

**DomaCom Limited**  
**AGM**  
**Chairman's Address**  
**17<sup>th</sup> October 2018**  
**ASX: DCL**



**DomaCom**  
FRACTIONAL PROPERTY INVESTING

# Chairman's Address

## Opening Remarks

- Welcome to shareholders new & old.
- 2017-18 has been a challenging year
  - Substantial reduction in operating costs – loss of jobs, reductions in salaries, director fees
  - Hard fought legal battle - sole purpose test
  - Managing and accessing capital
  - Long slow conclusion to equity release
- Thank you to management, staff and my fellow directors for their tireless efforts continuing the fight to realise this special innovation.



# Chairman's Address

## Our strategic direction has not wavered

- **Community Interest** - Aligns with govt policy and community needs
- **Baby boomers** - Early release of equity for the ageing population.
- **Millennials, Gen Y** - Structures to get young people into housing.
- **Socially responsible** - Assisting with social and environmental investing (eg solar).
- **Diversification** - reducing risk by providing diversification in residential property



## Chairman's Address

### Persistence is omnipotent in the year ahead

- Absolutely committed to delivering to shareholders.
- Equity release – we are “all but.”
- Sole purpose test – a tick .
- Continual evolve our technology.
- Looking for opportunities to grow and diversify our funds under management.
- Persistence to deliver on this potential.



“Talent will not; nothing is more common than unsuccessful men with talent. Genius will not; unrewarded genius is almost a proverb. Education will not; the world is full of educated derelicts. **Persistence** and determination **alone** are **omnipotent**.”

Calvin Coolidge

## Chairman's Address

### Thank you

- Shareholders
- Management & Staff
- Board
- Arthur & Ross

*Thank  
you*



**DomaCom AGM CEO Update**

**17 October 2018**

**ASX: DCL**



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# CORPORATE SNAPSHOT



## Key Statistics:

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ASX Code:	DCL (Listed November 2016)
Share Price:	7.1 cents @ October 15 <sup>th</sup> 2018
Shares on Issue:	130,803,443 (Incl. Escrow)
Market Cap:	\$9.3 Million
Cash & FUM:	Update at end of October

## 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

# 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



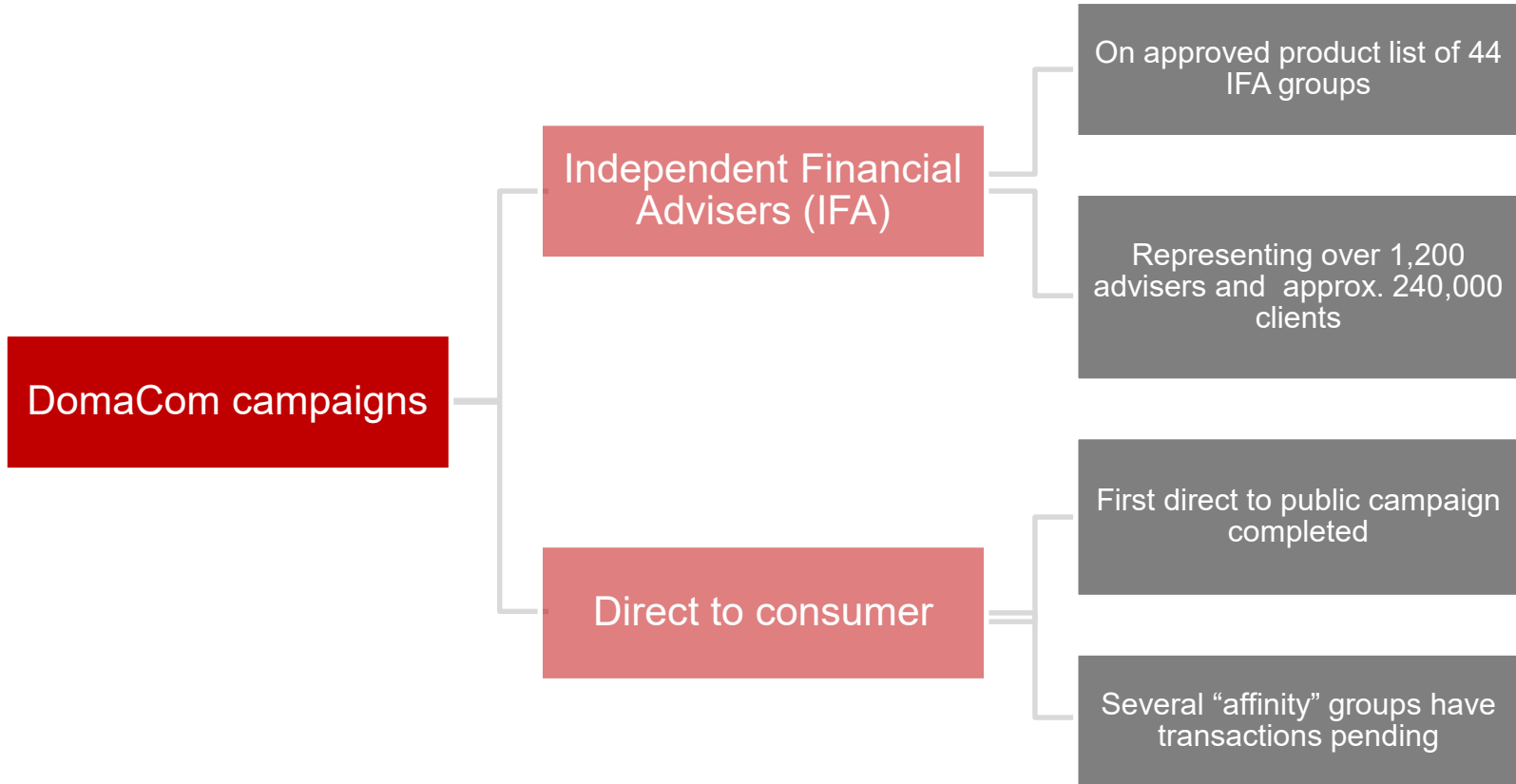
**Chief Financial Officer &  
Company Secretary**  
Philip Chard  
20+ financial services



# 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



# HEAD WINDS & TAIL WINDS

- 2018 has been a difficult year for residential property with Australian Prudential Regulatory Authority (APRA) & Royal Commission impacts
- Reduced Bank Lending Appetite
  - Self Managed Super Fund's (SMSF) find it very difficult to borrow – Limited Recourse Borrowing Agreement's (LRBA's) effectively dead
  - Bank serviceability requirements significantly tightened
  - Banks not lending to DomaCom either - yet
  - DomaCom has multiple offshore lenders looking to use us to enter into non-National Consumer Credit Protection (NCCP) lending in Australia
  - This is negative in the short term but will be positive in the long term for DomaCom once additional residential lines of credit are in place for platform users
- Housing Downturn
  - Short term reduction in residential investments as investors abstain due to uncertainty
  - Yields will improve as prices drop which will drive investors back into residential property in the future
  - DomaCom now primarily transacting in non-residential

# RECENT MILESTONES FOR DOMACOM



- **SMSF Ruling:** Full Federal Court win handed down 10 August 2018 – ATO **not** appealing to High Court
- **Domain Integration:** All Australian Domain property listings have been integrated into our new platform which was launched at beginning of 2018
- **Senior Equity Release:** Australian Securities & Investments Commission (ASIC) Relief Instrument in final stages – approval expected any day
- **Debt for property investments:** Now available and have an external lender available. All transactions in pipeline now have debt.
- **Affordable Housing Managed Investment Trusts (MIT) amendments:** Treasury removed proposed banning of MIT investments into residential property

# SMSF ACCESS TO PROPERTY



- DomaCom successful in Full Federal Court appeal in Sole Purpose Test
  - Having a relative renting a property does not breach the SMSF Sole Purpose test in the arms length circumstances enforced by DomaCom
- DomaCom unsuccessful in Related Trust/Inhouse assets test – affects > 50% ownership
- SMSF investors and associates can **now** invest into DomaCom sub-fund and have a related party live in it as long as they do not own more that 50% of the sub-fund
- DomaCom is reviewing its disclosure documents to address the issues identified in relation to the inhouse assets test → will allow for a 51-100% investment if successful
- This is a major initiative in housing affordability by allowing people to use their own super to help them onto the property ladder

# SENIOR EQUITY RELEASE PRODUCT



- A mechanism for elderly Australians to realise part of the value of their home to help fund their retirement
- ASIC Relief Instrument Imminent – Now Targeting Q1 2019 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)

# CURRENT CAMPAIGNS

- **Badgery's Creek Land Bank project**
  - Crowdfund a 10 year land banking project
  - Two projects totalling \$12 million completed – another \$6 million project being finalised
  - Another \$40 million over the next 1-2 years
- **General Campaigns**
  - Approx. \$100 Million in campaigns currently at various stages
  - 2 Blockchain companies looking to use DomaCom
  - Multiple developer led campaigns in progress – one this week in Adelaide
  - Pooled mortgage sub-fund has first investment going through due diligence
- **Commercial Infrastructure**
  - Solar Farms – two projects close to fruition
  - Biofuel Energy Infrastructure – 20% development upside and 8% ongoing rent
  - Wind farms – first project close to commencement

# LOOKING FORWARD



- **Jigsaw coming together in 2018**
  - Cost reduction programme implemented
  - MIT issue resolved
  - Key SMSF Federal Court win
  - New Platform is live
  - Domain & IRESS Integration implemented
  - Internal Debt now available
  - First mortgage syndications completed – other Non-property campaigns now in progress
  - Non-bank lenders seeking entry into Australian mortgage backed lending
- **Final piece of jigsaw is capital for DomaCom**
  - Advisers & Investors worried about business continuity → not using the platform
  - Seeking shareholder approval to issue up to an additional 25% in equity
  - Will provide runway for adviser and investor confidence



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