

ASX (DCL) / Media Release

For Immediate Release

16th September 2019

DomaCom secures HALO Technologies as cornerstone investor

DomaCom Limited (ASX: DCL) (DomaCom) is pleased to announce that HALO Investment Co Pty Limited, a subsidiary of HALO Technologies Pty Ltd (together **HALO**) is the institutional investor that was announced on 6th September 2019 as subscribing to a placement for \$500K and has subscribed to a further \$700K of shares at 7.42 cents to take their investment to \$1.2 million. This placement (**Placement 1**) exhausts the 10% additional placement capacity available to DomaCom under ASX Listing Rule 7.1A and has resulted in the issue of 16,172,507 shares to HALO. Settlement and issue of the new shares took place on 13th September 2019.

In addition, DomaCom has also reached in-principle agreement with HALO for a proposed capital-raising as follows:

- A proposed further placement to HALO for further shares to a maximum of \$1.8 Million (**Placement 2**) by 30 September 2019 at 7.42 cents per share resulting in the issue of 24,267,493 new shares (which will exhaust our 15% Placement capacity under ASX Listing Rule 7.1). The total number of shares to be issued through Placement 1 and Placement 2 under ASX Listing Rules 7.1 and 7.1A will be 40,440,000 shares.
- a proposed fully-underwritten Non-Renounceable Rights Issue to raise a further \$3 million in November 2019 at an issue price of 7 cents. The rights issue is proposed to be fully underwritten by Ascot Securities Pty Ltd (**Ascot**).

The above proposed capital-raising are subject to execution of binding agreements with HALO and Ascot, which is expected to occur on or around Monday 30 September 2019.

The Company provides the following information for Placement 1 as required under Listing Rule 3.10.5A in respect of the shares issued under the Company's 10% placement capacity under Listing Rule 7.1A:

(a) the dilutive effect of Placement 1 on existing shareholders is as follows:

- The dilution to existing shareholders as a result of the issue under Listing Rule 7.1A is 10%.
- The percentage of pre-placement security holders who did not participate in the offer is 100%.
- The percentage of pre-placement security holders who participated in the offer is 0%.
- The percentage of participants in the placement not previously security holders is 100%.

(b) The issue of shares was made as a placement to an institutional investor as it was considered a more efficient mechanism of raising capital in a timely manner;

(c) There were no underwriting arrangements; and

(d) Fees of \$60,000 will be paid to Ascot Securities.

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The total amount to be raised by DomaCom during this recapitalisation process is expected to be approximately \$6 million and will be used to fund DomaCom's continued growth including investment in its platform, growing sales in the accumulation and retirement markets via its innovative products and general working capital requirements.

DomaCom CEO, Arthur Naoumidis said, "Following completion of these proposed capital-raising, we will be able to focus on building revenue by growing our funds under management. This has occurred at a pivotal time for our business as all our key products are now operational after 7 years of development."

"In addition to helping address our balance sheet, DomaCom has also secured a well-known financial services B2C channel for its fractional property product using the DomaCom Platform and this includes appointing HALO Technologies as Prime Broker exclusively for our secondary market."

HALO Technologies' CEO, Matthew Roberts said "We are very excited to be able to partner with this very innovative business and to be able to use our extensive investor distribution and tech capability to accelerate DomaCom's growth and achieve a mutually beneficial outcome".

"With over \$2bn in Funds Under Advice in client portfolios uploaded on to the HALO platform and ownership of the MacroVue platform, through our many synergies, we believe that we are well positioned to drive the B2C and B2B distribution of both DomaCom's secondary market and property syndications."

On completion of the capital-raising transactions, DomaCom proposes to appoint HALO's CEO Matthew Roberts and George Paxton to the board of DomaCom Limited as non-executive directors.

Overview of the Proposed Rights Issue

Under the proposed Non-Renounceable Rights Issue, eligible shareholders will be entitled to apply for 1 New Share for every 4.72 fully paid Ordinary Share held at 5pm (AEDT) on 22nd October 2019 ("Record Date").

The issue price of \$0.07 represents a discount of 20.6% to the 15-day volume weighted average price of DomaCom's shares prior to the date of this announcement.

All New Shares will rank equally with existing Ordinary Shares from the date of issue.

All New Shares not taken up by eligible shareholders will be shortfall shares and may be applied for by other eligible shareholders under a shortfall facility in addition to their entitlement of New Shares. The directors reserve the right to issue (or not issue) the Shortfall Shares to anyone or more eligible shareholders or third parties at their discretion (subject to the Listing Rules and Corporations Act).

Indicative Timetable

The following are indicative dates in respect of the capital raisings:

| Event | Date |
|---|---------------------------|
| Execute underwriting agreement, announce Offer, deliver Appendix 3B to ASX | Tuesday 1 October 2019 |
| Shares issued under Placement 2 | Monday 30 September 2019 |
| 'Ex' date (date from which securities commence trading without the entitlement to participate in the Offer) | Monday 21 October 2019 |
| Record Date for determining entitlements | Tuesday 22 October 2019 |
| Offer documents and personalised Entitlement and Acceptance Form sent to Eligible Shareholders | Thursday 24 October 2019 |
| Closing date of entitlement issue (5.00pm AEDT) | Monday 11 November 2019 |
| New shares quoted on deferred settlement basis | Tuesday 12 November 2019 |
| Notify ASX of undersubscriptions (ie Shortfall Shares) | Thursday 14 November 2019 |
| Issue date | Friday 15 November 2019 |

The above dates are indicative only and are subject to change. There is no assurance that the proposed capital raisings will proceed in accordance with the above timetable or at all. The Company will keep shareholders advised of progress towards execution of binding agreements with HALO and Ascot.

Offer Documents

Further details about the proposed Rights Issue, including how eligible shareholders may apply for their entitlement and apply for additional new shares under the shortfall facility, will be set out in an offer document to be sent to eligible shareholders on or about the date referred to in the indicative timetable above.

The rights issue will be open to all eligible shareholders who have a registered address within Australia or New Zealand, and who hold shares on the Record Date. The rights issue will close on 11th November 2019 (unless extended).

About DomaCom:

DomaCom Australia Limited AFSL 444365 is the owner and operator of the DomaCom investment platform (www.domacom.com). The platform seeks to provide the SMSF market and other long-term investors the opportunity to make fractional investments in a range of asset classes including property related investments, mortgage backed securities and debt securities they choose via a unique trust structure. Investments in DomaCom platform are facilitated in the DomaCom Fund ARSN 167 020 626 (Fund), a licensed managed Investment scheme registered with ASIC. The trustee and responsible entity of the Fund is Melbourne Securities Corporation Ltd AFSL 428289, a part of MSC Group.

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