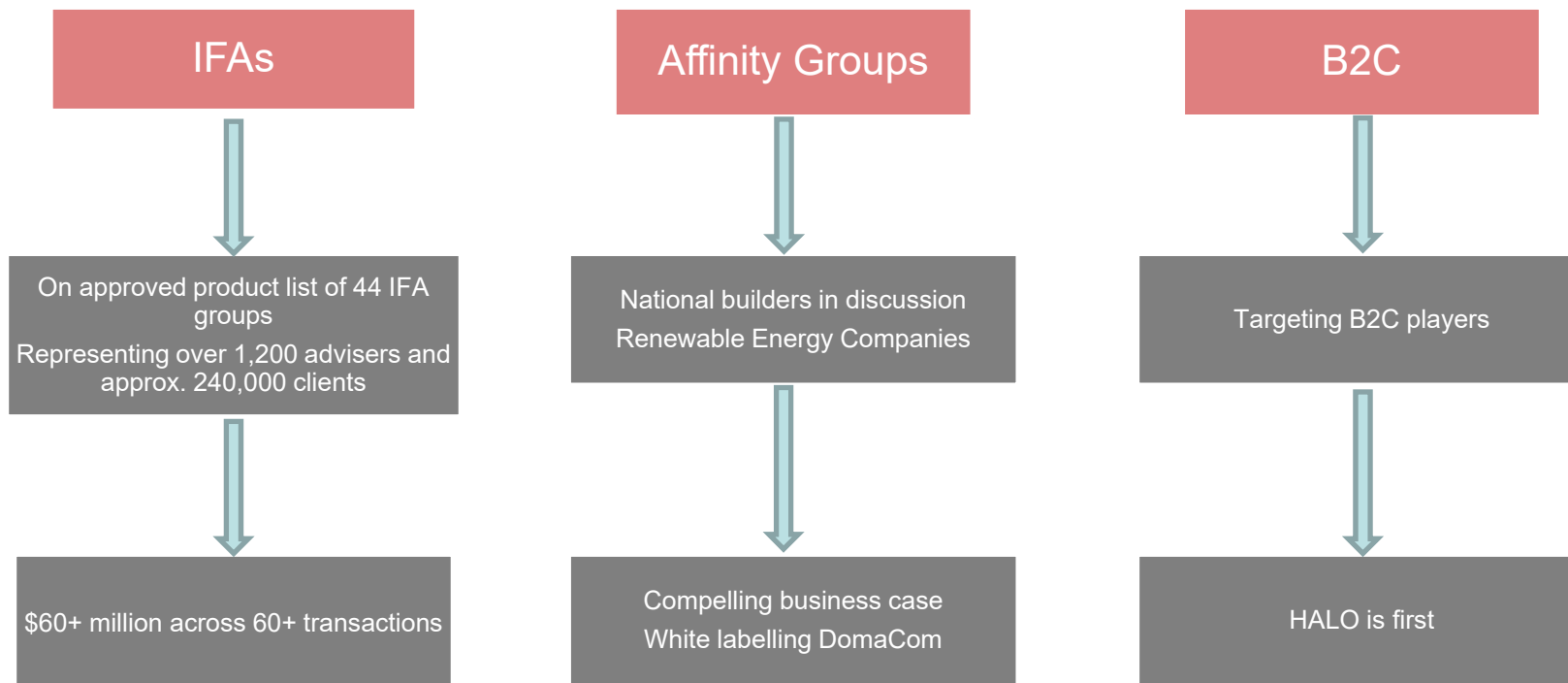


Fractional Investing through DomaCom's platform makes it easy to **create a diverse property portfolio**

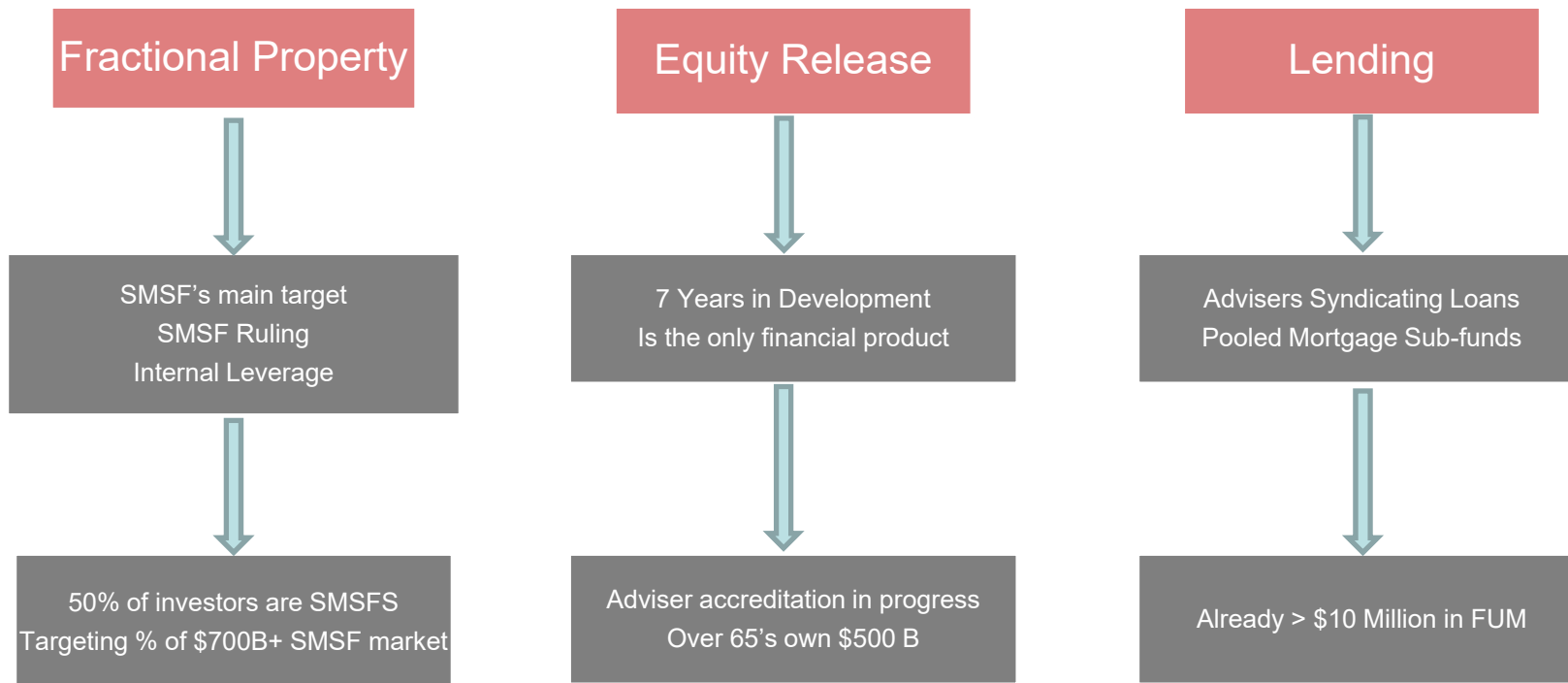


Fractional investing **overcomes traditional barriers to entry** in property investing

Routes to Market – “Intel Inside”



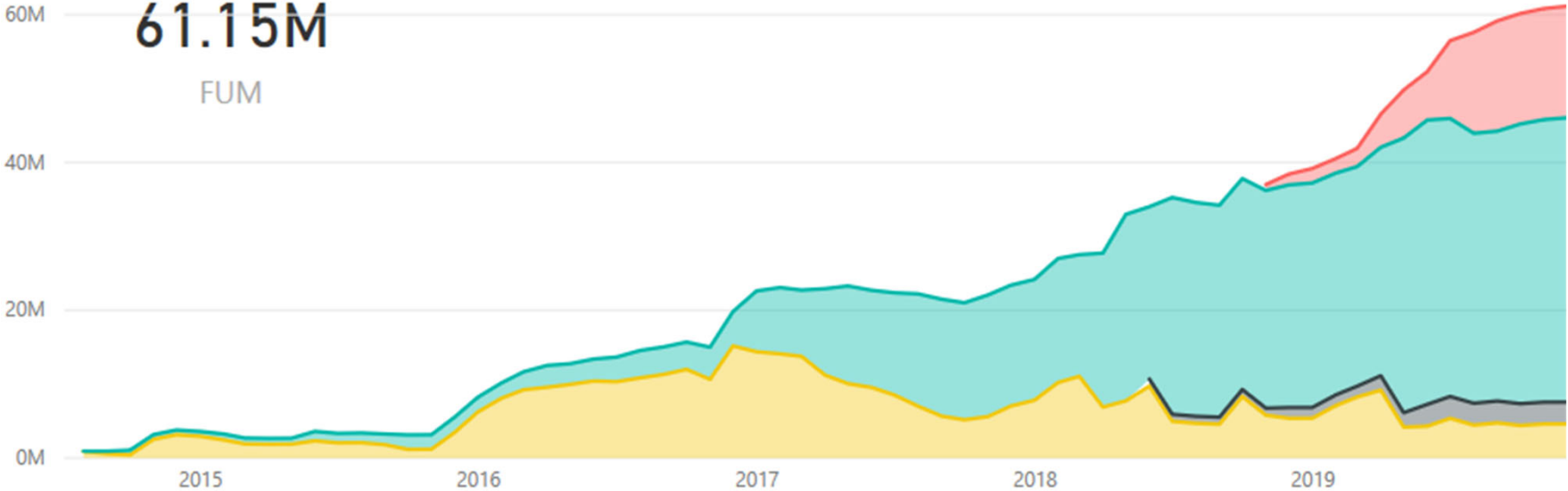
Multiple Products



We are growing with multiple asset types



Value ● Cash ● Loan ● Property ● Special Opportunity



Key Milestones – 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
- ATO provides clarification to DomaCom on 31 October 2019 :
 - SMSF Investment strategy allowing residential property
 - The property is acquired, managed and rented on an arms length commercial basis
 - SMSF Trustee confirms objective of investment into the property is to provide benefits to members upon retirement or death
 - SMSF Trustee confirms decision to invest was not influenced for collateral purpose of allowing a related party to rent the property
 - SMSF Trustee does not influence rental of property to related party
- SMSF's & their families can invest up to 50% and have a related party rent subject to above 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

HOW TO INVEST WITH DOMACOM [JOIN OUR MAILING LIST](#)

DISCOVER **SENIOR EQUITY RELEASE** [DETAILS >](#)

INVEST IN **SMSF LEVERAGED PROPERTY** [DETAILS >](#)

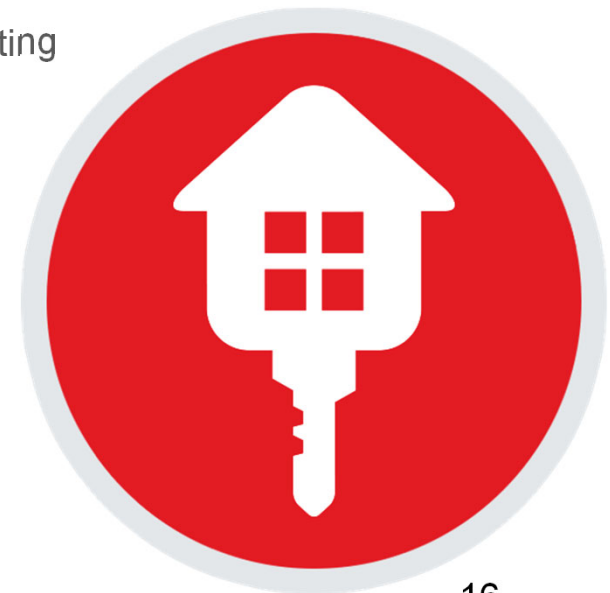
INVEST IN **CASH & MORTGAGE LOANS** [DETAILS >](#)

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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



Supportive Landscape



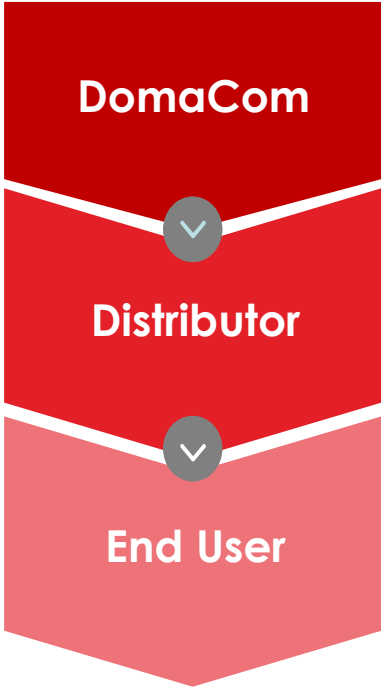
Supportive Landscape that DomaCom can capitalise on



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 SMSF₁₈



Pricing Strategy



DomaCom has adopted an attractive, recurring funds under management fee model

Property Assets	Mortgage Assets	Cash
0.88% p.a. (On gross value of property)	0.44% p.a.	0.22% p.a.

Fees are inclusive of GST

Recapitalisation In progress

- \$8.75 Million raised since December 2018
- \$3 Million Rights announced – 1 new DCL for every 4.72 DCL shares @ 7 cents/share
- 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 8 November 2019 \$0.10

Shares on issue 202.2m

Market Capitalisation as at 8 November 2019 \$20.2m

FUM as at 8 November 2019 \$61.2m

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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