

**DomaCom Quarterly Update**

**31 October 2017**

**ASX: DCL**



**DomaCom**

FRACTIONAL PROPERTY INVESTING

# INVESTMENT HIGHLIGHTS



- Established track record:
  - Successfully completed 47 property crowdfunding transactions to date – leading property crowdfunding platform by number of transactions
  - 1,364 accounts across 808 investors as at 30<sup>th</sup> October 2017
  - On approved product list of 44 IFA groups: representing over 1,200 advisers and approx. 240,000 clients
- Solution to accelerate transaction growth imminent – facilitate growth in FUM
  - Change of trustee will support leveraged property acquisition
  - Senior Equity Release ASIC permissions approved
  - Direct to consumer “Friends & Family” technology deployment due early December 2017
- Strong macro drivers underpinning DomaCom’s product suite:
  - Housing affordability
  - Low interest rates driving hunt for yield
- 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:

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ASX Code:	DCL (Listed November 2016)
Share Price:	10.5 cents @ October 30 <sup>th</sup> 2017
Shares on Issue:	112,067,784 (Incl. Escrow)
Market Cap:	\$11.8 Million
Cash at 30 <sup>th</sup> September:	\$2.0 Million
Net Cash outflow forecast for Q4:	\$1.3 Million
Est. Net Cash at 31 December:	\$0.7 Million (Expect a December update on cash strategy)
FUM as at 30 October	\$24.8 Million ( + \$8 million funding in progress)

## Highly Experienced Board:

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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/Co Secretary	Philip Chard

# KEY UPCOMING MILESTONES FOR DOMACOM

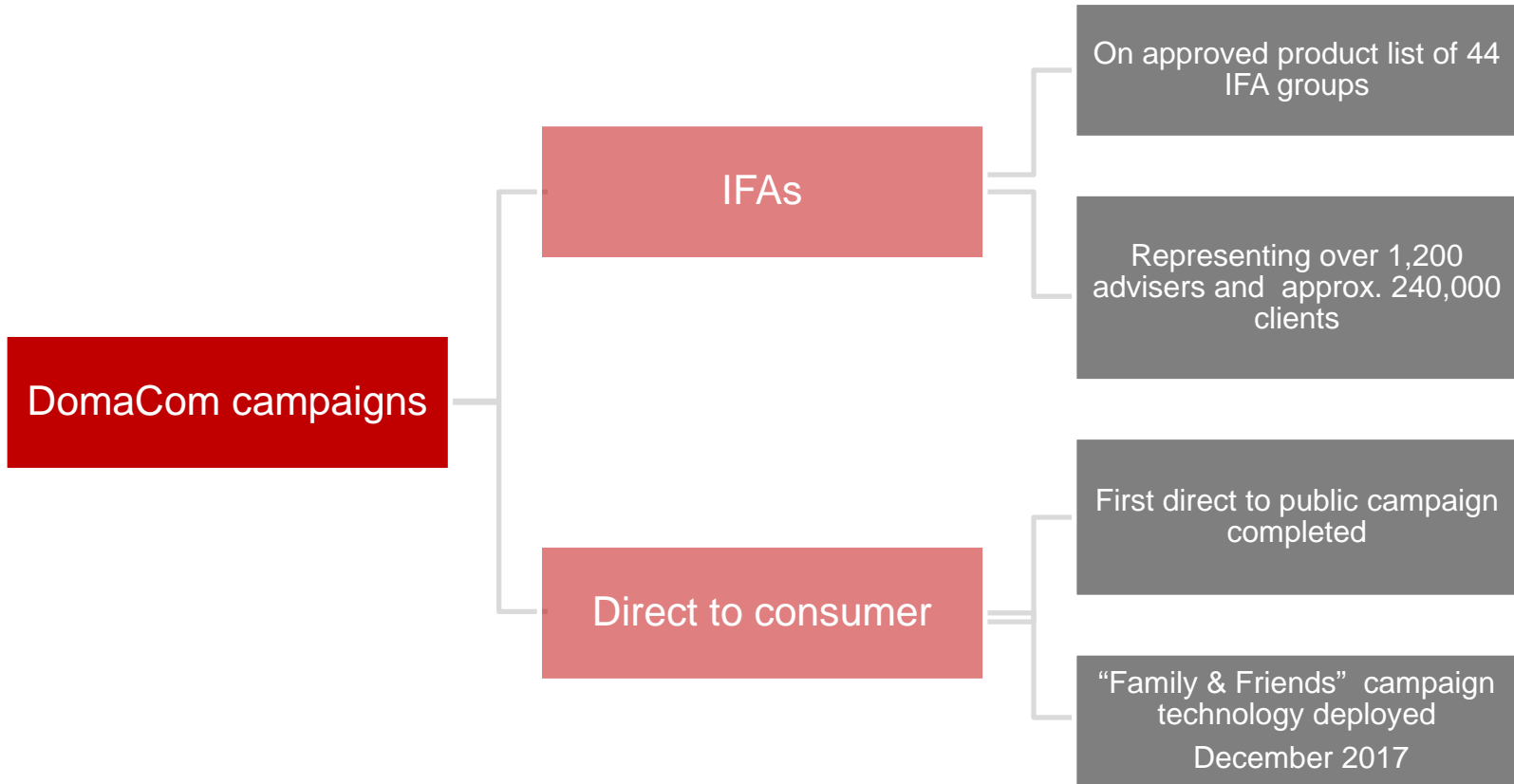


- **SMSF Ruling:** Federal Court hearing set for 27-28<sup>th</sup> November 2017
- **“Family & Friends”** campaign technology nearing completion – targeting December 2017
- **Senior Equity Release** ASIC “in principle” approval received & product targeted for release in Q1 2018
- **Debt for residential investments:** Expected to be implemented by December 2017
  - Process underway to appoint new Trustee
  - This will be particularly attractive to IFAs
  - We expect transaction volumes to significantly accelerate once we have debt
- **Affordable Housing MIT amendments:** Treasury has deferred the proposed MIT legislation restricting residential property investments to address DomaCom’s submission.

# OFFERING DIVERSE PROPERTY SECTOR ACCESS

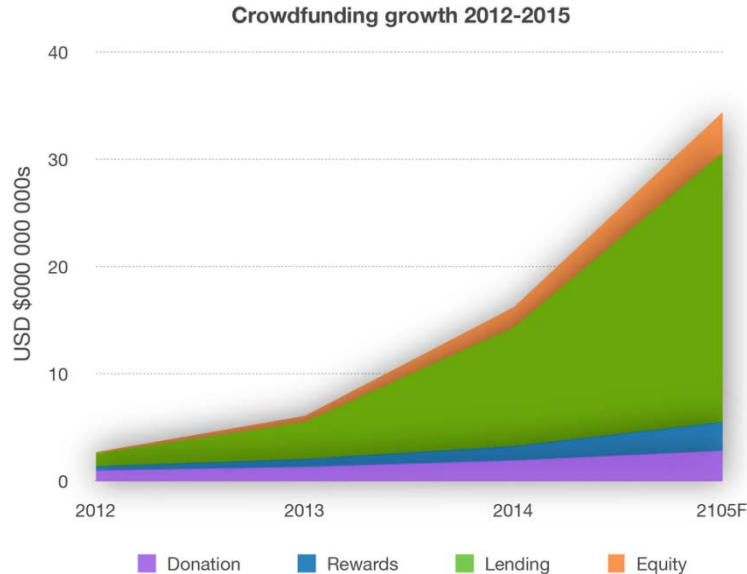
PROPERTY			
<b>Residential</b>  Apartments Houses Vic, NSW, QLD, etc.	<b>Commercial</b>  Melbourne Sydney Supermarkets Office	<b>Industrial</b>  Melbourne Sydney Factories Warehouses	<b>Rural</b>  Beef/Sheep Cropping Dairy Vic, NSW, QLD, etc.
DOMACOM PLATFORM			

# ROUTES TO MARKET



# 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)

# CURRENT 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. \$8 million
  - Cash already being received



# KEY DRIVERS: COMMERCIAL INFRASTRUCTURE



- Commercial infrastructure is appealing
  - Attractive returns – 15-20% in development uplift & targeted 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

# KEY DRIVERS: HOUSING AFFORDABILITY

- DomaCom platform provides compelling 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: 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
- ASIC “In principle” approval received 8 September 2017 – Targeting Q1 2018 release
- DomaCom will be targeting “Baby Boomers” with this Senior Equity Release product
- Allows IFAs to include property in multi-generational wealth planning
- 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
- Federal Court/AAT Hearing to be held **27-28<sup>th</sup> November 2017**
- The ruling, if successful, would open the entire SMSF industry to property in a way that has not been possible before

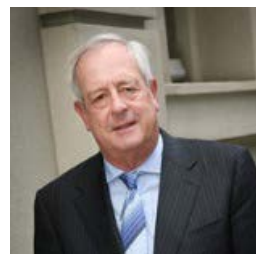
# HIGHLY EXPERIENCED BOARD



**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 ICAEW  
20+ financial services

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