

4 September 2020

DomaCom announces \$3.6m placement as part of a \$16.6m recapitalisation proposal with potential \$300m additional FUM

Highlights

- DomaCom Limited (ASX:DCL) (**'DomaCom'** or **'Company'**) has entered into a placement agreement with FQC Fintech 2 Pty Ltd to raise approx. \$2 million.
- AustAgri Group Limited (**AAGL**) has agreed to underwrite a further \$1.6 million placement
- DomaCom has also entered into an implementation agreement relating to a proposal (subject to conditions including DomaCom shareholder approval) for a DomaCom sub-fund to acquire AAGL. If completed, the AAGL transaction is expected to increase DomaCom's FUM by at least \$300m and deliver at least \$13 million in revenue over the five year term of the sub-fund.

Completion of these transactions will accelerate DomaCom's path to cash flow break even.

\$2m Placement to FQC Fintech 2 Pty Ltd

DomaCom is pleased to announce that it has entered into a placement agreement with FQC Fintech 2 Pty Ltd, to issue 33,333,333 DomaCom ordinary shares at \$0.06 per share to raise approximately \$2 million. The \$0.06 issue price represents a 100% premium to the 1 month low of \$0.03, a 3% premium to the rolling 1-month VWAP of \$0.058 and a 57% premium to the rolling 6-month VWAP of \$0.038. Settlement of the placement is due to occur on or before 11th September 2020.

\$1.6m Placement Underwritten by AustAgri Group

AustAgri Group has agreed to fully underwrite a further placement of 26,666,666 new DomaCom shares at \$0.06 per share to raise approximately \$1.6 million. Settlement of the placement is due to occur on or before 30th September 2020.

Proposed acquisition of AustAgri Group Limited

DomaCom is also pleased to announce that it has entered a conditional implementation agreement for a DomaCom sub-fund to acquire AustAgri Group Limited (**AustAgri Group** or **AAGL**). Under this agreement (if completed), a newly-established DomaCom sub-fund (managed by DomaCom) would acquire 100% of the issued shares in AustAgri by way of a scheme of arrangement undertaken by AAGL (**Scheme of Arrangement**).

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AustAgri is an unlisted public company with operations spanning dairy, fresh milk, milk powder and infant formula, as well as the export of livestock and chilled beef and lamb. AustAgri is currently in the process of completing the initial acquisitions of a “paddock to plate” series of businesses that range from farms, abattoirs, food processing and food distributions businesses with the initial value of the assets expected to be in the region of \$300 million. If completed, it is expected that the transaction will increase DomaCom’s total Funds under Management (**FUM**) to approximately \$373 million.

As consideration for the acquisition of AAGL by the DomaCom sub-fund, AAGL shareholders will receive 1 unit in the DomaCom sub-fund for every 1 AAGL share held.

Also as part of the proposal, DomaCom will also seek shareholder approval to issue 100 million DomaCom shares, on or before 31 December 2020, to AAGL shareholders in recognition of the minimum \$13 million in revenue over five years expected to be delivered to DomaCom for management of the DomaCom sub-fund (**Revenue Recognition Shares**). This represents an effective issue price of \$0.13 per DomaCom share, being a 123% premium to the rolling 1-month VWAP of \$0.058 and a 240% premium to the rolling 6-month VWAP of \$0.038.

Implementation of this proposal is subject to the following key conditions, to be fulfilled by no later than 31 December 2020:

- satisfactory completion of legal and financial due diligence by DomaCom and AAGL;
- AAGL shareholder approval of the Scheme of Arrangement;
- DomaCom shareholder approval for the issue of Revenue Recognition Shares and the proposed acquisition of AustAgri Group Limited by the DomaCom Fund;
- Obtaining all necessary ASX waivers, rulings or approvals.

Although the amount of time required to fulfil these conditions is not known, it is expected the transaction will be completed by 31 October 2020.

If any of these conditions are not fulfilled, implementation of the proposal will not proceed.

On fulfilment of these conditions it is proposed that Phillip Pryor, Managing Director of AustAgri will be appointed to the Board of DomaCom Limited.

DomaCom CEO, Arthur Naoumidis, said: “The combination of the AustAgri Group transaction and \$3.6 million in placements position us very well to now focus on the growth of our business. We are currently developing four products that we believe are well-suited to the post-Covid-19 environment: Rent to Own, Essential Worker, Equity Mortgage, and Senior Equity Release. The AustAgri Group transaction will alleviate funding concerns and allow us to further accelerate the launch of these products which in turn will drive further growth in FUM and revenue.”

AustAgri Managing Director, Phil Pryor, said: “AustAgri Group is very excited about the opportunity of joining the DomaCom Fund, subject to shareholder approval, and offering investors a dedicated agribusiness fund which aims to capitalise on the opportunities presented by the fast growth of middle class consumers in our region for high quality food produce. The benefits of being part of the DomaCom Fund is that it will allow us access to the capital we need to grow our business and take advantage of acquisition opportunities in agribusiness that have already been identified. We see a very strong future for AAG.” **Ends**

About DomaCom

DomaCom Limited (ASX:DCL) owns and operates a fractional investment platform that provides real solutions for SMSF's, retirees and new home buyers. Using the DomaCom platform, investors can make fractional investments in a range of asset classes including property-related investments, mortgage-backed securities, renewables, affordable housing, disability accommodation and debt securities via a unique trust structure tailored to them.

Retirees can sell a fraction of their house to investors, possible family members, to help them improve their retirement income.

DomaCom runs a crowdfunding campaign process in which investors can commit as much as they want towards the purchase of assets together with other like-minded investors. When a campaign is complete, DomaCom purchases the asset, places it in a sub-fund, and issues the investors with units in proportion to the amount they invested.

To learn more, please visit: www.domacom.com.au

This announcement has been authorised for release to the market by Company Secretary Philip Chard.

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