

ASX Release

25 July 2022

Quarterly Activity Report & Appendix 4C**New DomaCom leadership team bedded down; FUM growth remains strong; \$5m capital raising aids targeted relisting on ASX****Highlights**

- DomaCom successfully bedded down multiple changes to its leadership team, which included the appointment of a new Non-executive Chairman and Chief Executive Officer.
- The new leadership team has prepared a FY2023 strategic plan, details of which will be issued shortly.
- A key part of this strategic plan has already been actioned, with changes recently made across DomaCom's operational and sales/marketing functions.
- After quarter's end, DomaCom completed an oversubscribed Private Placement that raised approximately \$5 million (before costs).
- Funds under Management (FUM) totalled \$134 million at the end of the June 2022 quarter (Q4 FY22), up 17% on the prior quarter figure and 61% above the end-Q4 FY21 level.
- FUM growth reflects continued expansion in both the number of customer accounts and sub-funds.

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 30 June 2022 (Q4 FY22), along with the following financial and operational update.

Leadership team revamp and organisational structural changes have been successfully bedded down

Early in the June 2022 quarter, DomaCom announced multiple changes to its Board and Senior Executive team (see ASX Announcement, dated 4 April 2022). This revamp saw:

- Dr John Hewson, a highly regarded company director and one of Australia's most experienced economists, appointed DomaCom's Non-executive Chairman.
- The former DomaCom Chairman, Grahame Evans, remaining on the Board as the Company's non-executive Deputy Chairman.
- John Elkovich, an experienced financial services executive, appointed as DomaCom's new Chief Executive Officer.
- Angela Williams, an experienced marketer with a background in both traditional and digital marketing and communications, appointed as Non-executive Director.

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The Company's new senior leadership team has already formulated a FY2023 strategic plan. Its implementation is an integral part in DomaCom's efforts to relist on the ASX. Details of this revitalisation plan will soon be provided to the market.

A key part of this strategic plan has already been actioned, with DomaCom recently making some changes across its operational and sales/marketing functions. The realignment of key senior manager responsibilities will better position the Company to pursue identified growth opportunities.

Oversubscribed capital raising completed, delivering a key prerequisite for ASX relisting

DomaCom commenced a planned Private Placement ('Placement') capital raising to sophisticated and professional investors in the June 2022 quarter, priced at \$0.066 per share and targeting up to \$4,800,000 (before costs) (see ASX Announcement, dated 26 May 2022).

Just after the end of the June 2022 quarter, DomaCom announced that this issue had closed oversubscribed, raising around \$5.0 million (before costs). It has three components:

- 11,136,363 Ordinary Shares were issued at \$0.066 per Share on 27 May 2022 under the capacity available under ASX Listing Rule 7.1A, raising \$0.735 million (before costs).
- A further 61,957,619 Ordinary Shares were issued at \$0.066 per Share on 11 July 2022, under the capacity available under ASX Listing Rule 7.1 and 7.1A, raising \$4.089 million (before costs).
- An application received to raise a further \$0.2 million from the issue of 3,030,303 Ordinary Shares at \$0.066 to a Director of DomaCom (with the latter component subject to shareholder approval).

The proceeds of the Private Placement will be used to:

- Strengthen the Company's balance sheet
- Fund working capital requirements of the Company, the costs of the Offer and the Placement
- Provide additional funding to further develop DomaCom's existing product offerings, enhance its technology platform and deliver new product initiatives.

Of crucial importance, this Placement helps remove a key roadblock to DomaCom resuming trading on the ASX, although any such reinstatement is at the discretion of ASX, meaning its delivery and timing cannot yet be guaranteed.

Robust FUM growth still occurring despite market volatility

DomaCom's Funds under Management (FUM) was \$134 million at the end of the June 2022 quarter (Q4 FY22), up 17% on the prior quarter figure and 61% above the end-Q4 FY21 number. Customer accounts again trended higher in the latest quarter, totalling 1,800 at the end of Q4 FY22, up 10% on the three-months earlier figure of 1,632.

From an investment offering perspective, 8 new sub-funds were added during the June 2022 quarter. As was the case in the prior three-month period, the new properties were House and Land packages in the National Disability Housing segment. These NDIS-related property assets include multi-residential apartment development-specific House and Land packages.

Revenues continues to grow

Revenue for the quarter ended 30 June 2022 includes:

- Ongoing fee revenue of \$0.311 million (which was up 180% on the equivalent figure reported in the same quarter last financial year).
- \$0.2 million from GME as part of the Settlement Agreement (See ASX Announcement, dated 25 March 2022).

Both these revenue amounts are included in the 'receipts from customers' line in DomaCom's June 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 30 June 2022.

Payment of remuneration to executive and non-executive directors and their related parties amounted to \$199,000 during the quarter ended 30 June 2022. In addition, a net amount of \$3,000 was paid for expenses incurred on behalf of the related party DomaCom Fund.

DomaCom continued to carefully monitor costs during the quarter. Expenditure within 'cash flows from operating activities' for the quarter ended 30 June 2022 totalled \$1.657 million. The increase in cash outflows from operating activities compared to the prior quarter is due to additional costs associated with the change in the management team and the timing of payments between quarters. The main business expense in the quarter was \$0.697 million in staff costs, which represented 46% of total costs before finance costs for the period.

Transaction costs related to issues of equity securities or convertible debt securities were \$255,000 for the quarter ended 30 June 2022, representing an increase of \$94,000 on the equivalent figure in the previous quarter. The fees relate to the waiving of the Thundering Herd Note default provision linked to not being quoted on the ASX and commission paid on the capital raise undertaken during the period.

DomaCom CEO John Elkovich said: "DomaCom has taken a number of important steps towards its goal of relisting on the ASX over the past few months. One of these was our well-received private placement to sophisticated and professional investors, which closed oversubscribed. Another was the ability of our recently revamped senior leadership team to continue momentum and set in motion a comprehensive 2023 growth strategy. I look forward to detailing this strategy to investors shortly.

While our journey towards relisting on the ASX continues, the DomaCom team has been focussed on ensuring the Company's fractional investing business is appropriately positioned to take advantage of growth opportunities presented. We have continued to successfully grow the business by offering investment opportunities to our growing client list – this despite the volatility apparent at the macro level. Reflective of this success, our end-June 2022 Funds under Management figure was \$134 million – and I am pleased to say this has increased further in July, currently above \$141 million.

The FY2023 strategic plan now being implemented is targeting financials, both revenue and FUM growth as well as cost control, the delivery of which will further strengthen the financial position of the Company and enhance shareholder return. Other areas within the plan focus on enhanced processes, our people and a customer centric approach."

DomaCom Chairman John Hewson said: “I am pleased to report that the new management and Board are working together well. Focused on a reset of DomaCom and with a successful fund raising completed, we are currently working with the ASX to ensure we satisfy the requirements for relisting. The company has continued to grow and we look forward to the full implementation of our strategic plan.”

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, 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.

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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