

ASX Announcement | 30 April 2024
DomaCom Limited (ASX: DCL)

**Capital raise initiatives progressed; new CEO appointed;
Board reorganisation**

Highlights

- DomaCom agrees to carry out due diligence on Bricklet Ltd
- \$2.5 million raised through loan and proposed share placement
- DomaCom repays \$2.4 million of the Secured Convertible Notes
- Private Placement to an unrelated sophisticated investor raises \$0.75m
- Appointment of existing DomaCom Director Steven James as new CEO
- Board has reduced in number as a result of Board resignations

DomaCom Limited (ASX:DCL) (**'DomaCom'** or **'Company'**), is pleased to announce its Appendix 4C cash flow report for the quarter ended 31 March 2024 (Q3 FY24), along with the following financial and operational update.

Due diligence work on fractional investment business Bricklet

DomaCom has entered into an agreement to carry out due diligence on Bricklet Ltd (**Bricklet**), a strategically aligned fractional property investing provider. This work is being undertaken to assess a potential acquisition by DomaCom.

In March 2024, DomaCom announced a number of funding initiatives involving itself and Bricklet (see ASX announcement dated 4 March 2024).

One initiative saw Bricklet provide DomaCom with a loan for \$1.5 million with a 2-year maturity and an interest rate of 12% pa, paid quarterly in arrears. The loan includes a condition that if, after due diligence has been carried out, DomaCom has not completed the acquisition of 100% of the shares on issue in Bricklet by 31 July 2024, then the loan is repayable within one month of receipt of a Review Event Notice. Any potential acquisition would be subject to the requirements of the ASX Listing Rules and the Corporations Act.

Bricklet has also subscribed \$1.0 million through a Private Placement of 71,428,570 Ordinary Shares in DomaCom at a price of \$0.014. This raising was completed using the available capacity under ASX Listing Rule 7.1 and 7.1A (see ASX Announcements dated 31 January 2024 and 1 February 2024).

As set out in a subsequent DomaCom ASX Announcement dated 4 March 2024, the proposed issue date was revised to 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. As at the date of this report, DomaCom continues to prepare the Cleansing Prospectus and will separately provide an updated proposed issue date.

Repayment of Secured Convertible Notes

On 4 March 2024, DomaCom repaid around \$2.403 million of the amount due on the \$2,450 million Secured Convertible Notes transaction originating through Melbourne-based institution investor Thundering Herd (**Thundering Herd Notes**). The balance outstanding represents the remaining principal amount of \$47,414, and remaining fees due to Thundering Herd.

Pialligo Estate to be placed in a sub-fund

During DomaCom's Q3 FY24 reporting period, the Company agreed to place a property referred to as the Pialligo Estate into a DomaCom Sub-Fund (**Pialligo Sub-Fund**) by 30 May 2024. The contract associated with this process 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 the \$2.5 million of funding from Bricklet, DomaCom has guaranteed that it will carry out the process of selling down all units in the Pialligo Sub-Fund.

Private Placement to unrelated sophisticated investor

In mid-March 2024, DomaCom entered into an agreement for a Private Placement to an unrelated sophisticated investor, raising \$0.75m (see ASX announcement dated 19 March 2024).

The first tranche of this Placement will see DomaCom issue 20,026,802 Ordinary Shares at a price of \$0.014 per Share, raising around \$0.28m. These new Shares

will be issued under the capacity available through ASX Listing Rule 7.1. The proposed issue date is premised on the 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. DomaCom continues to prepare the Cleansing Prospectus and will separately provide an updated proposed issue date.

The second tranche of this \$0.75m Private Placement is raised through the issuance of a further 33,544,626 Ordinary Shares at a price of \$0.014 per Share, with the Shares subject to approval by Shareholders. To allow for the calling of the shareholder meeting, the proposed issue date of these additional 33,544,626 Ordinary Shares was initially set as 3 May 2024. DomaCom continues to prepare a Notice of Meeting and will separately confirm a revised issue date for the this second tranche as the Shareholding approval process is progressed.

Appointment of new CEO

In early March 2024, DomaCom announced the appointment of Steven James as the new CEO. Steven is well acquainted with DomaCom's business operations, having been a non-Executive Director of the Company since 12 April 2023.

Steven has over 30 years' experience in the financial services industry. He has held senior roles at the Commonwealth Bank of Australia, National Australia Bank and Westpac, and was also a foreign exchange dealer at Deutsche Bank and Bank of America. Steven has, over time, built up a detailed knowledge of the FX trading, financial planning and stock-broking financial market segments. While working in the stock-broking sector, Steven was a key figure in developing Australia's largest wholesale broking business. He is currently a Director at Aston Consulting, which provides specialist strategic advice services, covering areas like capital raising, marketing and implementation, product distribution and implementation, digital transformation and corporate change management.

Steven is also a highly experienced Company Director. He has been on the boards of a wide range of listed and unlisted entities, including sporting bodies, financial services organisations and property industry business groups.

Steven's wide range of marketing, product distribution and digital transformation skills will be tapped by DomaCom as the Company continues to implement its growth strategy. His expertise in corporate governance will be an additional valuable resource as DomaCom delivers on its ESG responsibilities.

DomaCom Board Renewal Process

On 30 April 2024 DomaCom announced significant changes to the Board of Directors. As part of repositioning the business for future growth, Non-executive Directors Grahame Evans, Angela Williams and Hilal Yassine have resigned from the Board. Executive Director Ross Laidlaw has resigned as a Director and has moved to the role of Chief Operating Officer.

Each of the abovementioned four directors brought unique skill sets and expertise to the business over their time on DomaCom's Board. Grahame was a Director for over 11 years overseeing the growth of the business, both as Chairman and as an Independent Non-Executive Director. Grahame resigned for his own personal reasons after many years with DomaCom. The resignation was not as a result of a Board reorganisation and was driven by Grahame.

Angela provided marketing insight and helped steer the successful rebranding of the Company. Hilal provided insight and support as DomaCom looked to enter new market segments. Ross will continue to provide commercial and operational expertise in the executive role of Chief Operating Officer.

A smaller Board is consistent with our over-riding commitment to better focus our resources in a concerted effort to drive the business forward.

Management Fees rise, but growth in Campaign Management Fees pauses

DomaCom's Ongoing Management Fee revenue for the three months ended 31 March 2024 was \$346,000, representing a gain of 3% over the \$337,000 reported in the prior quarter, and a 32% increase over the \$262,000 booked in the same quarter last year. There was no Campaign Management Fee revenue for the three months ended 31 March 2024. This was driven by a focus on consolidating processes and controls in preparation for future growth.

The DomaCom platform's end-March 2024 quarter Funds Under Management (FUM) figure of \$225 million represents a 1% increase from the prior quarter. Its year-on-year increase remained strong at 14%.

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 31 March 2024.

During the quarter ended 31 March 2024, the payment of remuneration to executive and non-executive directors and their related parties amounted to \$105,000. Furthermore, a net amount of \$102,000 was paid for reimbursable expenses incurred on behalf of the related-party DomaCom Fund.

DomaCom remained vigilant in monitoring its costs throughout the quarter. Operating payments within the "Cash flows from operating activities" of the Appendix 4C were \$1,011,000 for the quarter ended 31 March 2024, compared to \$1,024,000 for the quarter ended 31 December 2023.

DomaCom looks forward to being able to make further announcements shortly about initiatives to grow the business and firm up the capital position.

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