

31 January, 2017

ASX and Media Release

Quarterly Cash Flow Statement for December 2016

Highlights

Major Events in Previous Period

- The Company successfully listed on the Australian Securities Exchange on the 7th of November, 2016. The company raised the amount of \$7.3 million as part of the initial public offer.
- DomaCom announced a distribution agreement with SuperConcepts during the last quarter, whereby the DomaCom product becomes the Property option within SuperConcepts ISaver superfund– this is a major component of our strategy to grow our FUM in 2017/2018.

SuperConcepts ISaver offers a low-cost fund administration service for SMSF's, holding simple assets such as cash, term deposits and domestic shares. DomaCom has agreed to a 12 month mutually exclusive distribution agreement, ISaver will add DomaCom property investments to this list.

- During the last quarter, the DomaCom Fund received an “Approved” investment rating from one of Australia’s most awarded research houses, Lonsec.

Lonsec focuses on providing in-depth investigative research and insights across a broad range of sectors including Property. This rating widens the opportunity for us to increase the number of Financial Planning groups that place DomaCom on their Approved Product List (APL). This Lonsec rating is expected to be a major driver of growth in APL’s over the 2017/2018 years.

- The DomaCom Fund completed its first acquisition of land on behalf of investors during the last quarter. This represented approximately \$3.6 million in value. A proposed Residential Estate will be developed on the site. The next stage of this development which will require further capital raisings, will result in the sub-division of the land and the development of appropriate infrastructure including roads and utilities.

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DomaCom Platform Services Pty Ltd
ACN 606 755 319

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Current Major Initiatives

The major ongoing focus of the company is to increase the Funds Under Management by:

- Working to engage Financial Planning groups who have approved the DomaCom Fund and not yet used our product so that we can increase the number who are doing business using our fund
- Leveraging off the Lonsec research rating and the SuperConcepts deal to enable the company to attract new dealer groups using our fund
- Working through our AFSL amendment process that will enable us to deliver the new products outlined in our 2016 Prospectus including support of Corporate Bonds
- Working with ASIC to amend our ASIC Relief instrument to allow the company to offer an equity release product for the Australian Retiree market
- Working with the ATO to confirm the treatment of the DomaCom Fund within the Superannuation Industry (Supervision) Act 1993 (SIS Act) and what, if any, restrictions may exist on who the tenant can be on properties owned by sub-funds where SMSFs are unit holders

Financial

DomaCom Limited

- The Company had a cash balance of \$5.7 million as at 31 December, 2016, due to a net cash inflow of \$5.3 million for the quarter, primarily arising from the initial public offer of \$7.3 million less the costs of the capital raising of \$981,000. A net cash outflow of \$118,000 and \$369,000 respectively was experienced from operating and investment activities for the quarter.
- The company received an amount of \$1.3 million in government grant (as anticipated) during the last quarter in accordance with its Research and Development claim for the year ended 30 June, 2016. The company expects to continue to receive government grants from its Research and Development activities involved in the development of its Fractional Investment Platform.
- The company completed a restructure of the proposed cost base of the company in line with the revised Supplementary Prospectus's issued prior to our listing in November 2016. The proposed cost base was reduced by \$1.7 million annually from the original plans and included several redundancies. This quarterly cash outflow in the 31 December 2016 quarter included \$141,963 in redundancy costs.

DomaCom Fund

- The DomaCom Fund's assets under management increased from \$15.7 million as at 1 October 2016 to \$22.6 million as 31 December 2016. DomaCom Limited derives fee revenue based on the assets under management in the DomaCom Fund.
- The DomaCom Fund as at 31 December 2016, held \$17.9 million in cash (Retail and Wholesale cash pools) and \$4.7 million across 24 Property sub-funds each representing a single property asset.
- As at 31 January 2017 the DomaCom Fund now holds 33 individual properties, with a further 13 book builds underway representing potentially a further 20 properties available for settlement.
- We have received business from 10 different Financial Planning Groups as at 31 December 2016, compared to 5 Groups at the end of the June quarter. Increasing the number of producing Financial Planning Group's is critical to drive the assets under management in the DomaCom Fund.

About the DomaCom Fund

- The DomaCom Fund is a registered managed investment scheme which is designed to simulate investment in direct property. DomaCom fund allows investors to hold a part or a fractional interest in property rather than owning the whole property. The underlying property is held in a sub-fund of the managed investment scheme.
- The DomaCom Fund enables Self-Managed Super Funds and other retail investors access to investment opportunities in property that otherwise may not be available to them. An investor can select a property listed on the DomaCom platform and initiate a book build for the purchase of that property. Provided that sufficient capital is raised and the property is successfully purchased, each investor who invests in that specific property will be issued units in the sub-fund which acquires and holds the underlying property.

An Appendix 4C accompanies this announcement.

For and on behalf of the Board of DomaCom Limited.

Arthur Naoumidis
CEO

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

DomaCom Limited (ASX Code: DCL)

ABN

69 604 384 885

Quarter ended ("current quarter")

31 December 2016

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	11	24
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(34)	(117)
(c) advertising and marketing	(112)	(394)
(d) leased assets	-	-
(e) staff costs	(802)	(1,417)
(f) administration and corporate costs	(410)	(888)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	26	29
1.5 Interest and other costs of finance paid	(74)	(75)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	1,277	1,277
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(118)	(1,561)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	(4)
(b) businesses (see item 10)	-	-
(c) investments	-	-

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Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
(d) intellectual property	-	-
(e) other non-current assets (payments for capitalised development costs)	(369)	(763)
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	(369)	(767)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	7,261	7,261
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	(920)	(981)
3.5 Proceeds from borrowings	100	700
3.6 Repayment of borrowings	(700)	(700)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	5,741	6,280

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	441	1,746
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(118)	(1,561)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(369)	(767)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	5,741	6,280

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(1)	(4)
4.6	Cash and cash equivalents at end of quarter	5,694	5,694

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	5,694	441
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	5,694	441

6.	Payments to directors of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	(218)
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Payment of remuneration to executive and non-executive directors and their related parties.

7.	Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	-
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

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8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	-
9.2 Product manufacturing and operating costs	72
9.3 Advertising and marketing	103
9.4 Leased assets	-
9.5 Staff costs	483
9.6 Administration and corporate costs	339
9.7 Other (payments for capitalised development costs)	336
9.8 Total estimated cash outflows	1,333

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	-	-
10.2 Place of incorporation or registration	-	-
10.3 Consideration for acquisition or disposal	-	-
10.4 Total net assets	-	-
10.5 Nature of business	-	-

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Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:
(Company secretary)

Date:31 January 2017.....

Print name:Philip Chard.....

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

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