

ASX Announcement | 4 March 2024 DomaCom Limited (ASX: DCL)

Refinancing and repayment of Convertible Notes

Highlights

- DomaCom has carried out a \$2.5m refinancing through a \$1.5m drawdown of \$3m facility Loan and a \$1.0m Private Placement.
- DomaCom has repaid \$2.40 million of the Secured Convertible Notes

Refinancing

DomaCom Limited (ASX:DCL) (**'DomaCom'** or **'Company'**), is pleased to announce that it has received \$2,500,000 from Bricklet Ltd (**Bricklet**), net of legal fees, through a \$1,500,000 loan drawdown and a \$1,000,000 Private Placement.

The terms of the Loan transaction have been amended from the ASX Announcements on 31 January 2024. The revised terms of the Loan are set out in Appendix A.

The agreement to issue 71,428,570 Ordinary Shares under the capacity available under ASX Listing Rule 7.1 and 7.1A as set out in the ASX Announcements on 31 January 2024 and 1 February 2024 has a revised proposed issue date of 22 March 2024 to allow for the preparation and release of a Cleansing Prospectus in accordance with section 708A(11) of the Corporations Act to remove any secondary trading restrictions that would otherwise apply to the Shares.

In addition, 17,420,070 Options have agreed to be issued in recognition of personal security provided by Directors of Bricklet to secure funding for the Loan to DomaCom using the capacity available under ASX Listing Rule 7.1. The Terms of the Options are set out in Appendix B.

As announced on 31 January 2024, DomaCom and Bricklet are evaluating a potential strategic acquisition based on shared goals.

In the meantime, we are investigating our short-term financing options.

Repayment of Secured Convertible Notes

DomaCom has repaid \$2,402,144 of the amount due on the \$2,450,000 Secured Convertible Notes transaction originating through Melbourne-based institution investor Thundering Herd (**Thundering Herd Notes**). The balance outstanding represents the remaining principal amount of \$47,856, interest due for the period from 1 January 2024 and remaining fees due to Thundering Herd.

Pialligo Estate

DomaCom has agreed, in summary, to place a property referred to as the Pialligo Estate into a DomaCom Sub-Fund (**Pialligo Sub-Fund**) by 30 May 2024. The contract is subject to an operator being engaged to operate a suitable business on the property and the vendor procuring a valuation agreeable to the vendor, the purchaser and the Trustee of the DomaCom Fund. As a condition for obtaining \$2.5m refinancing from Bricklet, DomaCom has guaranteed that it will carry out the process of selling down all units in the Pialligo Sub-Fund.

DomaCom Chairman John Hewson commented, “We are pleased that we have carried out the refinancing. We look forward to investigating a possible relationship with Bricklet as set out in the ASX Announcement on 31 January 2024.”

Bricklet Chairman Giuseppe Porcelli commented, “We are delighted to support DomaCom via this funding arrangement. We look forward to exploring a partnership between DomaCom and Bricklet, which supports the growth of our businesses and helps more Australians gain access to property co-ownership and fractional investing of assets.”

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

End

For further information, please contact:

DomaCom Limited

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

About Bricklet

Bricklet Ltd is part of the Lakeba Group portfolio. Bricklet is revolutionising the property market by providing innovative solutions for aspiring homeowners and investors. Bricklet's mission is to make property ownership accessible, flexible, and hassle-free.

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

Appendix A: Key terms of Loan

Lender	Bricklet Ltd (ACN 632 253 046)
Face value	\$3,000,000
First Utilisation Date (Revised)	1 March 2024
Second Utilisation Date (Revised)	Earlier of: a) 1 August 2024; and b) Completion of the acquisition of 100% of the shares on issue in the Lender or all, or substantially all, of the business and assets of the Lender
First Drawdown Amount (Revised)	\$1,500,000
Second Drawdown Amount (Revised)	\$1,500,000
Conditions for Second Drawdown (Revised)	The Second Drawdown requires: a) the Borrower has completed a Supplementary Product Disclosure Statement (SPDS) for the proposed DomaCom sub-fund to be created to purchase the "Pialligo Estate" by 31 May 2024; and b) the Borrower has completed the acquisition of 100% of the shares on issue in the Lender or all, or substantially all, of the business and assets of the Lender by 31 July 2024.
Maturity Date	24 months from the Utilisation Date
Interest	12% per annum paid quarterly in arrears

Default Interest	Interest + 5%
Review Event (Revised)	<p>A Review Event occurs if</p> <ul style="list-style-type: none"> a) the Borrower has not completed a Supplementary Product Disclosure Statement (SPDS) for the proposed DomaCom sub-fund to be created to purchase the “Pialligo Estate” by 31 May 2024; b) the Borrower does not complete the acquisition of 100% of the shares on issue in the Lender or all, or substantially all, of the business and assets of the Lender by 31 July 2024; c) the Pialligo Estate is not acquired by a DomaCom sub-fund by 30 November 2024.
Review Event consequences (Revised)	<p>If a Review Event occurs, the Lender may by written notice to the Borrower (Review Event Notice), require the Borrower to repay to the Lender all of the Money Owed under this agreement within <u>one</u> month from the date of issue of the Review Event Notice.</p>
Exclusivity period	<p>For a period of 6 months from the date of signing of the Term Sheet (Exclusivity Period), Bricklet shall not (directly or indirectly) solicit, conduct or enter into any formal or informal negotiations with other potential purchasers concerning the potential acquisition of Bricklet or another transaction similar to it and shall cease undertaking any such negotiations which exist as at the date of the Term Sheet.</p>
Security	<p>(a) The Borrower undertakes to use reasonable endeavours to procure that the relevant existing secured Noteholders approve by Ordinary Resolution the grant of the General Security Deed (over all of the assets of DomaCom) and entry into the Intercreditor Deed and subject to</p>

	<p>such approval, to procure the entry of the Intercreditor Deed by Specialised Investment and Lending Corporation Limited, within three months from the date of the Loan Agreement</p> <p>(b) Provided the Borrower has complied with its obligations it will not be an Event of Default if the relevant existing secured Noteholders do not approve by Ordinary Resolution the grant of the General Security Deed and entry into the Intercreditor Deed or Specialised Investment and Lending Corporation Limited does not enter the Intercreditor Deed.</p> <p>(c) Upon obtaining the approval and entry referred to in paragraph (a), the Borrower must grant the security interests under the General Security Deed and enter into the Intercreditor Deed.</p>
Events of default	<p>(a) (payment obligation) the Borrower does not pay any of the Money Owed that is due and payable by it under any Finance Document or if the Lender is satisfied that the sole reason for the failure is a technical or administrative difficulty within the banking system being used to effect payment, within two Business Days after the due date for payment;</p> <p>(b) (other obligation) the Borrower fails to comply with any obligation under a Finance Document (other than an obligation under paragraph (a) above) and the breach is incapable of remedy or, where the breach is capable of remedy, fails to remedy that breach within ten Business days of the earlier of:</p> <p style="padding-left: 40px;">(i) receipt by the Borrower of a Notice from the Lender requesting it to do so; and</p> <p style="padding-left: 40px;">(ii) it becoming aware of the failure to</p>

	<p>comply;</p> <p>(c) (Review Event) a Review Event occurs and the Borrower has failed to comply with its obligations; or</p> <p>(d) (insolvency) an Insolvency Event occurs with respect to the Borrower; or</p> <p>(e) (Authorisation suspended) an Authorisation is suspended, revoked, terminated, cancelled or not renewed and is not replaced by another Authorisation on terms acceptable to the Lender or is varied or becomes subject to conditions unacceptable to the Lender.</p> <p>Upon an Event of Default occurring, the Lender may require all money owing to be immediately paid.</p>
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Appendix B: Option Terms

1. Terms of the Options

1.1 Nature of Options

- (a) Each Option shall grant the holder of that Option the right but not the obligation to be issued by DomaCom (**"Company"**) one Share at the Option Exercise Price.
- (b) Each Option shall be exercisable by the Option holder complying with its obligations under this clause 1, at any time after the time of its grant, and prior to the date that is 5 years after the Utilisation Date of the loan from Bricklet to DomaCom on 1 March 2024 (the ***Option Expiration Date***) after which time it will lapse.
- (c) The Options will not be quoted on the ASX.

1.2 Exercise of Options

- (a) An Option holder may exercise any of its Options at any time prior to their expiration, by delivery of:
 - (i) a copy, whether electronically or otherwise, of a duly executed Option exercise form, to the Company during normal business hours on any Business Day at the Company's principal executive offices (or such other office or agency of the Company as it may designate by notice to the Option holder); and
 - (ii) payment of an amount equal to the Option Exercise Price (being \$0.02 per Option) multiplied by the number of Shares in respect of which the Options are being exercised at the time, by wire transfer to the account specified by the Company from time to time or by bank draft delivered to the Company during normal business hours on any Business Day at the Company's principal executive offices (or such other office or agency of the Company as it may designate by notice to the Option holder).
- (b) As soon as reasonably practicable, but in any event no later than ten (10) Business Days after receipt of a duly completed Exercise Form and the payment referred to in clause 1.2(a)(ii), the Company must cause its securities registrar to:

- (i) issue and Electronically Deliver the Shares in respect of which the Options are so exercised by the Option holder; and
- (ii) provide to the Option holder holding statements evidencing that such Shares have been recorded in the Company's Share register.

1.3 Bonus Issues

If prior to an exercise of an Option, the Company makes an issue of Equity Securities by way of capitalisation of profits or out of its reserves (other than pursuant to a dividend reinvestment plan) pursuant to an offer of such Equity Securities to at least all the holders of Equity Securities resident in Australia, then on exercise of the Option, the number of Equity Securities over which an Option is exercisable shall be increased by the number of Equity Securities which the holder of the Option would have received if the Option had been exercised before the date on which entitlements to the issue were calculated.

1.4 Rights Issues

If prior to an exercise of an Option, any offer or invitation is made by the Company to at least all the holders of Equity Securities resident in Australia for the subscription for cash with respect to Equity Securities, options or other securities of the Company on a pro rata basis relative to those holders' Shareholding at the time of the offer, the Option Exercise Price shall be reduced as specified in the Listing Rules in relation to pro-rata issues (except bonus issues).

1.5 Reconstruction of Capital

In the event of a consolidation, subdivision or similar reconstruction of the issued capital of the Company, and subject to such changes as are necessary to comply with the Listing Rules applying to a reconstruction of capital at the time of the reconstruction:

- (a) the number of the Equity Securities to which each Option holder is entitled on exercise of the outstanding Options shall be reduced or increased in the same proportion as, and the nature of the Equity Securities shall be modified to the same extent that, the issued capital of the Company is consolidated, subdivided or reconstructed (subject to the same provisions with respect to rounding of entitlements as sanctioned by the meeting of shareholders approving the consolidation, subdivision or reconstruction); and

- (b) an appropriate adjustment shall be made to the Option Exercise Price of the outstanding Options, with the intent that the total amount payable on exercise of the Options shall not alter.

1.6 Cumulative Adjustments

Full effect shall be given to the provisions of clauses 1.3 to 1.5, as and when occasions of their application arise and in such manner that the effects of the successive applications of them are cumulative, the intention being that the adjustments they progressively effect will be such as to reflect, in relation to the Shares issuable on exercise of the Options outstanding, the adjustments which on the occasions in question are progressively effected in relation to Equity Securities already on issue.

1.7 Notice of Adjustments

Whenever the number of Shares over which an Option is exercisable, or the Option Exercise Price, is adjusted pursuant to this Agreement, the Company must give notice of the adjustment to all the Option holders, within ten (10) Business Days.

1.8 Rights Prior to Exercise

Prior to its exercise, an Option does not confer a right on the Option holder to participate in a new issue of securities by the Company.

1.9 Redemption

The Options shall not be redeemable by the Company.

1.10 Assignability and Transferability

The Options shall be freely assignable and transferable, subject to the provisions of Chapter 6D of the Corporations Act and the applicable law.