

ASX Release

29 April 2022

Quarterly Activities Report & Appendix 4C**DomaCom implements key Board and senior executive changes, continues to grow FUM and settles AustAgri litigation****Highlights**

- DomaCom announced three significant changes to its leadership team, which included the appointment of a new Non-executive Chairman and Chief Executive Officer.
- Funds under Management (FUM) totalled \$114.4 million at the end of the March 2022 quarter (Q3 FY22), up 15.7% on the prior quarter figure and 49.2% above the end-Q3 FY21 level.
- Strong revenue growth driven by focus on NDIS property segment.
- DomaCom continued to expand its catalogue of niche market product offerings in the quarter.
- Litigation between DomaCom and Global Meat Exports (GME) relating to DomaCom's claim for payment of a termination fee under an agreement linked to the AustAgri transaction is settled.
- First payment of \$0.5 million received from GME as part of the abovementioned Settlement Agreement.

Fractional investment platform provider **DomaCom Limited (ASX:DCL)** ('DomaCom' or 'the Company') is pleased to provide its Appendix 4C cash flow statement for the quarter ended 31 March 2022 (Q3 FY22), along with the following financial and operational update.

Significant changes made to DomaCom's board and senior management team

On 4 April 2022, DomaCom announced three significant changes to its Board and Senior Management team, all with immediate effect. Former Liberal Party Leader and experienced economist and company director, Dr John Hewson was appointed DomaCom's Non-executive Chairman. He replaced former DomaCom Chairman Grahame Evans, who remains on the Board as non-executive Deputy Chairman. Experienced financial services leader John Elkovich was appointed Chief Executive Officer, replacing long-time CEO Arthur Naoumidis. Angela Williams, an experienced commercial and not-for-profit marketer with a special interest in fintech, was appointed as a Non-executive Director.

This revamped senior leadership team will accelerate the Company's efforts to relist on the ASX and progress a planned major equity raising. The new capital provided by the now-in-train issue will give DomaCom the firepower to take advantage of some of the opportunities now available to grow and scale its fractional investing model.

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Robust FUM growth continues to be delivered despite global macro challenges

DomaCom's Funds under Management (FUM) was \$114.4 million at the end of the March 2022 quarter (Q3 FY22), up 15.7% on the prior quarter figure and 49.2% above the end-Q3 FY21 number. Customer accounts also continued to grow at a healthy clip, totalling 1,633 at the end of Q3 FY22, up 11.5% on the three-months earlier figure of 1,464.

From an investment offering perspective, 12 new sub-funds were added during the quarter. These were primarily towards the National Disability Housing segment, in the process effectively increasing the supply of housing for National Disability Insurance Scheme (NDIS) recipients. These NDIS-related developments were House and Land packages and also multi-residential apartment developments.




Despite some macro- and geopolitical-related challenges presenting, the DomaCom Fund has further expanded its FUM over the current quarter, as the Company continued to realise opportunities in the pipeline. FUM as at 27 April 2022 was around \$118.6 million, up nearly 4% on the end-Q3 FY22 figure.


DomaCom continues to expand its niche market product offering

DomaCom completed its Art Pay mortgage fund during the March 2022 quarter. The successful delivery of this fund demonstrated the ability of the DomaCom platform to take diverse asset offerings and create a debt-based product providing competitive interest rate returns for its investor base. The monies generated by this particular sub-fund are lent for the purchase of artwork where a first or second registered mortgage is placed against real estate assets as security.

The much-anticipated Crescent Income Fund, through which Crescent Wealth Group ("Crescent") will offer a sharia-compliant equity mortgage product, was also progressed in the March 2022 quarter. It gives prospective Muslim homeowners a vehicle to acquire property in accordance with their faith. DomaCom is now in the final stages of seeking an ATO private ruling, which will confirm that the finance income derived from Crescent's equity mortgage product is not interest.

These two new products add to DomaCom's ever-expanding list of product offerings, some of which are well-credentialed from an ESG perspective.

 Affordable Housing	 Islamic Finance	 Senior Equity Release	Asset Syndication	Alternate Investment Market (AIM)
DomaCom's Affordable Housing product allows investors to partner with Tier-1 Community Housing Provider(CHP) to access Low-cost government debt to deliver affordable rentals for eligible Australians	DomaCom's Islamic Finance offer is the only Shariah compliant product developed to encompass unique legal structures to enable Muslim Australians the ability to access funds in line with cultural and religious beliefs.	The DomaCom's Senior Equity Release Fund enables retirees to utilize the ATO downsizer allowance to sell up to \$600,000 of their home and receive the proceeds tax free via their superannuation fund (retaining the right to live there)	DomaCom platform 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.	DomaCom's Alternate Investment Market provides investors a primary, secondary, succession as a pathway to a ASX listing.

 DomaCom solutions that are purpose led ESG products

AustAgri transaction and associated litigation settled

On 25 March 2022, the Company announced it had settled litigation between it and Global Meat Exports Pty Ltd (“GME”) relating to DomaCom’s claim for payment of a \$8.5 Million (plus GST) termination fee under a Revenue Recognition Agreement linked to the AustAgri transaction.

The settlement had several key components:

- GME will pay DomaCom \$2.5 million plus GST in instalments to be completed by no later than December 2023 (which may be accelerated in certain circumstances).
- The first payment will be \$0.5 million plus GST on or before 1st April 2022.
- The payment liability is secured by a personal guarantee.
- DomaCom withdrew its prior Statutory Demand and the Supreme Court proceeding brought by GME was dismissed by consent.

The abovementioned first payment of \$0.5 million was received on 31 March 2022, with this amount included within the ‘receipts from customers’ line in DomaCom’s March 2022 quarter Appendix 4C.

This settlement now finalises the long-running dispute in connection with the Revenue Recognition Agreement relating to the AustAgri transaction. DomaCom will also by virtue of the settlement no longer be pursuing discussions with AustAgri that had previously explored opportunities to onboard AustAgri.

New capital is now being raised ahead of a planned relisting on the ASX

DomaCom is now in the process of carrying out a \$4.8 million placement to sophisticated and professional investors, priced at \$0.066 per share. This amount has been expanded from the \$2.3 million raising previously announced to the market. The Company intends to make a submission to the ASX for reinstatement to quotation on completion of this issue. In another positive funding-related development, DomaCom has extended the term of its outstanding convertible notes to 1 February 2023 (see ASX Announcement, dated 31 January 2022).

Revenues bolstered by fees uplift and first instalment of GME settlement

Revenue for the quarter ended 31 March 2022 includes:

- The first payment of \$0.5 million from GME as part of the Settlement Agreement (See ASX Announcement, dated 25 March 2022).
- Ongoing fee revenue of \$0.343 million (which was up 218% on the previous corresponding period).

Both these revenue amounts are included in the ‘receipts from customers’ line in DomaCom’s March 2022 quarter Appendix 4C.

Expenditure levels remain contained

In accordance with ASX Listing Rule 4.7C the Company provides the following additional commentary relating to the financial results included in the Appendix 4C for the quarter ended 31 March 2022.

Payment of remuneration to executive and non-executive directors and their related parties amounted to \$119,000 during the quarter ended 31 March 2022. In addition, \$8,000 was paid for expenses incurred on behalf of related party DomaCom Fund.

DomaCom continued to carefully control costs during the quarter. Expenditure within 'cash flows from operating activities' for the quarter ended 31 March 2022 totalled \$0.976 million, broadly in line with the prior quarter figure of \$0.931 million. The main business expense in the quarter was \$0.414 million in staff costs, which represented 47% of total costs before finance costs for the period.

Transaction costs related to issues of equity securities or convertible debt securities were \$161,000 for the quarter ended 31 March 2022, representing a decrease of \$312,000 on the equivalent figure in the previous quarter. The fees mainly relate to the waiving of the Thundering Herd Note default provision linked to not being quoted on the ASX.

DomaCom CEO John Elkovich said: "We are delighted by DomaCom's robust FUM growth in the March quarter, which occurred in the face of some volatility in financial markets and our continued suspension from the ASX. Pleasingly, this strong showing has extended into the current quarter, with inflows over April to date taking our FUM total close to the \$119 million mark.

Our ability to grow FUM reflects well on the flexibility inherent in the DomaCom fractional investing platform. The March quarter saw our team continue to successfully expand the range of asset offerings on this platform that provide competitive interest rate returns for our investor base, which is still today being under-served by mainstream financial services operators. And as our National Disability Housing-related product offerings show, these investments can be well-credentialed from an ESG angle as well.

The settlement of our long-running dispute in connection with the Revenue Recognition Agreement relating to the AustAgri transaction was a pleasing outcome. Without this distraction, the now revamped DomaCom leadership team can focus on the main tasks at hand, namely the completion of the current equity raising, getting the Company reinstated on the ASX and setting in motion new growth initiatives. The new DomaCom board look forward to updating investors on progress here over the months ahead."

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

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, possibly 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.

DomaCom's proprietary platform allows Australians to invest in almost any asset class, empowering them to create diversified portfolios with comparatively lower minimum investments and competitive cost structures.

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

For further information please contact:

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