

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

Capital raise initiatives progress; Board renewal continues

Highlights

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- DomaCom Fund PDS temporarily withdrawn for new business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

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

Loan Funding and capital raise initiatives

DomaCom entered into a loan facility agreement for \$2.5m (**New Loan**) with Bricklet Ltd (**Bricklet**) (see ASX Announcement 16 August 2024). The amounts drawn under the New Loan and an existing loan with Bricklet of \$0.5m (**Existing Loan**) were agreed to be converted into Ordinary Shares of DomaCom at a price of \$0.014 per share subject to compliance with ASX Listing Rules, the Corporations Act and shareholder approval.

DomaCom is also currently considering an opportunity to undertake an Entitlement Offer. Further details will be released once the terms have been agreed. Bricklet has reconfirmed its commitment to underwrite \$2.0 million of the Entitlement Offer, if it proceeds (see ASX Announcement 16 August 2024). The underwriting would be subject to agreement of underwriting terms and would be subject to definitive agreements, any relevant shareholder approvals and not causing the breach of any ASX Listing Rule, ASIC Regulation or requirement of the Corporations Act.

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.

Strategic Alliance with Central Real Capital (CRC)

As an integral part of the company's recapitalisation and the renewal of the business focus and growth, DomaCom recognised the need to align itself with substantial market participants in the financial services sector. Central Real is a business founded by Mr Tony Denny, which has a substantial presence in the private credit, property and financial services sectors, as well as a strong knowledge of private equity investment. The executive team of DomaCom and Central Real identified the multiple synergistic opportunities and are exploring ways to work together to take advantage of these opportunities. As a consequence, DomaCom is in the process of negotiating an agreement with CRC which is currently being documented whereby it is proposed that CRC will cooperate on the creation of a number of new funds and assist in both underwriting and seeking additional underwriters for a proposed Entitlement Offer (see ASX Announcement 16 August 2024).

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 and Management Changes

On 16 August 2024 DomaCom announced a significant reorganisation of the Board. Chairman and non-executive Director Professor John Hewson AM resigned from the Board, and Dr Alberto Basile, Mr Raymond Jourdan and Mr Vinuraj Koliyat were appointed as non-Executive directors. Non-executive Director Mr Ross Landles was appointed as Chairman. In addition, non-executive Director George Paxton resigned as announced on 5 August 2024. Mr Steve James resigned as acting Chief Executive Officer and continues as a non-executive as announced on 23 October 2024 and Mr Philip Chard resigned as Chief Financial Officer as announced on 20 September 2024. Current Executive Director Raymond Jourdan, with the assistance of Chairman Ross Landles, will temporarily carry out the role of acting Chief Executive Officer until a successor is appointed.

The new Board brings a wealth of experience and will drive the business forward as DomaCom looks to firm up its capital position and re-open to new business. Further updates will be provided as the process of appointing a new Chief Executive Officer and new Chief Financial Officer progresses.

Management Fees rise, but growth in Campaign Management Fees pauses

DomaCom's Ongoing Management Fee revenue for the three months ended 30 September 2024 was \$325,000, representing an increase of 6% over the \$308,000 reported in the prior quarter, and a 1% increase over the \$322,000 booked in the same quarter last year. There was no Campaign Management Fee revenue for the three months ended 30 September 2024. This was driven by a focus on consolidating processes and controls in preparation for future growth.

The DomaCom platform's end-September 2024 quarter Funds Under Management (FUM) figure of \$217 million represents a 1% decrease from the prior quarter and a year-on-year decrease of 3%.

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 2024.

During the quarter ended 30 September 2024, the payment of remuneration to executive and non-executive directors and their related parties amounted to \$135,000. Furthermore, a net amount of \$181,000 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 \$856,000 for the quarter ended 30 September 2024, compared to \$828,000 for the quarter ended 30 June 2024 and compared to \$933,000 for the quarter ended 30 September 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