

DomaCom Quarterly Update

July 2017

ASX: DCL



DomaCom

FRACTIONAL PROPERTY INVESTING

INVESTMENT HIGHLIGHTS



- Established track record:
 - Successfully completed 43 property crowdfunding transactions to date
 - 1,240 accounts across 864 investors as at 17th July 2017
- Gaining traction through IFAs:
 - On approved product list of 43 IFA groups: representing over 1,200 advisers and approx. 240,000 clients
 - DomaCom has been rated by Lonsec, SQM & PIR Investment Research companies
- Strong macro drivers underpinning DomaCom's product suite:
 - Housing affordability
 - Affordable housing for retirees
 - Increasing demand for bioenergy infrastructure development
- Scale of the market opportunity:
 - From 2010 – 2015, global property crowdfunding grew from \$20 million to \$2.5 billion (Source: 2015CF The Crowdfunding Industry Report (<http://reports.crowdsourcing.org/>))

CORPORATE SNAPSHOT



Key Statistics:

ASX Code:	DCL (Listed November 2016)
Share Price:	14.5 cents @ July 25 th 2017
Shares on Issue:	111,760,209 (Incl. Escrow)
Market Cap:	\$16.2 Million
Cash at 30 th June:	\$2.7 Million
Net Cash outflow forecast for Q3:	\$0.5 Million (incl. estimate \$1 million ATO rebate)
Est. Net Cash at 30 September:	\$2.2 Million

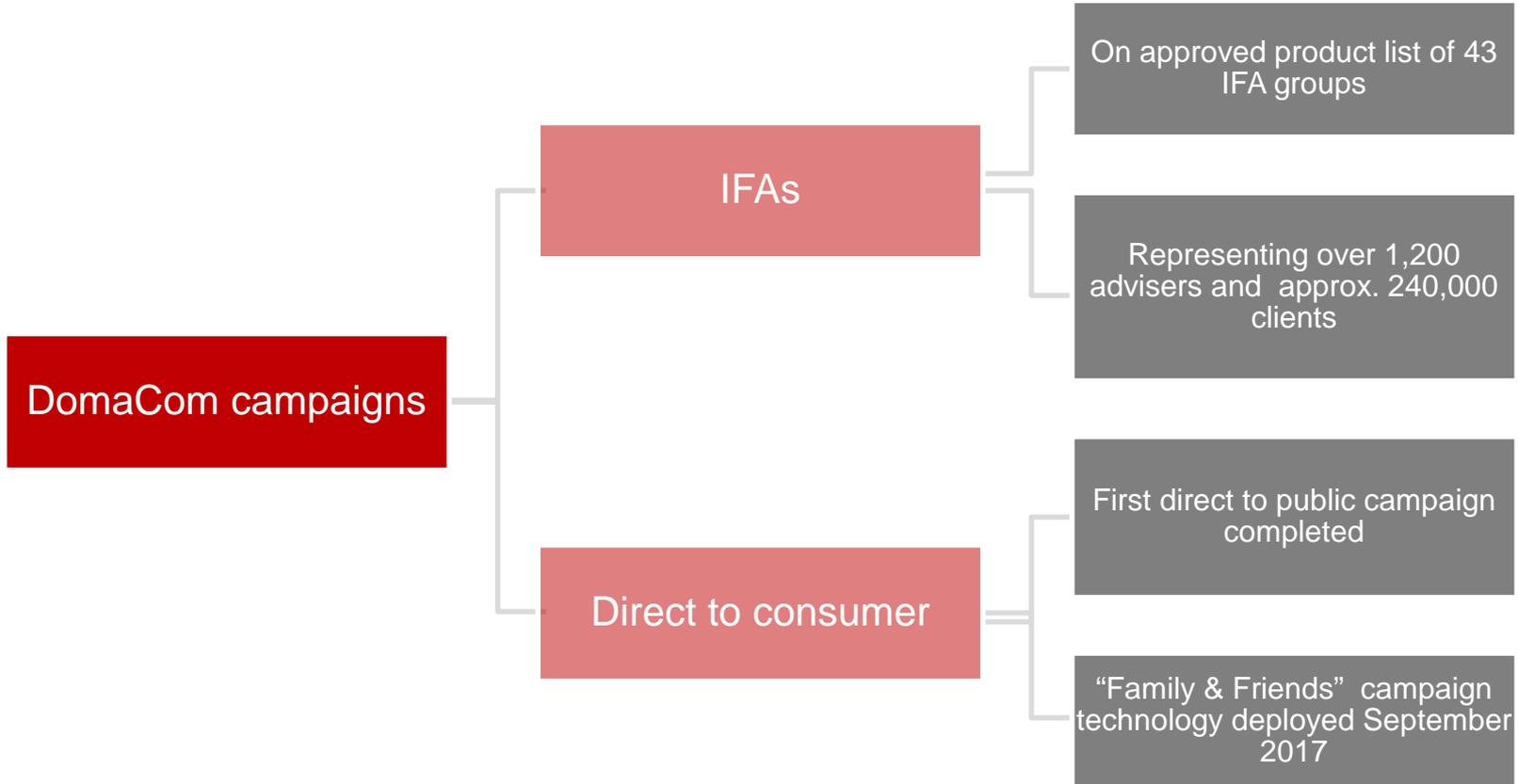
Highly Experienced Board:

Chairman	Grahame Evans
Non-Executive Director	Graeme Billings
Non-Executive Director	David Archbold
Non-Executive Director	Peter Church OAM
CEO	Arthur Naoumidis
COO	Ross Laidlaw
CFO	Philip Chard

OFFERING DIVERSE PROPERTY SECTOR ACCESS

PROPERTY			
Residential Apartments Houses Vic, NSW, QLD, etc.	Commercial Melbourne Sydney Supermarkets Office	Industrial Melbourne Sydney Factories Warehouses	Rural Beef/Sheep Cropping Dairy Vic, NSW, QLD, etc.
DOMACOM PLATFORM			

ROUTES TO MARKET



THE OPPORTUNITY

Key milestones achieved

Near term focus

Future potential opportunities

43 deals done

**\$22m funds
under
management**

**\$53m active
campaigns**

**\$139m early
stage
campaigns**

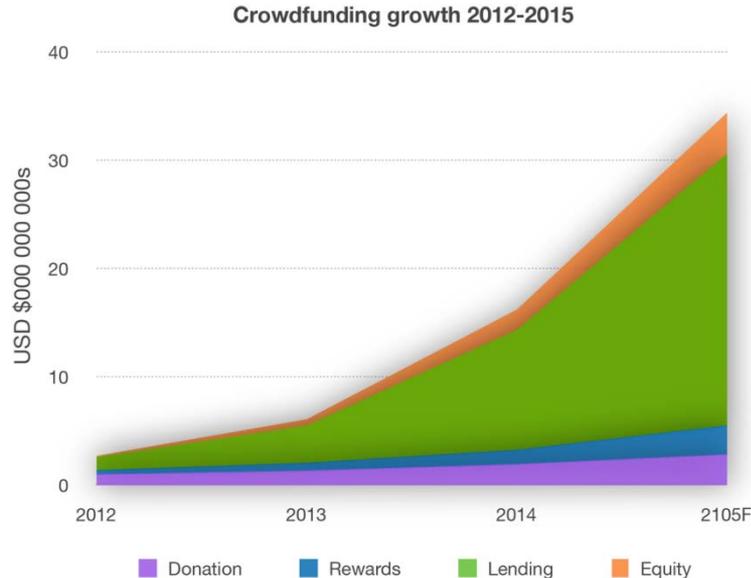
**Potential for
\$700m
Biohub
projects
over 5 years**

- \$16 million in adviser campaigns
- \$25 million DFS investment waiting debt
- \$12 million in public campaigns

- \$90 million Melbourne subdivision
- \$21 Million in next 4 bioHub projects
- \$13 Million in next Akuna project
- \$15 million in smaller projects

THE GROWTH OF INVESTMENT CROWDFUNDING

- In the US, significant uplift has been seen across all types of crowdfunding, and investment crowdfunding in particular
- Significant opportunity as the market matures in Australia – DomaCom is one of the first movers



Source: 2015CF The Crowdfunding Industry Report (massolution.com)

KEY DRIVERS: COMMERCIAL INFRASTRUCTURE



- Commercial infrastructure is appealing
 - Attractive returns – 15-20% in development uplift & 8% ongoing rent
 - In a challenging environment for other sectors:
 - Low returns for fixed interest rate products
 - Volatile listed equities markets
 - Constant negative market commentary on Australian Residential markets
 - Attractive underlying investment themes:
 - Affordable housing for retirees
 - Bioenergy infrastructure development
 - Regional social infrastructure
- Provides pathway for more advisers & investors to use DomaCom
 - An easy discussion for advisers to have with investors
 - Can then use DomaCom for other projects

UPCOMING PUBLIC CAMPAIGNS



- Affordable housing
 - Capitalising on appeal of Akuna Cobram Lifestyle Community, further similar projects in pipeline
- Commercial Infrastructure
 - Solar Farms - towns disconnecting from mains – mostly locally crowd funded
 - Biofuel Energy Infrastructure – 20% development upside and 8% ongoing rent
 - Regional Entertainment Infrastructure – locally crowd funded movie/brasserie developments
- Badgery's Creek Land Bank project
 - Crowdfund a 10 year land banking project
 - Initial size expected to be approx. \$5 million

KEY DRIVERS: HOUSING AFFORDABILITY



- DomaCom platform provides compelling part solution to housing affordability crisis
 - Affordable housing for retirees
 - Gen X/Y housing solution
- Enabling Gen X/Y to get on the property ladder now:
 - Invest savings in the property market now without waiting for a full deposit
- Facilitates ‘rent-to-own’:
 - Rent property – acquire units over time to increase ownership
 - Renters have security of tenure
- Enabling “Family & Friends” campaigns:
 - Co-invest with “family & friends”
 - Retain control if you collectively own 25%+



CURRENT CAMPAIGNS: AKUNA LIFESTYLE ESTATE

- Launched in July 2017: \$6.1 million campaign, \$1.7 million already committed
- Lifestyle development in Cobram, regional Victoria
- 148 houses plus a club house and sports centre; 3-4 year project
- High quality manufactured homes with the land to be leasehold
- Ongoing annual rental income of \$800,000
- Investors will receive 70% of gross profits – target return of 15%+ p.a., ongoing gross rent of approx. 8%
- No debt



CURRENT CAMPAIGNS: CASINO BIOHUB PLANT

- Crowdfunding campaign underway
 - \$4.3 million being raised
 - No debt
 - Flow on potential of other projects using this model
- Attractive return targets
 - Development return is targeted to be 20% over 12-18 months
 - Ongoing lease is expected to be around 8% p.a. on uplifted value after running costs
- Socially responsible investment – attracts a new group of potential investors to DomaCom
 - Creating energy from waste
 - Providing energy price solution to regional businesses
 - Creates local jobs in regional Australia



SENIOR EQUITY RELEASE PRODUCT



- A mechanism for elderly Australians to realise part of the value of their home to help fund their retirement
- DomaCom will be targeting “Baby Boomers” with this Senior Equity Release product
- Allows IFAs to include property in multi-generational wealth planning
- Targeting Q4 2017 (subject to ASIC approvals)
- Help solve funding issue for retirees
- The size of the senior Australian population is set to increase by more than 50% in the next decade (source: Deloitte)
- The potential pool of home equity funds that Australian could access in their retirement is estimated to be in excess of \$500 billion (source: Deloitte)

SMSF ACCESS TO PROPERTY



- Spearheading a legal challenge which if successful will open up vast new property investment opportunities for SMFs
- DomaCom is actively progressing Federal Court/AAT Action for a ruling for SMSF impact
- Seeking confirmation that the legislation allows SMSFs to invest in a DomaCom sub-fund that owns a residential property that is rented by a related party (i.e. family member)
 - Seeking court confirmation that DomaCom Fund is one widely held trust & does not breach sole purpose test
 - Targeting Superannuation Industry (Supervision) Act 1993 (SIS Act) exemption for widely held trusts
- Case management hearing on 8th August expected to set actual hearing date
- The ruling, if successful, would open the entire SMSF industry to property in a way that has not been possible before

KEY UPCOMING MILESTONES FOR DOMACOM



- **SMSF Ruling:** Case management hearing on 8 August 2017 to set actual hearing date
- **“Family & Friends”** campaign technology being developed – September 2017
- **Senior Equity Release** product targeted for Q4 2017 (subject to ASIC approvals)
- **Debt for residential investments:** Expected to be implemented by October 2017
 - This will be particularly attractive to IFAs
 - We expect transaction volumes to significantly accelerate once we have debt
- **Multiple projects in pipeline across residential, commercial, rural and industrial sectors.**

HIGHLY EXPERIENCED BOARD



Chairman
Grahame Evans
30+ years financial services
Extensive board experience



Non-Executive Director
Graeme Billings
34 years PWC audit



Non-Executive Director
David Archbold
45 years property veteran



Non-Executive Director
Peter Church OAM
Extensive legal experience



Chief Executive Officer
Arthur Naoumidis
22+ years financial services
Ex-CEO of Praemium (ASX:PPS)
13 years senior IT



Chief Operating Officer
Ross Laidlaw
25+ years financial services
Ex-CEO of Skandia Australia



Chief Financial Officer
Philip Chard
20+ financial services

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