

28 April, 2017

ASX and Media Release

Quarterly Cash Flow Statement for March 2017

Highlights

Major Events in Previous Period

- The DomaCom Fund completed what we believe is a world first, a public crowd funding of a rural property in the Western District of Victoria. Over 90 investors participated in the purchase of 150-hectare property, that has been leased on competitive terms over the next 5 years to a prominent farmer in the district. The DomaCom model allows Rural Farming Community to expand their businesses without tying up capital in the acquisition of the land. DomaCom will look to continue to replicate this model and already has several other opportunities being reviewed.
- DomaCom announced during the period that it had signed an exclusive distribution agreement with Prodigy Network, the leading real estate crowdfunding platform in the United States. Under DomaCom's unique structure, Australian investors and advisors will get the opportunity to invest in prime commercial real estate assets located in Manhattan.
- DomaCom is at advanced stages of amending the underlying PDS for the DomaCom Fund to allow for investors funding internal lending through the fund via property loan book builds. This is expected to accelerate our FUM growth as it enables advisers to provide growth oriented property investments.
- DomaCom successfully amended our Australian Financial Services Licence during the last quarter. The amendment to our Licence allows us to increase our product range as we can now deal in securities that allows us to fractionalise corporate bonds and hold other securities such as the Prodigy opportunity mentioned above. DomaCom is now working on the development of these products and having them available at the beginning of the 3rd quarter.

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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 the dealer groups who have approved the DomaCom Fund and not yet used our product so that we can increase the number of advisers who are doing business with us.
- DomaCom has lodged the product documentation and ASIC Relief modification application with ASIC for our upcoming Equity Release product and we are hopeful of a conclusion of this process during this quarter with the product being released to market during the latter half of the year. DomaCom expects that this product will play a key role in funding the retirement of the baby boomer cohort that is asset rich and cash poor.
- Finalising preparations to commence Federal Court proceedings 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. DomaCom believes that, subject to receiving confirmation from the Federal Court, this will allow related parties to rent properties that the related SMSF has an interest in through a DomaCom sub-fund and this will position the DomaCom fund as an exciting solution to the current housing affordability issue.

Financial

DomaCom Limited

- The Company had a cash balance of \$4.1 million as at 31 March, 2017, a net cash outflow of \$1.5 million occurred for the quarter, \$1.1 million related to operating activity and \$0.4 million was in relation to investment activity. In prior years DomaCom received ATO R&D rebates of \$1.1 million for FY2015 and \$1.3 million for FY2016. We expect to receive an equivalent rebate for FY2017 during the quarter ending 30 September 2017. Applying the same methodology used in prior years we estimate the rebate will be in the order of \$1 million. This is an estimate only and the actual amount received may be more or less. As DomaCom is nearing completion of the legal product development and federal court determination, the cost base is expected to reduce during the September 2017 quarter.

DomaCom Fund

- The DomaCom Fund's assets under management increased from \$22.6 million as at 31 December 2017 to \$22.9 million as 31 March 2017. DomaCom Limited derives fee revenue based on the assets under management in the DomaCom Fund. DomaCom has completed a number of book builds where the initial deposits have been received and the balance is waiting for settlement to occur or where we are waiting for debt to be added – these would add approximately \$4.5 million to FUM. DomaCom has also received commitment from DFS Portfolio solutions for an initial allocation for around \$25 million into the DomaCom Fund over the next 3-6 months.

- The DomaCom Fund as at 31 March 2017, held \$12.4 million in cash (31 December 2016 \$17.9 m) and \$10.5 million (31 December 2016 \$4.7m) across 37 Property sub-funds each representing a single property asset (31 December 2016 24 Property sub-funds).

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 March 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	25	49
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(64)	(181)
(c) advertising and marketing	(159)	(553)
(d) leased assets	-	-
(e) staff costs	(505)	(1,918)
(f) administration and corporate costs	(440)	(1,330)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	16	45
1.5 Interest and other costs of finance paid	(4)	(79)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	1,277
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(1,131)	(2,690)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(28)	(32)
(b) businesses (see item 10)	-	-
(c) investments	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
(d) intellectual property	-	-
(e) other non-current assets (payments for capitalised development costs)	(373)	(1,136)
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	(401)	(1,168)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	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	-	(981)
3.5 Proceeds from borrowings	-	700
3.6 Repayment of borrowings	-	(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	-	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	5,694	1,746
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,131)	(2,690)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(401)	(1,168)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	6,280

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(1)	(7)
4.6	Cash and cash equivalents at end of quarter	4,161	4,161

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	4,161	5,694
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)	4,161	5,694

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 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

Current quarter \$A'000
(164)
-

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

7. Payments to related entities of the entity and their associates

- 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

Current quarter \$A'000
-
-

-

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	95
9.3 Advertising and marketing	116
9.4 Leased assets	-
9.5 Staff costs	506
9.6 Administration and corporate costs	376
9.7 Other (payments for capitalised development costs)	332
9.8 Total estimated cash outflows	1,425

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	-	-

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:28 April 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.