

ASX Announcement | 28th October 2022
DomaCom Limited (ASX: DCL)

DomaCom's new leadership progresses FY23 growth plan in September quarter, works towards relisting

Investment highlights

- New leadership team has developed and begun implementing FY23 strategic plan
- Completed the Private Placement, raising approximately \$5 million (before costs) and progressing DomaCom's journey to relisting
- Funds under Management (FUM) totalled \$155 million at the end of the September 2022 quarter (Q1 FY23), up 16% on the prior quarter figure and 71% above the Q1 FY22 level
- FUM increase supported by continued investment in the housing and multi-residential apartment market including the National Disability Insurance Scheme
- Fee revenue for the September quarter was \$462,000, a 48.5 per cent increase on the June quarter (\$311,000)

Fractional investment platform provider **DomaCom Limited (ASX: DCL)** (**'DomaCom' or 'the Company'**) is pleased to provide its Appendix 4C cash flow report for the quarter ended 30 September 2022 (Q1 FY23), along with the following operational update.

New leadership team begins executing FY23 strategic plan

During the quarter, DomaCom began executing its FY23 strategic plan under the Company's CEO John Elkovich.

The management team and the board have set in motion a detailed strategic plan that is targeting both enhanced client engagement, strong risk and governance controls and a rapid improvement in the Company's financial position.

DomaCom's reputation for innovative structures and making portfolio diversification a reality for investors will help to increase its client base from 1,999 investors at 30 September 2022 to a predicted 3,500 investors by the end of FY23.

These initiatives that have been put in place will drive the improved financial performance of the Company, with targeted growth in both revenues and earnings for the current fiscal year. We look forward to sharing the strategic plan in detail at the forthcoming Annual General Meeting.

One specific initiative is to grow FUM and fee revenues to \$300 million and \$2.4 million respectively by 30 June 2023. Concurrently, the Company will continue to focus on costs and is targeting a circa 8% reduction in operating expenses to \$3.7 million by end-December 2023.

Strong FUM growth continues

DomaCom's FUM was \$155 million at the end of Q1 FY23, up 16% on the prior quarter figure and 71% above the Q1 FY22 figure. Customer accounts again trended higher during Q1 FY23, rising to 1,999 from the 1,800 recorded in Q4 FY22.

FUM growth was driven by multi-residential apartment developments and House and Land packages within the short-term accommodation and NDIS sector.

In Q1 FY23 14 new Sub-Funds were created across commercial, short-term and specialist disability accommodation which represented the majority of the growth in FUM over the last quarter.

Looking ahead, DomaCom, has a strong pipeline of potential opportunities in place, offering diversification across asset classes.

Capital raising completed, further progressing relisting plan

In July 2022, DomaCom completed the Private Placement, raising \$5 million (before costs).

Proceeds of the placement are being used to strengthen the Company's balance sheet and fund working capital requirements.

DomaCom has been working closely with the ASX as part of seeking readmission to quotation. The successful capital raise has been an important part of the process. The exact timing of the Company's reinstatement cannot yet be provided. We continue to work with the ASX in relation to relisting.

Revenue continues to grow

Fee revenue for the quarter ended 30 September 2022 has grown to \$462,000, a \$151,000 (49%) increase from the previous quarter and a \$320,000 (225%) increase from the quarter ended 30 September 2021.

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 September 2022.

Payment of remuneration to executive and non-executive directors and their related parties amounted to \$227,000 during the quarter ended 30 September 2022. In addition, a net amount of \$27,000 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 September 2022 totalled \$1,339,000, a decrease of \$318,000 from the previous quarter. The decrease is partly due to timing of payments. However, the impact of cost saving measures have seen reductions on an expense basis in staff related costs of \$112,000 and \$62,000 in legal costs compared to the previous quarter.

Transaction costs related to issues of equity securities or convertible debt securities were \$456,000 for the quarter ended 30 September 2022, representing an increase of \$201,000 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 quarter and previous quarter.

DomaCom CEO John Elkovich said: "We are very pleased with the progress we have made in the first quarter of this fiscal year. I am working closely with the newly revamped DomaCom board and team to execute the strategic growth initiatives we have outlaid for FY23. We are well-positioned to further accelerate DomaCom's growth and make significant improvements in the quarters ahead. We look forward to updating the market on the results of these initiatives and the progress towards our relisting on the ASX in due course."

For further information, please contact:

Company Name

Philip Chard

Company Secretary

M: (+61) 424 814 156

E: philip.chard@domacom.com.au

Media & Investor Enquiries

The Capital Network

Julia Maguire

P: +61 2 8999 3699

E: julia@thecapitalnetwork.com.au

About DomaCom

DomaCom Limited (ASX:DCL) is the operator of an innovative managed investments platform for a wide range of assets across wholesale and retail markets. The platform offers investors and financial advisers easy access, reporting and transparency with comparatively lower minimum investments and competitive costs and structures. Investments on the platform can include a range of unique assets from agriculture, energy, securities, commercial and residential property.

As a leader in the Australian financial sector, DomaCom has a reputation for innovative structures and making portfolio diversification a reality for investors.

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

This ASX announcement has been authorised for release by Philip Chard, Company Secretary of DomaCom Limited.