

DomaCom Limited (ASX:DCL)

Investor Presentation

September 2020



DomaCom
FRACTIONAL PROPERTY INVESTING

The power to choose the asset is in your hands

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A copy of that PDS is available at <http://www.domacom.com.au/the-domacom-fund/product-disclosure-statement/> or by calling your financial adviser.

Fractional Investing

DomaCom Limited (ASX:DCL) owns and operates a fractional investment platform that enables investors, including SMSF Trustees, to co-invest in a percentage of one or more high value assets like property and loans in a syndicate-like structure where they share the income and capital value.

The concept is called **fractional investing**.



DomaCom Senior Equity Release

The DomaCom Fund enables retirees to “sell” a fraction of their home to investors and receive the proceeds either as a lump sum or a monthly payment.

The concept is called **equity release**.



Covid-19 operational impact minimal

The operational impact on DomaCom has been minimal as the Company is cloud-based and thus well-positioned to operate remotely .

Regarding the Company's property fund operations, the DomaCom Fund is in good shape as most properties are not leveraged, the sub-funds generally have internal rent reserves to cover 3-4 months of rent in case of vacancies, and well-defined processes are in place to raise top-up capital for sub- funds if required.

Company pivoting to “COVID-19 Friendly” products – Rent to Own, Islamic Leverage & “Downsizer” for self-funded retirees

Routes to Market - B2B

IFAs

On approved product list of 40+ IFA groups
Representing over 1,200 advisers and approx.
240,000 clients

\$73+ million across 65+
transactions

Affinity Groups

In discussion with national builders
Property Developers
Renewable energy companies

Compelling business case
White label opportunities

B2C

Targeting B2C players

HALO is first
Islamic B2C group is next

Multiple Products

Fractional Investing

SMSF's main target
SMSF Ruling
Internal Leverage
Islamic Leverage

50% of investors are SMSFS
Targeting % of \$675B+ SMSF market

Equity Release

8 Years in Development
The only financial product in Australia

Adviser accreditations underway
Over 65's own \$500 B

Lending

Advisers syndicating loans
Pooled Mortgage Sub-funds

Already > \$20 Million in FUM

Target market size

DomaCom's Key target market is SMSFs (Self-Managed Super Funds)*.



20%

SMSF assets have grown 20% since
September 2015

\$675bn

Worth an estimated \$675bn
in March 2020

600,000

There are approximately 600,000 SMSFs
in Australia, and that number is
expected to keep rising

SMSFs have the ability to diversify across all asset classes except property. There is a significant opportunity for an easy to use fractional investment platform such as DomaCom's to penetrate the SMSF market.

* Source – ATO SMSF Statistical Reports March 2020

Key Milestones

Initial \$50 million low-interest
facility secured with La Trobe
Financial Group

SMSF Sole Purpose Test–
ATO agreement concluded
late 2019

9th July First Rent-to-Own
property purchased

\$3.6 Million Placement
\$13 Million Austagri
Revenue deal
4th September 2020

DomaCom's Senior Equity
Release product launched

DCL WI Small Mid Cap
Conference 2020_V1

ATO Downsizer Ruling
obtained 14th August 2020

Key business Drivers in 2020 & 2021

- Address vacancy & pricing risk
 - Rent to Own product & Affordable Housing
 - National Disability Insurance Scheme (NDIS) properties
- Target Islamic home owner market segment
 - DomaCom Equity Mortgage - Islamic Leverage product
 - Not sensitive to property investment outlook
- Assist Self-Funded Retirees
 - Self-Funded Retirees are in crisis
 - Obtained ATO “Downsizer” ruling allows DomaCom SER to top up SMSF
- AustAgri Acquisition
 - \$2.6 Million p.a. minimum fee x 5 years = \$13 million fee
 - Initial FUM circa \$300 million → expected to grow



Rent-To-Own



New Developer Distribution channel

- Developers prepared to discount 10% for bulk property sales
- Same discount as other channels
- Distribution margin split between investors and tenants
- Discount occurs as rebate on settlement
- Discount used to fund tenant leasing incentive & investor margin

Attractive Tenant Proposition

- Tenant “gifted” 1% of equity per year for 5 years
- Tenants acquire 5% of property equity over 5 years
- DomaCom model creates homeowners – not just permanent renters
- Co-ownerships produces lower risk tenants
- Innovative model

Transaction Pipeline

- First RTO transaction in July 2020
- Second RTO transaction being finalised in Melbourne – during stage 4!
- Pipeline of RTO opportunities being assembled

Rent to own – Affordable Housing

- Partnering with national Community Housing Provider (CHP)
- First pilot is “Essential Worker” \$25 million pilot - targeting 2020 Q4
- Access low cost government debt - circa 2%
- Low LVR of 40%
- 25% rental discount for teachers, nurses, firepersons,
- Plus 5% tenant equity gifting over 5 years
- Pilot can extend to all Australian CHP’s to solve their equity problem
- Potential scalable solution to housing affordability



Equity Mortgage – Islamic Leverage



Innovate Product

- Extensive product development
- Unique legal structures in development
- Global Islamic compliance verification to be obtained
- Can be used by non-Islamic markets

Attractive Market Opportunity

- 700,000 Australians are Islamic
- Will be first Australian Islamic compliant property finance option
- Allows Muslims to acquire property in a manner similar to existing bank purchases
- Expected to be operational in 2021

Senior Equity Release Product



- Senior Equity Release (SER) is a mechanism for senior Australians to realise part of the value of their home to help fund their retirement
- Allows IFAs to include property in multi-generational wealth planning
- Helps solve funding issue for retirees
- SMSF Trustees can downsize by selling a fraction of their house to top up their SMSF
- ATO confirms SER complies with SMSF Downsizer Legislation on 14th August 2020

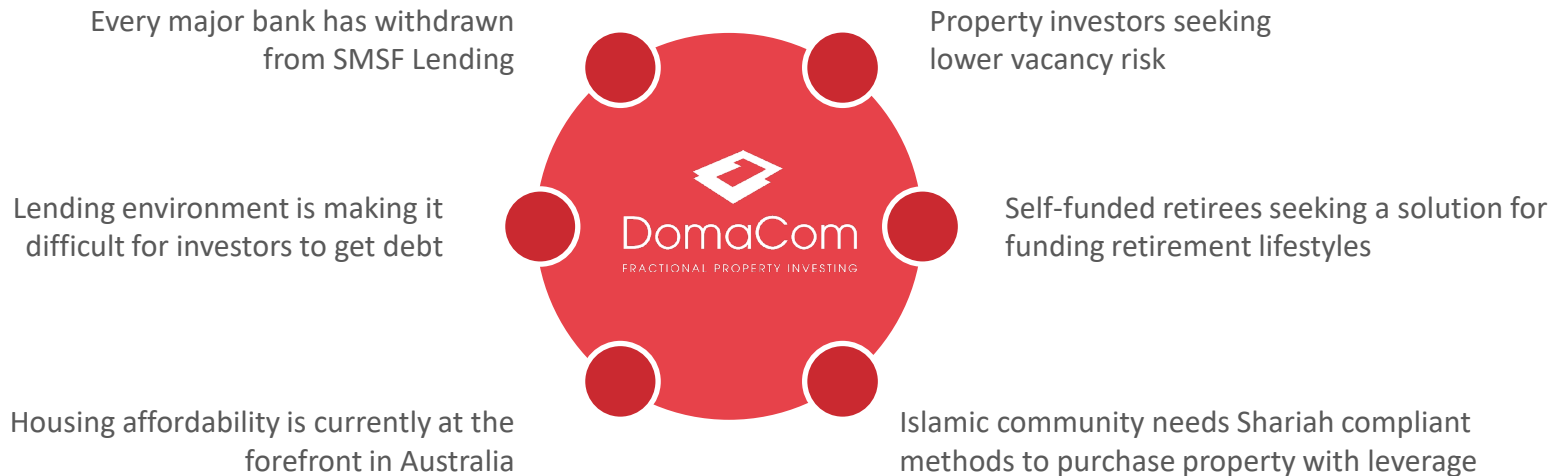
AustAgri Acquisition

- **DomaCom Fund acquisition**
 - AustAgri Ltd (AAGL) to be acquired by DomaCom sub-fund
 - AAGL shareholders to receive units in sub-fund – no cash consideration
 - DomaCom Fund Due Diligence, DCL & AAGL shareholder approvals are conditions
- **DomaCom Ltd (DCL) Fee uplift**
 - Minimum \$2.6 Million p.a. fee lifts DCL revenue to \$3 million p.a.
 - Minimum 5 year term – minimum \$13 million in fees
 - Revenue recognition share allocation - 100 million DCL shares for \$13 million guaranteed revenue – subject to DCL shareholder approval
- **Catalyst for DCL rerating**
 - AAGL expected to grow through acquisition
 - Puts DCL on pathway to profitability
 - May eliminate need for further capital raisings



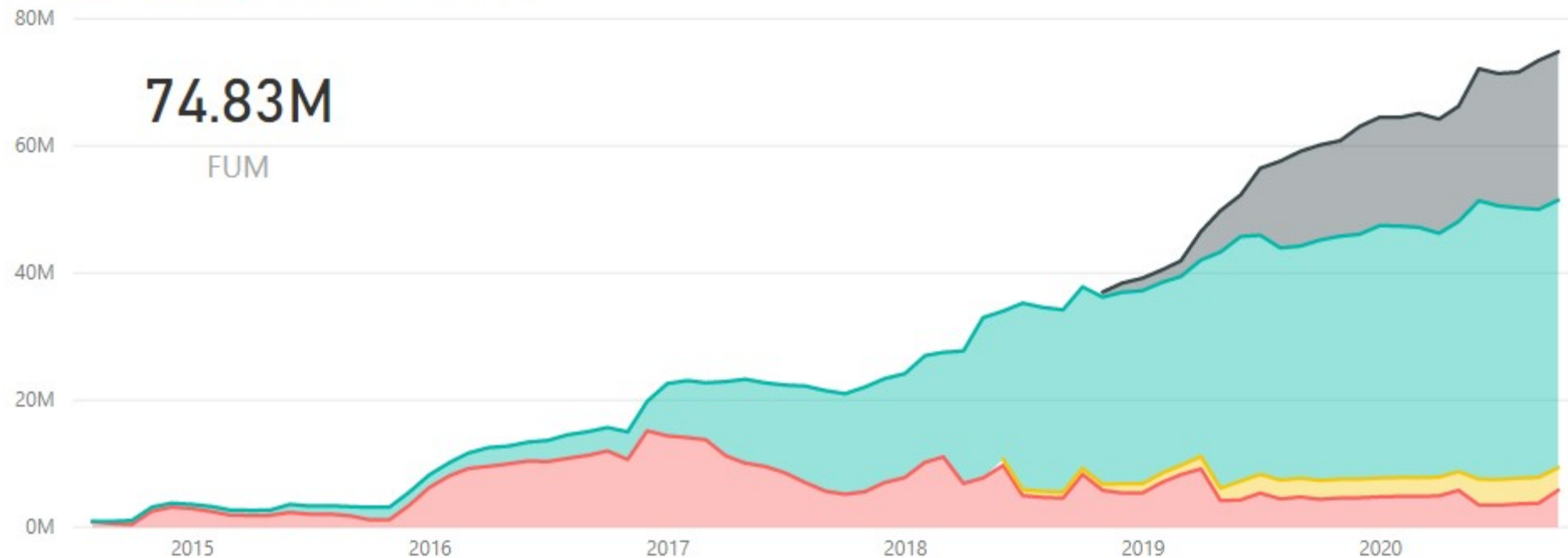
Supportive Landscape

Supportive Landscape that DomaCom can capitalise on



We are growing with multiple asset types

Value ● Cash ● Loan ● Property ● Special Opportunity



Pricing Strategy

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

Standard Property Assets	Rent to Own & Affordable	Mortgage Assets	Cash
0.88% p.a.*	1% Upfront 0.66% p.a.*	0.44% p.a.	0.22% p.a.

* On gross value of the assets of the sub-fund

Note: Fees are inclusive of GST

Corporate Outlook

- **Products primed for growth**

- Rent to Own product – transactions underway
- Affordable Housing – approvals obtained & tier 1 community housing provider on board
- Senior Equity release primed for growth after ATO “Downsizer” ruling
- Islamic market poised with a B2C partner in discussions
- AustAgri Ltd acquisition – immediate revenue uplift & growth potential

- **Attractive fee model**

- DomaCom fees are based on FUM
- DomaCom fee model changing to have 1% upfront and reduced ongoing

- **Stabilised Cash position**

- \$3.6 Million placement in September 2020
- Revenue expected to extend runway to 2 years before growth



Corporate Snapshot

ASX Ticker	DCL
Close price as at 14 September 2020	\$0.098
Shares on issue	278.4m
Market Capitalisation as at 14 September 2020	\$27.3m
FUM as at 15 September 2020	\$74.8m



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