

DomaCom Quarterly Update

31 January 2018

ASX: DCL



DomaCom

FRACTIONAL PROPERTY INVESTING

INVESTMENT HIGHLIGHTS

- **Established track record**
 - Successfully completed 48 property crowdfunding transactions to date – leading property crowdfunding platform by number of transactions
 - 1,692 platform accounts of which 905 are active investors as at 30th January 2018
 - On approved product list of 44 IFA groups: representing over 1,200 advisers
- **Solution to accelerate transaction growth in place – facilitate growth in FUM**
 - Change of trustee completed December 2017
 - New Multi-Asset option PDS being finalised with first mortgage transaction identified
 - Senior Equity Release being finalised
 - Direct to consumer “Friends & Family” technology deployed mid-December 2017
 - Integration of **Domain** listings completed
- **Strong macro drivers underpinning DomaCom’s product suite**
 - Housing affordability
 - Low interest rates driving hunt for yield



CORPORATE SNAPSHOT

Key Statistics:

ASX Code:	DCL (Listed November 2016)
Share Price:	12 cents @ January 30 th 2018
Shares on Issue:	114,067,784 (Incl. Escrow)
Market Cap:	\$13.7 Million
FUM as at 30 January	\$27 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/Co Secretary	Philip Chard

CAPITAL & COST SUMMARY

Capital Raised since 30th September **\$1.65 Million**

2 Year Lind Convertible Security \$1 Million

3 Year Convertible \$650K

Cash Flow Forecast Summary:

Cash at 31st December: \$0.95 Million

Net Cash Outflow forecast for Q1: - \$1.20 Million (includes redundancies & legal expenses)

Net 2018 Q1 Proceeds of Convertible Notes + \$1.25 Million (\$400K received in December 2017)

Plus Factoring of ATO Rebate + \$0.70 Million (Expected March 2018)

Est. Net Cash at 31 March: \$1.70 Million

Cost Reductions **\$1.9 Million annually**

Staff Redundancies \$1.1 Million (Includes reduced director fees)

Other Savings \$0.8 Million

KEY UPCOMING MILESTONES FOR DOMACOM

- **Debt for residential investments**
 - New Trustee appointment complete after 7 months
 - New Trustee allows fund to borrow on normal commercial terms
 - The lack of Debt within sub-funds was major road block
 - Debt needed to make investments tax efficient
 - Most Advisers view their “best interest test” as requiring debt
 - DomaCom in discussion with several lenders to provide loans for the platform
 - Advisers and investors will be able to have debt with the click of a button & no paperwork
 - SMSF’s will not require a LRBA – simplicity & cost savings
 - New PDS allowing crowdfunding of mortgage backed loan launch is imminent
 - Advisers can syndicate investors to fund mortgage & receive an attractive risk/return
 - We expect transaction volumes to significantly accelerate once we have debt
 - Adviser Roadshow to be conducted February & March

KEY UPCOMING MILESTONES FOR DOMACOM

- **“Family & Friends” Platform Implemented**
 - Allows investors to syndicate amongst themselves
 - Syndication is no longer the reserve of the wealthy
 - People can now use the platform without needing to invest first
 - Allows “What If” syndication with a pathway to invest
 - **Domain** Listings integrated into the platform
- **Senior Equity Release**
 - ASIC Relief Instrument & PDS’s being finalised
 - will allow advisers to include product in Statement of Advice
 - Expected launch is 2018 Q2
 - Strong fit with inter-generational financial planning

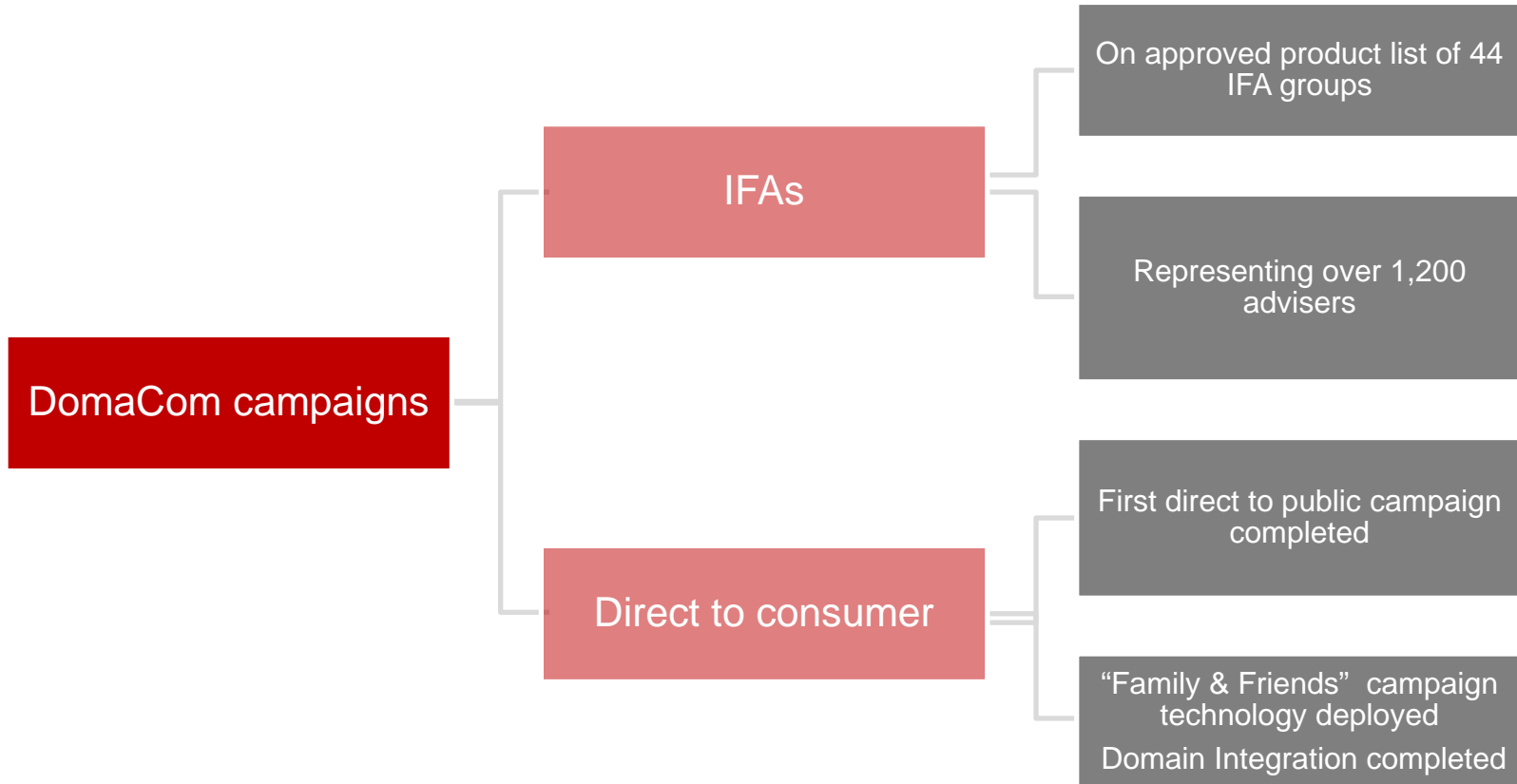
KEY UPCOMING MILESTONES FOR DOMACOM

- **Treasury Draft MIT amendments**
 - Treasury has deferred the proposed MIT legislation restricting residential property investments
 - Update from Treasury expected in February 2018
 - If MIT Residential Property Ban remains then DomaCom will elect to not to be an MIT and instead use alternative tax elections
 - DomaCom will continue to purchase residential properties in any event
- **SMSF Ruling:**
 - Federal Court ruling in December 2017 was unfavourable to DomaCom
 - DomaCom believes there are strong grounds for an appeal which was lodged 25th January 2018
 - DomaCom views upside potential of a success justifies downside cost risk

OFFERING DIVERSE PROPERTY SECTOR ACCESS

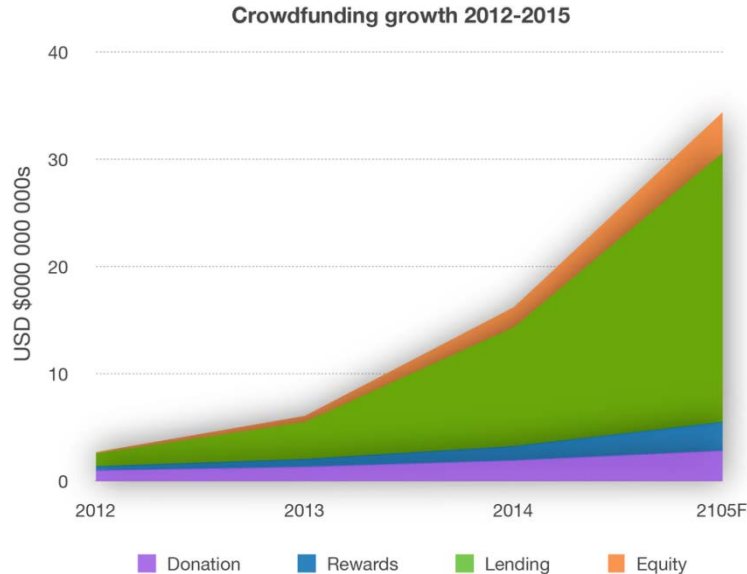
PROPERTY			
Residential Apartments Houses Vic, NSW, QLD, etc.	Commercial Melbourne Sydney Supermarkets Office	Industrial Melbourne Sydney Factories Warehouses	Rural Beef/Sheep Cropping Dairy Vic, NSW, QLD, etc.
DOMACOM PLATFORM			

ROUTES TO MARKET



THE 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 – funding nearing completion

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

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



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 of liquidation if you collectively own 25%+



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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