

ASX Announcement | 31 July 2024
DomaCom Limited (ASX: DCL)

Capital raise initiatives progress; DomaCom Fund PDS temporarily withdrawn for new business

Highlights

- Loan funding provided, capital raise initiatives continue
- DomaCom Fund PDS temporarily withdrawn for new business
- Board reorganisation and appointment of new director

DomaCom Limited (ASX:DCL) (**'DomaCom'** or **'Company'**), is pleased to announce its Appendix 4C cash flow report for the quarter ended 30 June 2024, along with the following financial and operational update.

Loan Funding and capital raise initiatives

On 16 May 2024 DomaCom announced that it had obtained additional unsecured funding of up to \$750,000. At the date of this report \$500,000 has been drawn. The loan has an interest rate of 13% pa and a maturity date of 31 October 2024. The announcement stated that up to 53,571,420 Unlisted Options will be issued to the lenders, subject to subsequent shareholder approval. The announcement set out a mechanism for rolling the loan into an Entitlement Offer. In addition, the lenders are permitted and committed to enter into an underwriting agreement of \$2,000,000 if DomaCom carries out an Entitlement Offer, subject to a number of conditions set out in the announcement.

DomaCom has also entered into a Variation of an existing Secured Convertible Note Deed with Thundering Herd that has allowed a drawdown of \$236,000 at a rate of 15% pa and a maturity date of 18 October 2024.

DomaCom has been considering a number of alternative solutions to strengthen the financial position of the Company. DomaCom will release further information on a proposed outcome imminently once a final position has been agreed. DomaCom remains suspended from the ASX during this period. DomaCom will request the ASX to be requoted once the necessary financial solution has been agreed. There is no certainty that ASX will agree to requotation.

DomaCom Fund PDS temporarily withdrawn for new business

On 29 July 2024 DomaCom announced that the Company has been working with the trustee of the DomaCom Fund to enhance the risk and compliance environment relating to the Fund. In light of the Australian Financial Review article (see ASX Announcement on 8 July 2024) and as a part of its ongoing compliance and risk monitoring, the trustee and responsible entity of the Fund requested that the Product Disclosure Statement (PDS) be temporarily withdrawn for new business. The Trustee has also required that the secondary market for the Fund be temporarily suspended. DomaCom are working hard with the trustee to address the concerns raised.

NDIS Property Portfolio Media Article

On 8 July 2024 DomaCom announced that the Company had been included in an article released in the Australia Financial Review. The article identified a number of sub-funds involved in providing NDIS property that have remained untenanted. DomaCom acknowledged there have been difficulties renting out certain properties partly due to oversupply that has impacted the returns to investors. The DomaCom Fund has a broad range of asset types and notes the tenancy issues identified in certain NDIS sub-funds are not present across other asset types within the portfolio. DomaCom acknowledged that this has affected the returns of investors in those sub-funds and that we are taking all possible actions to address this position and where required will be seeking to sell the underlying properties.

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 resigned from the Board. Executive Director Ross Laidlaw resigned as a Director and 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.

On 24 May 2024 DomaCom announced the appointment of Ross Landles as a non-executive Director. Ross has been an independent member of the DomaCom Investment Committee since 13 June 2023 and has a deep understanding of Company.

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 30 June 2024 was \$308,000, representing a decrease of 11% over the \$346,000 reported in the prior quarter, and a 17% increase over the \$264,000 booked in the same quarter last year. There was no Campaign Management Fee revenue for the three months ended 30 June 2024. This was driven by a focus on consolidating processes and controls in preparation for future growth.

The DomaCom platform's end-June 2024 quarter Funds Under Management (FUM) figure of \$220 million represents a 1% decrease from the prior quarter and a year-on-year increase of 1%.

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 June 2024.

During the quarter ended 30 June 2024, the payment of remuneration to executive and non-executive directors and their related parties amounted to \$157,000. Furthermore, a net amount of \$26,000 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 \$828,000 for the quarter ended 30 June 2024, compared to \$1,011,000 for the quarter ended 31 March 2024. The reduction relates partly to the timing of payments.

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