

ASX RELEASE | 22 December 2022 | ASX:DCL

## PRE-QUOTATION DISCLOSURE

**DomaCom Limited** (ACN 604 384 885) (ASX:DCL) (**Company** or **DomaCom**) provides the following disclosures and confirmations to satisfy the conditions for re-admission to quotation of the Company's fully paid ordinary shares on the Official List of the ASX.

### 1. Extension of maturity date of convertible notes

DomaCom confirms that the maturity date of the 2,950,000 secured convertible notes and the effective maturity date of the 650,000 unsecured convertible notes issued by the Company have been extended to 1 February 2024. As a result of the payment of monthly waiver fees, the Event of Default of not being Listed has been waived until 31 December 2022. There are no current Events of Default at the time of reinstatement.

### 2. Shareholder approval of Share buy-back

DomaCom confirms that shareholder approval was obtained to buy-back 2,272,727 ordinary shares. The buy-back and subsequent cancellation completed on 30 November 2022.

### 3. Capital structure

The Company's capital structure as at the date of re-admission to quotation on the Official List of the ASX is set out below.

Class of Security	Number
Fully paid ordinary shares	435,501,773
Secured Convertible notes	2,950,000
Unsecured convertible notes	650,000

### 4. Profoma consolidated statement of financial position

The following pro forma consolidated statement of financial position at 30 November 2022 has been subject to a review by Grant Thornton, the Company's auditors, conducted in accordance with the Australian auditing standards. An unqualified review opinion has been issued (See Appendix A).

DomaCom Group Pro forma consolidated statement of financial position (\$'000)	30 June 2022 (audited)	Share Issue (i)	Share Buy- back (ii)	Extension of Notes (iii)	Operating activities (iv)	30 Nov 2022 (Pro forma)
<b>ASSETS</b>						
<b>CURRENT ASSETS</b>						
Cash and cash equivalents	3,543	121	(150)	(325)	(1,163)	2,026
Receivables	976				255	1,231
Prepayments and other assets	214				(152)	62
<b>TOTAL CURRENT ASSETS</b>	<b>4,733</b>	<b>121</b>	<b>(150)</b>	<b>(325)</b>	<b>(1,060)</b>	<b>3,319</b>
<b>NON-CURRENT ASSETS</b>						
Receivables	507				(227)	280
Property, plant and equipment	7				(1)	6
Right-of-use asset	11				(11)	-
Intangible assets	1,740				(58)	1,682
Investments	27					27
<b>TOTAL NON-CURRENT ASSETS</b>	<b>2,292</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(297)</b>	<b>1,995</b>
<b>TOTAL ASSETS</b>	<b>7,025</b>	<b>121</b>	<b>(150)</b>	<b>(325)</b>	<b>(1,357)</b>	<b>5,314</b>
<b>LIABILITIES</b>						
<b>CURRENT LIABILITIES</b>						
Payables	1,096	(619)		11	40	528
Provisions	269				(97)	172
Lease liabilities	12				(12)	-
Borrowings	3,233			(3,476)	243	-
<b>TOTAL CURRENT LIABILITIES</b>	<b>4,610</b>	<b>(619)</b>	<b>-</b>	<b>(3,465)</b>	<b>174</b>	<b>700</b>
<b>NET CURRENT ASSETS</b>	<b>123</b>	<b>740</b>	<b>(150)</b>	<b>3,140</b>	<b>(1,234)</b>	<b>2,619</b>
<b>NON-CURRENT LIABILITIES</b>						
Provisions	218				(51)	167
Borrowings	-			2,928	81	3,009
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>218</b>	<b>-</b>	<b>-</b>	<b>2,928</b>	<b>30</b>	<b>3,176</b>
<b>TOTAL LIABILITIES</b>	<b>4,828</b>	<b>(619)</b>	<b>-</b>	<b>(537)</b>	<b>204</b>	<b>3,876</b>
<b>NET ASSETS</b>	<b>2,197</b>	<b>740</b>	<b>(150)</b>	<b>212</b>	<b>(1,561)</b>	<b>1,438</b>
<b>EQUITY</b>						
Issued Capital	40,898	4,239	(150)			44,987
Other contributed equity	3,499	(3,499)				-
Reserves	2,109			115		2,224
Accumulated Losses	(44,309)			97	(1,561)	(45,773)
<b>TOTAL EQUITY</b>	<b>2,197</b>	<b>740</b>	<b>(150)</b>	<b>212</b>	<b>(1,561)</b>	<b>1,438</b>

#### **4. Pro forma consolidated statement of financial position (continued)**

##### **Notes to the pro forma consolidated statement of financial position**

The DomaCom pro forma consolidated statement of financial position set out above has been prepared on the basis of the Company's audited consolidated statement of financial position as at 30 June 2022, and the following pro forma adjustments:

(i) On 11 July 2022 DomaCom issued 61,957,619 Ordinary Shares at \$0.066 per share. An amount of \$3,499k had been received prior to 30 June 2022 and was transferred to share capital on issue date. \$590k was received after 30 June 2022. On 7 October 2022 DomaCom issued 3,030,303 Ordinary Shares at \$0.066 per share. An amount of \$40k had been received prior to 30 June 2022 and was transferred to share capital on issue date. \$160k was received after 30 June 2022. Equity raising costs of \$50k were incurred after 30 June 2022. In addition, equity raising costs of \$274k were incurred prior to 30 June 2022 and paid after 30 June 2022. In addition, amounts totalling \$305k received under the equity raise were returned to investors without the issue of shares.

(ii) On 30 November 2022 DomaCom carried out a share buy-back of 2,272,727 Ordinary Shares at \$0.066 per share for \$150,000.

(iii) On 4 November 2022 DomaCom entered into an agreement to extend the maturity date of the secured convertible notes to 1 February 2024 that had the effect of also extending the maturity date of the unsecured convertible notes to 1 February 2024. A fee of \$325k was paid and legal fees of \$11k are payable. Under the relevant accounting standards the extension of the secured convertible notes was treated as a modification whereas the extension of the unsecured convertible notes led to derecognition and subsequent re-recognition. The combined impact was to decrease borrowings by \$548k, reduce expenses by \$97k and increase reserves by \$115k. Ongoing interest payments less interest expense totalled \$324k. Total borrowing were reclassified to non-current as the maturity date of all convertible note is beyond 12 months.

(iv) The effect of operating activities during the period from 1 July to 30 November has resulted in cash outflows of \$1,163k and a loss of \$1,561k.

##### **Basis of preparation**

The DomaCom pro forma consolidated statement of financial position has been prepared on the basis that the Group continues as a going concern. As a developing business, DomaCom experienced a loss for the period to 30 November 2022. However, as set out in Appendix B, the Group is expanding rapidly and has a strong pipeline of opportunities to continue this growth.

The Group is currently solvent as it is able to pay its liabilities as they fall due. The continuing viability of the Group and its ability to continue as a going concern and remain solvent is dependent upon the Group increasing fee revenue through growing Funds under Management (“FUM”) within the DomaCom Fund.

If these matters are not or had not been achieved, there may be material uncertainty as to whether the Group continues as a going concern and remains solvent and, therefore, whether it will realise its assets and settle its liabilities in the normal course of business and at the amounts stated in the financial report. The Directors believe that the Group will be able to continue to access sufficient sources of funds if required and will continue to implement cost control measures if required, and therefore are satisfied that the Group will continue as a going concern. Accordingly, the financial report has been prepared on a going concern basis. No adjustments have been made to the pro forma consolidated statement of financial position relating to the recoverability and classification of the asset carrying amounts or the amount and classification of liabilities that might be necessary should the Group not continue as a going concern.

#### **5. Available funding to meet its business objectives over the next six months**

The Company confirms, at the time of reinstatement, that the Company has available funding sufficient to continue its operations and to meet its business objectives (as set below) over the next six months (two quarters) without the need to raise further capital. Appendix C includes a Use of Funds analysis that sets out how the Company will allocate current funds over the next 6 months. In addition to the funds available at 30 November 2022, the Company will continue to generate revenue from upfront and ongoing management fees that will be used to support the continued growth of the business.

#### **6. Update on business activities and overview of business strategy and objectives**

A report setting out an update on the Company’s consolidated business activities since the release of its quarterly activities report for the quarter ended 30 September 2022 and an overview of its business strategy and objectives is set out in Appendix B.

#### **7. Terms and conditions of convertible notes**

The full terms and conditions of the secured convertible notes and unsecured convertible notes are set out in Appendix D and Appendix E.

## **8. Compliance with Listing Rules**

The Company confirms that it is in compliance with the ASX Listing Rules and, in particular, Listing Rule 3.1 that requires once an entity is or becomes aware of any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities, the entity must immediately tell ASX that information.

This announcement was authorised for release by the Board of Directors of DomaCom Limited.

For more information, please contact:

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**Appendix A: Independent Limited Assurance Conclusion on DomaCom  
Limited's Compilation of Pro Forma Historical Financial Information**

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## Independent Limited Assurance Conclusion on DomaCom Limited's Compilation of Pro Forma Historical Financial Information

### To the Members of DomaCom Limited

We have completed our limited assurance engagement to report on DomaCom Limited and controlled entities (the "Group") compilation of pro forma financial information. The pro forma financial information consists of the attached Pro Forma consolidated statement of financial position as at 30 November 2022. The applicable criteria on which the Directors have compiled the pro forma financial information are specified in the notes to the Pro Forma Statement of Financial Position.

The pro forma financial information has been compiled by the Group to illustrate the Group's financial position as at 30 November 2022. As part of this process, information about the Group's financial position has been extracted from the Group's audited consolidated financial statements for the year ended 30 June 2022 and adjusted to illustrate movements between 30 June 2022 to 30 November 2022.

### DomaCom Limited's Responsibilities for the Pro Forma Financial Information

The Directors of DomaCom Limited are responsible for properly compiling the pro forma financial information on the basis of the applicable criteria.

### Our Independence and Quality Control

We have complied with relevant ethical requirements related to assurance engagements which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Australian Standard on Quality Management 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with relevant ethical requirements and applicable legal and regulatory requirements and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our limited assurance conclusion.

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## **Our responsibilities**

Our responsibility is to express a conclusion on whether anything has come to our attention that causes us to believe that the pro forma financial information has not been properly compiled, in all material respects, by the Directors on the basis of the applicable criteria.

We have conducted our limited assurance engagement in accordance with the Standard on Assurance Engagements ASAE 3420 Assurance Engagements to Report on the Compilation of Pro Forma Historical Financial Information included in a Prospectus or other Document (ASAE 3420), issued by the Auditing and Assurance Standards Board. This standard requires that the assurance practitioner plan and perform procedures to obtain limited assurance about whether anything has come to the assurance practitioner's attention that causes the assurance practitioner to believe that the Directors have not compiled, in all material respects, the pro forma financial information on the basis of the applicable criteria.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information, or of the pro forma financial information itself. The purpose of the compilation of the pro forma financial information being included is solely to illustrate the impact of significant events or transactions on unadjusted financial information of the Group as if the events had occurred or the transactions had been undertaken at an earlier date selected for purposes of the illustration.

A limited assurance engagement to report on whether anything has come to our attention that the pro forma financial information has not been properly compiled, in all material respects, on the basis of the applicable criteria, involves performing limited procedures to assess whether the applicable criteria used by the Directors in the compilation of the pro forma financial information does not provide a reasonable basis for presenting the significant effects directly attributable to the events or transactions, and that the:

- related pro forma adjustments do not give appropriate effect to those criteria; and
- resultant pro forma financial information does not reflect the proper application of those adjustments to the unadjusted financial information.

The procedures we performed were based on our professional judgement and included making enquiries, primarily of persons responsible for financial and accounting matters, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of supporting documentation and agreeing or reconciling with underlying records, and other procedures. The procedures performed in a limited assurance engagement vary in nature from, and are less in extent than for, a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance conclusion about whether the compilation of the pro forma financial information has been prepared, in all material respects, in accordance with the applicable criteria.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

### **Limited assurance conclusion**

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the pro forma financial information is not compiled, in all material respects, by the Directors of DomaCom Limited on the basis of the applicable criteria as described in the notes to the pro forma consolidated statement of financial position.



### **Material uncertainty related to going concern**

We draw attention to the notes to the pro forma consolidated statement of financial position, which indicates that if the Group does not continue to grow the Funds Under Management there is a risk and material uncertainty as to whether it will continue as a Going Concern. As stated in the note, these events or conditions, along with other matters as set forth the note, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

### **Liability**

The liability of Grant Thornton Audit Pty Ltd is limited to the procedures performed by us as disclosed in this report. Grant Thornton Audit Pty Ltd makes no representation regarding, and has no liability for, any other statements or other material in, or omissions from, information provided by the Group to a third party.

*Grant Thornton*

Grant Thornton Audit Pty Ltd  
Chartered Accountants

*D G Ng*

D G Ng  
Partner – Audit & Assurance

Melbourne, 15 December 2022

## **Appendix B: Activity Report – November 2022**

DomaCom provides the following update for the 2 month period to 30 November 2022, representing the period since the release of the 30 September 2022 Quarterly Activity Report.

### **Strong Funds Under Management (FUM) growth continues**

DomaCom continues the strong growth in FUM. FUM was \$171m at 30 November 2022, an increase of \$16m from \$155m at 30 September 2022 and an increase of \$76m from \$95m at 30 November 2021. FUM growth continues to be driven by multi-residential apartment developments and House and Land packages within the short-term accommodation and NDIS sector.

Underlying the strong growth in FUM, customer accounts continue to increase, rising by 90 to 2,089 accounts at 30 November 2022 from 1,999 accounts at 30 September 2022 and rising by 654 from 1,435 accounts at 30 November 2021.

The growth in FUM has been accompanied by an increase in the number of sub-funds, rising by 10 to 125 sub-funds at 30 November 2022 from 115 sub-funds at 30 September 2022 and rising by 46 from 79 sub-funds at 30 November 2021.

### **Revenue continues to grow**

We are very pleased to announce that fee revenue for the two months ended 30 November 2022 was \$571,000, a \$258,000 (82%) increase from the \$313,000 for the two months to 30 September 2022 and a \$362,000 (173%) increase from the \$209,000 for the two months ended 30 November 2021.

### **Expenditure levels remain contained**

DomaCom continues to carefully monitor costs. Operating costs (excluding amortisation, depreciation, bad debt write-offs and finance costs) were \$717,000 for the 2 months to 30 November 2022, a reduction of \$76,000 from the \$793,000 for the 2 months to 30 September 2022.

### **Extension of the Convertible Note Maturity Dates**

DomaCom has successfully extended the maturity dates of the secured and unsecured convertible notes to 1 February 2024. The extension has allowed the convertible notes to be classified as non-current liabilities and has therefore improved the financial position of the Company. Fees of \$324,500 were paid to secure the extension.

### **Share buy-back**

DomaCom carried out a buy-back and cancellation of 2,272,727 shares on 30 November 2022. The purpose of the transaction was to rectify an inadvertent and unintentional breach of Listing Rule 10.11 as a result of issuing shares to a related party without prior shareholder approval.

### **Strategy**

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 and FUM.

DomaCom has 4 key strategic objectives

- Ensure capital sustainability and deployment to meet corporate objectives and shareholder return and liquidity expectations;
- Drive connectivity and collaboration with clients, distribution and commercial partners;
- Deliver broader, innovative and differentiated digital value propositions to diversify revenue base, increase market share and improve client experience; and
- Be the employer of choice and commit to sound ESG policies.

### **Strategic focus**

DomaCom has continued to focus on meeting the requirements to be relisted on the ASX. Management will continue to carry out an operational review to ensure the Company is well placed to expand its current growth momentum, while ensuring strict compliance with regulatory requirements.

The Company is finalising a rebranding process that will see changes made to marketing, communication and a refresh of the website. The Company continues to examine the potential for redefining the target markets.

### **Financial and Operational Objectives**

The strategic plan we are now enacting is expected to deliver strong growth in both revenues and improved earnings over the next reporting period. Key targeted deliverables are:

- Growth in FUM to \$300 million at 30 June 2023;
- Fee revenue of \$2.4 million for the financial year ended 30 June 2023;
- A strong focus on cost base discipline; and
- Grow the number of investors to 3,500 by 30 June 2023.

DomaCom has a strong pipeline of business that will drive the growth in FUM across existing and new distribution partners. DomaCom will continue to focus on and expand within the property sector. In addition, the Mortgage Fund solution currently offered will be expanded to provide access to a broader range of products.

DomaCom will continue to look to expand the number of sub-funds that invest in renewable energy projects. DomaCom will also continue to build on the opportunities available under its license to invest and diversify within different asset classes. DomaCom will also expand its distribution network to accelerate growth.

**DomaCom CEO John Elkovich said:** "We are very pleased with the progress we have made this financial year. We are well-positioned to further accelerate DomaCom's growth. We look forward to updating the market on the results of our growth initiatives."

### **For further information, please contact:**

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### Appendix C: Use of Funds

DomaCom intends to apply available funds over the 6 months following readmission to quotation as follows:

Item	Notes	Amount of Funds (\$'000)	Percentage of Funds (%)
Total Funds Available	1	2,026	
Staff costs		934	46%
Interest payments	2	258	13%
Administration and Corporate Costs		723	36%
IT Product development	3	111	5%
<b>Total Allocated Funds</b>		<b>2,026</b>	<b>100%</b>

(1) As set out in Section 4, the Company has a cash balance of \$2,026,000 at 30 November 2022.

(2) The interest payments relate to the Convertible Notes as set out in Appendix C and Appendix D

(3) DomaCom will continue to develop and enhance the Platform that underlies the product solutions offered.

**Appendix D: Terms of Issue for Secured Convertible Notes**

<b>Issuer</b>	DomaCom Limited ACN 604 384 885
<b>Nature of Interest Issued</b>	Convertible Secured Redeemable Notes ( <b>Note</b> )
<b>Note Amount</b>	\$2,950,000
<b>Use of Funds</b>	The funds raised used for the working capital purposes of the Issuer.
<b>Original Issue Date</b>	7 December 2018
<b><u>Revised Maturity Date</u></b>	1 February 2024.
<b>Interest Rate</b>	an interest rate of 15%pa
<b>Default Interest Rate</b>	an interest rate of 20%pa
<b>Interest Calculations</b>	Interest on the Note will accrue from day to day from the Issue Date on the basis of a 365-day year. If Issuer fails to make a redemption or interest payment when due and payable, the Default Interest Rate will apply.
<b>Interest Payment Dates</b>	Interest will be due and payable quarterly in arrears on the relevant Interest Payment Date. The Interest Payment Dates will be the last business day of each quarter, with an initial payment date of 31 March 2019. Where the Notes are converted or redeemed the final Interest Payment Date is the relevant Conversion Date or Redemption Date. In the alternative, the Noteholder may waive its right to the payment of interest in which case the interest due is capitalised at the relevant Interest Payment Date.
<b>Election Date</b>	Unless the Note has been previously redeemed or converted, the Noteholder may elect to convert the Note at any time prior to Maturity. The election must be in writing and delivered to the Issuer. If the Noteholder does not elect to convert the Note prior

	to Maturity, the election will be taken to be a redemption.
<b>Redemption Date</b>	Upon Maturity (unless the Notes have been converted) or 10 days after the Noteholder issues a Redemption Notice, whichever is the earlier.
<b>Redemption Notice</b>	A notice issued by the Noteholder exercising its right of early Redemption. The Noteholder may exercise such right upon the occurrence of any of the following events which are deemed to be an Event of Default.
<b>Event of Default (Convertible Note Deed)</b>	<p>Each of the following events constitutes an Event of Default:</p> <p>(a) <b>(Failure to pay)</b>: any failure by the Company to pay or satisfy any amount due under any Finance Document within 2 Business Days of the date when due;</p> <p>(b) <b>(Material breach)</b>: the Company breaches or fails to comply with:</p> <p>(i) any obligation owed by the Company to a Noteholder; or</p> <p>(ii) any other provision,</p> <p>under the Convertible Note Deed, including these Convertible Note Conditions (other than a provision requiring the payment of money as contemplated by Convertible Note Condition 10.1 (a)), or any other Finance Document, and it continues unremedied for 10 Business Days after the earlier of:</p> <p>(iii) the Company becoming aware of the breach or failure to comply; and</p> <p>(iv) the Noteholder giving notice to the Company of the breach or failure to comply;</p> <p>(c) <b>(Insolvency Event)</b>: an Insolvency Event occurs In respect of the Company or any of its Subsidiaries, or if a course of action is being developed or implemented by the Company or any of its</p>

Subsidiaries for the purposes of section 588GA of the Corporations Act;

(d) **(Finance Document unenforceable)**: if any material provision of these Convertible Note Conditions or a Finance Document is or becomes void, voidable, illegal, unenforceable or of limited force (other than because of equitable principles or laws affecting creditors' rights generally), or it becomes impossible or unlawful for the Company or any Subsidiary of the Company to perform a material obligation under a Finance Document to which it is party to, or the Company or any Subsidiary of the Company claims any of these things to be the case;

(e) **(Failure to convert)**: the Company fails to convert or effect the conversion of any Convertible Note in accordance with these Convertible Note Conditions;

(f) **(Material misrepresentation)**: any representation, warranty or statement made by the Company in any Finance Document is false or misleading or untrue in any material respect;

(g) **(Company Change in Control Event)**: a Company Change in Control Event occurs;

(h) **(Security Interest)** the Security Interest, or any part of it, ceases for any reason to have the priority ranking contemplated in it, or any security interest over an asset of any Secured Property is enforced or becomes enforceable;

(i) **(Non compliance with laws)** the Company or a Subsidiary of the Company fails to comply with all applicable laws, Authorisations and mandatory requirements of any Government Authority where failure to do so would have or be likely to have a Material Adverse Effect;



	<p><b>(j) (Delisting or trading suspension):</b></p> <p>(i) the Company's Ordinary Shares are removed from the official list of the ASX or any other securities exchange on which they are listed; or</p> <p>(ii) the suspension of trading of the Company's Ordinary Shares on the ASX is not lifted, and its trading does not resume, on or before 1 February 2022 to the satisfaction of the Noteholders (acting reasonably); or</p> <p>(iii) the Company's Ordinary Shares resume trading on the ASX on terms and subject to conditions not acceptable to the Noteholders (acting reasonably); or</p> <p>(iv) if the Company's Ordinary Shares are trading on the ASX, the Company's Ordinary Shares are suspended from trading for more than 5 consecutive trading days; or;</p> <p><b>(k) (cross default – indebtedness)</b> any indebtedness of the Company:</p> <p>(i) becomes due and payable, or capable of being declared due and payable, before its stated maturity, expiry or repayment date (other than at the option of the Company); or</p> <p>(ii) is not paid when due or within any applicable grace period.</p>
<p><b>Event of Default (Variation Deed)</b></p>	<p>(a) The Company acknowledges and agrees the Event of Default listed in clause 10.1(j)(ii) of Schedule 1 of the Convertible Note Deed (<b>Relisting EoD</b>) is subsisting as at the date of this document, however, that prior to the date of this deed Thundering Herd has previously agreed to waive the Relisting EoD until 30 September 2022.</p> <p>(b) If the Relisting EoD is subsisting, the Company may, by notice to Thundering Herd, request that the Relisting EoD be waived for 1 calendar month (Waiver Request). The Company may make more than one Waiver Request. Any Waiver Request must be received by Thundering Herd on or before the</p>

date which is 3 Business Days before the end of such calendar month.

(c) Thundering Herd may, in its absolute and unfettered discretion, agree to a Waiver Request delivered under paragraph (b) above if Thundering Herd:

- i. is satisfied that no Event of Default (other than the Relisting EoD) subsists or would result from a waiver of the Relisting EoD; and
- ii. has received a payment in cleared funds of \$44,000 (including GST) (**Waiver Fee**) in consideration of Thundering Herd's costs of considering and granting the Waiver Request. The Waiver Fee must be received by Thundering Herd on or prior to the last Business Day of the calendar month in which the relevant Waiver Request has been made.

(d) Any Waiver Request agreed to by Thundering Herd does not:

- i. prejudice or adversely affect any right, power, authority, discretion or remedy arising under any Finance Document before the date of this document or subsequently; or
- ii. discharge, release or otherwise affect any liability or obligation arising under or in relation to any Finance Document, or constitute a waiver, suspension, consent, agreement or other concession by Thundering Herd in respect of any Event of Default (other than in respect of the Relisting EoD) or in respect of any right or remedy under the Finance Documents or otherwise.

(e) If Thundering Herd agrees to a Waiver Request delivered under paragraph (b) above, it will notify the Company accordingly, at which time the Relisting EoD will be waived for a period of 1 calendar month.

	<p>(f) If the conditions in paragraph (c) above are not satisfied in Thundering Herd's reasonable opinion, Thundering Herd may reject the Waiver Request, in which case the Relisting EoD will continue to subsist, and Thundering Herd and each of the Noteholders reserve their respective rights and remedies in relation to such subsisting Relisting EoD.</p>
<p><b>December Waiver (Variation Deed)</b></p>	<p>(a) If:</p> <ul style="list-style-type: none"> <li>i. on or before the date which is 3 Business Days before the end of November 2022 the Company, by notice to Thundering Herd, provides a Waiver Request which requests that the Relisting EoD be waived for the period from 1 December 2022 until 15 December 2022;</li> <li>ii. Thundering Herd is satisfied that no Event of Default (other than the Relisting EoD) subsists or would result from a waiver of the Relisting EoD; and</li> <li>iii. Thundering Herd has received a payment in cleared funds of \$22,000 (including GST) (December Waiver Fee) in consideration of Thundering Herd's costs of considering and granting the Waiver Request for the period specified in (i) above, then Thundering Herd may, in its absolute and unfettered discretion, grant a waiver of the Relisting EoD for a period from 1 December 2022 until 15 December 2022.</li> </ul> <p>(b) Subject to clause 3.3, the December Waiver Fee must be received by Thundering Herd on or prior to the last Business Day of November 2022.</p> <p>(c) Clause 3.1 (d) applies in full to any waiver agreed to by Thundering Herd under this clause 3.2.</p> <p>(d) If the conditions in paragraph (a) above are not satisfied in Thundering Herd's reasonable opinion, Thundering Herd may reject the Waiver Request, in which case the Relisting EoD will continue to subsist, and Thundering Herd and each of the</p>

	Noteholders reserve their respective rights and remedies in relation to such subsisting Relisting EoD.
<b>Redemption</b>	The Note will be redeemed on the Redemption Date for cash at 100% of the Issue Price and any accrued interest up to the Redemption Date.
<b>Conversion Date</b>	Maturity (at the election of the Noteholder) or 10 days after the Noteholder issues a Conversion Notice, whichever is the earlier.
<b>Conversion Notice</b>	<p>A notice issued by the Noteholder exercising its right of early Conversion. The Noteholder may exercise such right at any time after the Issue Date.</p> <p>The Issuer does not have a right to elect to convert the Note.</p>
<b>Conversion Price</b>	A Conversion Price of 6.551 cents
<b>Security and Security Documentation</b>	Secured first ranking General Security Agreement in respect of the assets and undertaking of the Issuer and each of its related bodies corporate.
<b>Assignment</b>	<p>The Issuer may not assign or transfer any of its rights or obligations under the Note without the prior written consent of the Noteholder (which may be withheld in the Noteholders absolute discretion).</p> <p>A Noteholder may assign or transfer all or part of its rights and obligations under the deed upon written notice to the Company.</p>
<b>Reconstruction</b>	If, after the Issue Date and prior to the Conversion Date, there occurs any reconstruction of the issued share capital of the Issuer including a consolidation, reduction, sub-division or return of capital ( <b>Reconstruction</b> ), the entitlement of the Noteholder to convert the Note must be reconstructed in the same proportion and manner as the issued capital of the Issuer is reconstructed and in a manner which will not result in any additional benefits being conferred on the Noteholder which are not conferred on holders of ordinary shares and, so far as possible does not prejudice the Noteholder, but in

	all other respects, the terms of the Note will remain unchanged.
<b>Effective Date of Variation of the Convertible Note Deed</b>	Date the Majority of the Noteholders receive acceptable confirmation that the Conditions Precedent have been met.
<b>Conditions Precedent for the Variation of the Convertible Note Deed</b>	<p>(a) (<b>executed counterpart</b>) an original counterpart of Variation Deed duly executed by the Company, on which any applicable stamp duty or other taxes of a similar nature have been paid;</p> <p>(b) (<b>no Shareholder Approvals required</b>): the Majority Noteholders are satisfied (acting reasonably) that no Shareholder Approvals are required in respect of the matters the subject of this document and the Convertible Note Deed (as amended by this document), including in respect of the change in the terms of issue of the Convertible Notes as contemplated by this document;</p> <p>(c) (<b>regulatory approvals</b>): all necessary regulatory consents, permits and approvals (including by ASIC or ASX, or both) in respect of the acquisition of the Convertible Notes by the Noteholders and the acquisition of new Ordinary Shares in connection with the conversion of the Convertible Notes by the Noteholders have been obtained by the Noteholders (including all regulatory approvals from any third parties if required), including in respect of the change in the terms of issue of the Convertible Notes as contemplated by this deed. If any such consent or approval is given subject to conditions or requirements, this Condition Precedent is not fulfilled unless those conditions or requirements are acceptable to the Noteholders;</p> <p>(d) (<b>searches</b>): satisfactory PPSR and ASIC company searches on the Company and evidence that all steps have been taken under the PPSA to allow</p>

	<p>the Noteholders to perfect all Security Interests in its favour under the Finance Documents;</p> <p>(e) <b>(no default)</b>: the Majority Noteholders are satisfied (acting reasonably) that no Event of Default subsists or will result from the Convertible Notes being provided;</p> <p>(f) <b>(ASIC Instrument compliance)</b> the Company has satisfied, to the reasonable satisfaction of the Majority Noteholders, the requirements of sections 708A(12C)(b) and (c) of the Corporations Act (as those provisions have been inserted by ASIC Corporations (Sale Offers: Securities Issued on Conversion of Convertible Notes) Instrument 2016/82);</p> <p>(g) <b>(Company representations)</b>: there is no material breach, and there are no facts or circumstances that may reasonably be expected to lead to a material breach, of any of the representations and warranties made by the Company under clause 5.2 of the Convertible Note Deed;</p> <p>(h) <b>(costs and expenses)</b> evidence that all fees, costs and expenses due and payable to the Noteholders or Thundering Herd Pty Ltd under the Convertible Note Deed, this deed or other Finance Documents have been paid in cleared funds (including, but not limited to, the 2022 Variation Fee).</p>
<p><b>Termination</b></p>	<p>The Company must use reasonable endeavours to ensure the Conditions Precedent are satisfied as soon as reasonably possible after the execution of this document. If any Conditions Precedent is not satisfied, or waived on or before 4 November 2022, then the Majority Noteholders may elect in their absolute discretion to terminate this document by giving notice to the Company.</p> <p>A waiver was initially provided by Thundering Herd to extend the Condition Precedent of being re-listed to 15 December 2022. This has been extended to 31 December 2022.</p>

## Appendix E: Summary of Terms of Issue for Unsecured Convertible Notes

<b>1 Issue overview</b>	<p>Each Note:</p> <ul style="list-style-type: none"> <li>(a) is issued at its Face Value;</li> <li>(b) bears interest as provided in 'Interest on Notes' below</li> <li>(c) is convertible into Shares as provided in 'Conversion', 'Conversion Price' below; and</li> <li>(d) is transferable only in accordance with 'Transferability' below.</li> </ul>
<b>2 Interest on Notes</b>	<ul style="list-style-type: none"> <li>(a) Each Note will bear interest at the rate of 10% per annum (Interest Rate), calculated on a daily basis on the Face Value of each Note during the period from and including the Issue Date to and including the earlier of the conversion of the Note to Shares and the Maturity Date.</li> <li>(b) Interest is payable by the Company to the Holder in arrears in cash on the first Business Day after the end of each calendar quarter</li> </ul>
<b>3 Conversion</b>	<p>Subject to the Corporations Act and the Listing Rules, the Holder has the right to convert all or any of the Notes held by that Holder to Shares (at the price provided in 'Conversion Price' below) at any time from the Issue Date until the earliest of:</p> <ul style="list-style-type: none"> <li>(a) voluntary conversion under this paragraph 4; and</li> <li>(b) the Maturity Date,</li> </ul> <p>by providing to the Company a written request for conversion of Notes, in the form set out in Schedule 1 or as otherwise agreed between the Holder and the Company (<b>Conversion Notice</b>), and upon production and surrender of the then current Note Certificate.</p> <p>If, before Notes are converted into Shares, the Company:</p> <ul style="list-style-type: none"> <li>(a) consolidates its Shares, the Conversion Price must be increased in the same inverse proportion as the number of Shares is reduced under that consolidation;</li> <li>(b) subdivides its Shares, the Conversion Price must be decreased in the same inverse proportion as the</li> </ul>

	<p>number of Shares is increased under that subdivision; or.</p> <p>(c) in any other way reconstructs or reorganises its issued capital, including issuing new capital, the Conversion Price must be adjusted in the same proportion as the issued capital of the Company is reconstructed or reorganised and in a manner which will not result in any additional benefits being conferred on either the Company or the Holder.</p>
<b>4 Revised Conversion Price</b>	The Conversion Price is \$0.10 for each Note.
<b>5 Conversion Terms</b>	<p>(a) The entire Principal Amount of the Notes held by the Holder will be converted into Shares immediately on voluntary conversion under paragraph 4.</p> <p>(b) The number of Shares to be issued upon a conversion shall be the quotient obtained by dividing the Principal Amount of the Notes held by the Holder, by the applicable Conversion Price provided above (rounded down to the next whole number of Shares in the event of any fractional Share).</p> <p>(c) Upon conversion of a Note, the Note will cease to exist and to be on issue, and the Company will be forever released from all of its obligations and liabilities under or in respect of the Note, including the Principal Amount of that Note.</p> <p>(d) Subject at all times to the Corporations Act and the Listing Rules:</p> <p>(i) the Shares to be issued on a Conversion Event must be issued by the Company within 5 Business Days of the Conversion Event; and</p> <p>(ii) the Company must enter the Holder into its register of members as the holder of those Shares as at their issue date.</p> <p>(e) Shares issued on Conversion will rank pari passu with the other Shares on issue and will be issued pursuant</p>



	<p>to the Company's constitution. The Company will take all steps necessary to have the Shares issued on Conversion quoted on ASX.</p>
<p><b>6 Redemption</b></p>	<p>Provided that the Holder has not provided a Conversion Notice (and produced and surrendered the then current Note Certificate as required in 'Conversion' above) by 5.00 pm on the date which is 60 Business Days before the Maturity Date,</p> <p>(a) the Holder will be deemed to have elected to have their Notes redeemed; and</p> <p>(b) the Holder must deliver to the Company, prior to the Maturity Date, the Note Certificate(s) then held by that Holder.</p> <p>On the Maturity Date, subject to receiving the Note Certificate(s) the Company must redeem all of the Notes that are then outstanding by paying the Holders thereof:</p> <p>(a) all accrued interest (if any) on the Notes up to and including the Maturity Date; and</p> <p>(b) the Face Value of the Notes then held by that Holder.</p>
<p><b>7 Transferability</b></p>	<p>A Note may only be transferred by the Holder with the prior written consent of the Company (in its absolute discretion).</p>
<p><b>8 Taxes, deductions and withholdings</b></p>	<p>All sums payable under these Terms of Issue must be paid:</p> <p>(a) free and clear of any restriction or condition; and</p> <p>(b) except to the extent required by law, in full, without any deduction or withholding for or on account of tax or on any other account, whether by way of set-off, counterclaim or otherwise.</p> <p>If the law requires any deduction or withholding by the Company for or on account of tax to be made from any amount paid or payable to a Holder under these Terms of Issue, the Company will ensure that any such deduction or withholding does not exceed the legal minimum and will pay or procure the payment of the amount required to be</p>

	deducted or withheld to the relevant governmental authority before the date on which penalties attach.
<b>9 Definitions (selected)</b>	<p>Maturity Date (original): means the date that is 3 years after the Issue Date.</p> <p>Issue Date (original) means the date upon which the Notes are issued as specified in the Note Certificate, being 25 January 2018</p>
<b>10 Subordination Deeds</b>	<p>Each holder of the Unsecured Notes entered into separate Subordination Deeds with the parties to the Secured Convertible Note Deed on 7 December 2018. Under the subordination deeds, the Noteholders under the Secured Convertible Note Deed are referred to as First Creditors and the Noteholders under the Unsecured Convertible Note Agreements are referred to as Second Creditors.</p> <p>The Subordination Deeds include:</p> <p><b>Subordination</b></p> <ul style="list-style-type: none"> <li>- <b>Second Debt Subordination</b> During the Subordination Period the Second Debt and all related rights, claims and payments are subordinated and postponed to, and rank in priority after, the First Debt and all related rights, claims and payments, on the terms of this document.</li> <li>- <b>Second Debt not payable</b> Despite any Second Creditor Finance Document, during the Subordination Period none of the Second Debt is payable or repayable other than a Permitted Payment. Each Second Creditor Finance Document is amended to the extent necessary to be consistent with this document.</li> <li>- <b>Continuing subordination</b> The Subordination applies to the present and future balances of the First Debt and Second Debt. It is irrevocable and a continuing subordination until the Subordination Period ends, and is not discharged by</li> </ul>

any payment, settlement of account, an Insolvency Event or anything else.

**Defined Terms**

Subordination Period means the period from the date of this document until both:

- (a) the First Debt has been paid in full and the First Creditor is satisfied that no First Debt will come into existence; and
- (b) every commitment of the First Creditor to provide financial accommodation to the Company has been cancelled.