

ASX Announcement | 31 August 2023
DomaCom Limited (ASX: DCL)

DomaCom reports strong FUM and fee revenue growth in FY23; lays groundwork for further upscaling in FY24

Highlights

- DomaCom releases preliminary results for financial year ended 30 June 2023 (FY23).
- Revenue of \$2.45 million, up 134% on the previous corresponding period (PCP).
- An operating loss of \$3.78 million was reported in FY23, versus adjusted prior year amount of \$5.92 million (prior to one-off income from Global Meat Exports Settlement Agreement).
- Funds Under Management in the DomaCom Fund at the end of FY23 totalled \$216 million, up 61% on PCP.
- Sub-funds in the DomaCom Fund numbered 133 as at end-FY23, up 25% on PCP.
- The number of investors in the DomaCom Fund platform at end-FY23 was up 29% on PCP, as DomaCom successfully re-engaged with dealer groups.
- Looking to FY24, DomaCom will continue to focus on growing its business by the consistent implementation of its stated strategy.

DomaCom Limited (ASX:DCL) (**'DomaCom'** or **'Company'**), is pleased to release its preliminary results for its 2023 financial year (FY23). The audited Annual Report will be released in September 2023. Despite the challenging macroeconomic conditions faced by DomaCom over this period, the Company successfully re-listed on the Australian Securities Exchange (ASX) and continued to grow the scale of its operations.

DomaCom's growth in Funds Under Management (FUM) over the Company's FY23, and the robust uplift in fee revenues generated by it, came as:

- The Fund's fractional investing model provided a way for advisers and investors to diversify their asset portfolios by gaining exposure to an ever-widening range of assets that they would not otherwise be able to access.
- The Fund gives investors added liquidity, by virtue of the secondary market capabilities of the platform.

Financial Performance

The Group reported an operating loss of \$3.78 million in its FY23 (FY22: \$3.42 million). After separating out the prior year one-off income from the Settlement Agreement with Global Meat Exports, there has been a reduction in the underlying operating loss of \$2.14 million in FY23. No distributions were declared or paid in FY23.

Revenue for the year ended 30 June 2023 totalled \$2.45 million, comprising campaign management fees of \$1.5 million and ongoing management fees of \$0.9 million. This combined fee income number was up 134% on the prior year combined fee revenue of \$1.0 million.

The FY23 accounts included receipts of \$0.25 million (excluding GST) under the Settlement Agreement with Global Meat Exports. In total, \$0.95 million has now been received of the \$2.5 million due under the agreement. The full \$2.5 million was recognised as income in the prior year in accordance with relevant accounting standards. The recoverability of this receivable has been assessed and provisioned for expected credit losses.

DomaCom continued to carefully monitor costs during the year. Total expenses for the Company's FY23 were \$6.3 million, improved on the \$7.0 million figure reported in the prior year. After the exclusion of finance costs and depreciation/amortisation, total expenses were \$4.6 million in FY23, broadly in line with the figure reported in FY22.

The DomaCom Fund experiences growth in FY23

The DomaCom Fund's FUM pushed up through the \$200 million barrier in April 2023, before eventually ending our FY23 around the \$216 million mark. The latter figure, up 61% on PCP, was attributable to increased penetration of multiple property segments and varied asset classes.

Reflective of the diverse range of assets in the DomaCom Fund as at end-FY23, it included the following broad categories:

- 44% held in Property assets;
- 35% held in Special Opportunity Assets;
- 15% held in loans backed by first registered mortgages; and
- 6% held in cash.

The jump in FUM over our FY23 was underwritten by an accompanying spike in sub-funds and client accounts. The number of sub-funds on the DomaCom Platform rose to 133 by the end of FY23, up 25% on its year earlier figure. DomaCom customer accounts numbered 2,330 at the close of our FY23, up 29% on the level reported at the end of our FY22.

Implementation of Strategy

DomaCom continues to focus on growing the business by the consistent implementation of a strategy focusing on:

- Capital sustainability and deployment to meet corporate objectives and shareholder returns;
- The Board will prioritise the restructure of the balance sheet within the next 12 months in light of the upcoming maturity of convertible notes in February 2024;
- Collaboration and connectivity with distribution and commercial partners;
- Innovative and differentiated digital value propositions; and
- People and culture.

By concentrating on the delivery of these key target deliverables, the Board expects to build on the growth trajectory established in the Company's FY23.

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

End

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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