

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

DomaCom platform FUM grows to \$223m at end-September; Harmony Global Partners appointed as strategic advisor

Highlights

- Funds Under Management (FUM) on the DomaCom platform grows to \$223 million as at end-September 2023, up 44% year-on-year (YoY) and 3% quarter-on-quarter (QoQ).
- DomaCom customer accounts numbered 2,349 by the end of the September 2023 quarter, up 18% YoY.
- The number of sub-funds on the DomaCom Platform rose to 134 by end-September 2023, up 14% YoY.
- DomaCom appoints Harmony Global Partners Limited to review and provide a range of strategic and corporate advisory services.
- Just after the end of the September 2023 quarter, DomaCom announced plans to undertake a capital raising of up to \$6 million through the issuance of convertible notes.

DomaCom Limited (ASX:DCL) (**'DomaCom'** or **'Company'**), is pleased to announce its Appendix 4C cash flow report for the quarter ended 30 September 2023 (Q1 FY24), along with the following financial and operational update.

Ongoing Funds Under Management growth delivered

Funds Under management in the DomaCom Fund continued to grow in the September 2023 quarter, as shown in the following table.

Growth Metric		Percentage Change (YoY)
Funds Under Management (\$m)	223	+43.5
Customer Accounts (No.)	2,349	+17.5
Sub Funds (No.)	134	+13.6

The sustained increase in the DomaCom platform's Funds Under Management (FUM) extended into the September 2023 quarter. This uplift was again underpinned by investor interest in a variety of property segments.

Both DomaCom's sub funds and client accounts metrics managed double-digit YoY gains in the September 2023 quarter. These positive movements were achieved despite general market uncertainty generated by macro-related concerns (cost of living worries included) and current geopolitical tensions. This ongoing growth in the Company's business highlighted the value of the DomaCom platform, in particular investors wanting to diversify their holdings and have access to the liquidity provided through the secondary market facility.

Fee revenue continues to grow

DomaCom is pleased to report that its fee revenue for the three months ended 30 September 2023 was \$633,000, representing an increase of 16% over the \$547,000 reported in the prior quarter and a 37% increase over the \$462,000 reported in the same quarter last year.

A continued focus on cost base discipline

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 2023.

During the quarter ended 30 September 2023, the payment of remuneration to executive and non-executive directors and their related parties amounted to \$131,000. Furthermore, a net amount of \$61,000 was paid for reimbursable expenses incurred on behalf of the related party DomaCom Fund.

DomaCom remained vigilant in monitoring its costs throughout the quarter, with operating expenses, excluding depreciation and non-cash debt provisioning, amounting to \$1,094,000, remaining largely unchanged from the equivalent \$1,063,000 for the previous quarter. There were increases in legal and professional fees of \$65,000 offset by savings across a number of different categories. The larger decrease in operating payments within the "Cash flows from operating activities" of the Appendix 4C from \$1,003,000 for prior quarter to \$933,000 for the quarter ended 30 September 2023 was attributable to the timing of payments made for these underlying expenses.

Harmony Global Partners appointed as strategic advisor

In early September 2023, DomaCom announced the appointment of Harmony Global Partners Limited ('HGP') as its strategic adviser (see ASX announcement dated 5 September 2023). HGP has been engaged to review and provide a range

of strategic and corporate advisory services to the Company in connection with its capital markets strategy, and to assist in maximising longer-term stakeholder value.

Integral to HGP's engagement is an assessment of capital raising initiatives, strategic investments and optimising the Company's current capital structure for future growth. The Company's has negotiated an engagement which aligns HGP with existing shareholders. As a result, HGP will receive a combination of ordinary shares and cash for its services.

DomaCom announces convertible note capital raising

Just after quarter's end, DomaCom announced plans to undertake a capital raising of up to \$6 million through the issuance of convertible notes (see ASX announcement dated 10 October 2023).

With support of several of DomaCom's primary shareholders, this initiative will commence with an initial fully underwritten raising of \$2 million ('Tranche 1') through the issue of 2 million convertible notes with a face value of \$1.00 to wholesale investors, with a 5-year maturity date, paying an annual interest rate of 12% and a conversion price of \$0.08 ('New Notes'). DomaCom will also consider oversubscriptions up to the amount available under its ASX Listing Rule 7.1 capacity. Furthermore, DomaCom intends to seek subscriptions for up to an additional \$4 million ('Tranche 2') to be raised through the issue of 4 million convertible notes with a face value of \$1.00 with the same terms as Tranche 1 to wholesale investors subject to shareholder approval.

Tranche 1 of this raising is expected to complete in early to mid November 2023, representing a slight delay from the previously announced proposed completion date of 31 October 2023. Subscriptions for Tranche 2 are subject to shareholder approval at DomaCom's upcoming FY23 AGM, scheduled to be held on 27 November 2023. As a result, subject to securing subscriptions and shareholder approval, the earliest date for completion of Tranche 2 would be shortly after this AGM. However, it is possible that all or part of Tranche 2 (subject to securing subscriptions) may not complete until 31 January 2024, just ahead of the maturity date for the existing convertible notes ('Existing Convertible Notes') of 1 February 2024 (which have a face value of \$3.6 million).

The proceeds of the 2-tranche convertible note raising, if fully subscribed, will be allocated to repay the Existing Convertible Notes, provide working capital, and fund the costs of the raising. In the event that only Tranche 1 is issued (raising \$2 million before costs), the proceeds will be used for working capital, partially repay the Existing Convertible Notes for an amount of \$500,000 and to fund the costs of the offer. Under the latter scenario, the Company will need to raise additional

funds in order to repay the remainder of the Existing Convertible Notes by their maturity date of 1 February 2024.

DomaCom CEO John Elkovich commented, *“DomaCom has achieved much over the past few months. This period saw the Company report further gains in FUM, sub-funds and client numbers, a great achievement in the face of multiple macroeconomic and geopolitical concerns that have impacted investor confidence. While these factors are unlikely to quickly subside, DomaCom’s leadership team remains committed to growing the business. Its growth strategy continues to focus on meeting clients’ demands for access to previously inaccessible asset classes through fractionalising investments. We continue to build on new strategic distribution partners and corporate relationships.*

More recently, we have undertaken two further initiatives that will help us deliver on our growth ambitions. The first of these was the appointment of Harmony Global Partners as a strategic advisor. The second was the unveiling of plans to undertake a multistage convertible note capital raising that will further enhance DomaCom’s financial position as its business continues to build scale and broaden the investment opportunities offered by the DomaCom Fund.”

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