

ASX Announcement

8th November 2019

DomaCom completes \$6 million Recapitalisation

Highlights

- Fully underwritten pro-rata non-renounceable entitlement offer to raise approximately \$3 million.
- Approximately 42.8 million shares to be issued at an issue price of \$0.07 per New Share.
- Equity raising will enable DomaCom to invest further in the DomaCom Platform and support growth in sales in target markets.

DomaCom Limited (ASX: DCL) (**DomaCom**) is pleased to announce the launch of the \$3 million equity raising which completes the total \$6 million recapitalisation of the company proposed in the announcement made on 16 September 2019.

Summary of the Offer

DomaCom will be conducting a pro-rata non-renounceable entitlement offer of 1 new fully paid ordinary share (**New Shares**) in DomaCom for every 4.72 existing shares held at 5.00pm (AEDT) on Friday, 15 November 2019 (**Record Date**) at an issue price of \$0.07 per New Share (**Issue Price**) to raise approximately \$3 million (before costs) (**Entitlement Offer** or the **Equity Raising**). The Equity Raising is fully underwritten by Ascot Securities Pty Ltd (**Underwriter**).

Approximately 42.8 million New Shares are anticipated to be issued under the Entitlement Offer. Each New Share issued under the Entitlement Offer will, from its issue date, rank equally with existing DomaCom shares on issue. Upon completion of the Entitlement Offer, DomaCom will have approximately 245.1 million Shares on issue.

Based on DomaCom's closing share price as at 7th November 2019, the Issue Price for the Equity Raising represents a 33.9% discount to the 5-day volume weighted average market price of DomaCom shares.

Use of Funds

Following the Equity Raising, DomaCom will be well placed to continue the development and integration of the DomaCom Platform and support the growth in sales in both the superannuation and retirement markets via its innovative products. The proceeds from the Equity Raising are intended to be used to fund:

Description	\$
Investment in DomaCom Platform	Up to 700,000
Sales and marketing of product offerings into targeted markets	Up to 940,000
Working capital ¹	Up to 940,000
Estimated underwriting costs and other costs of the Entitlement Offer ²	420,000
Total	3,000,000

1: Working capital includes costs associated with staffing, office, corporate, service providers and administration.

DomaCom Limited
ACN 604 384 885

DomaCom Australia Limited
ACN 153 951 770 and AFSL 444365
Level 6, 99 Queen Street
Melbourne VIC 3000
Level 11, 109 Pitt Street
Sydney NSW 2000

DomaCom Platform Services Pty Ltd
ACN 606 755 319

www.domacom.com.au

2: Includes underwriting fees payable by the Company to the underwriter of 10% of the New Issue, legal costs and regulatory costs. In addition a further amount of up to \$150,000 may be payable to the Underwriter. This has not been included in the above table as the amount is dependent on the amount of shares to be taken up by the Underwriter and therefore is unknown.

Details of the Offer

The Entitlement Offer will be open from Tuesday, 19 November 2019 to 5:00pm (AEDT) on Thursday, 5 December 2019 to eligible shareholders on the Record Date (unless extended by the Board).

Participation in the Entitlement Offer will be open to DomaCom shareholders who are registered holders of shares on the Record Date (**Eligible Shareholders**). Refer to the Company's Appendix 3B lodged with this announcement for further information.

Any shares under the Entitlement Offer that are not applied for will form a shortfall. The offer to issue shortfall shares will be a separate offer and Eligible Shareholders under the Entitlement Offer will be invited to apply for additional shares in the shortfall (if applicable) (**Shortfall Offer**).

Shortfall shares will be allocated in priority to Eligible Shareholders who apply for shortfall shares under the Shortfall Offer. All decisions regarding the allocation of Shortfall Shares will be made by the Underwriter and will be final and binding on all Eligible Shareholders

The Entitlement Offer is non-renounceable, and entitlements will not be tradeable on ASX or otherwise transferable. Eligible Shareholders who do not take up their entitlements will not receive any value for those entitlements that they do not take up. Shareholders who are not eligible to receive entitlements will not receive any value for the Entitlements they would have received had they been eligible.

Further information will be sent to Eligible Shareholders under the Entitlement Offer in the form of an Offer Document, including a personalised entitlement and acceptance form, which are expected to be despatched on Tuesday, 19 November 2019. A copy of the Offer Document will be made available on ASX's website on Tuesday, 19 November 2019.

HALO Technologies

As set out in the announcement made on 16th September 2019, DomaCom has secured HALO Technologies (**HALO**) as a cornerstone investor.

DomaCom has appointed HALO's CEO Matthew Roberts and George Paxton to the Board of DomaCom Limited as non-executive directors.

Matthew Roberts is the Managing Director of diversified financial services group Amalgamated Australian Investment Group Ltd (aaig). He is a Director of stockbroking firm Ascot Securities Pty Ltd; and of leading fintech businesses HALO Technologies and Macrovue, investment platforms designed for self-directed investors and self-funded retirees. Matthew has over 20 years' experience in financial services and has worked on transactions worth several billions of dollars in that time. He has specialised in unique business structures, mergers, acquisitions, and the growth and development of companies in Australia, Europe, and the United States. Matthews indirectly owns 51% of HALO Technologies and therefore currently is deemed to have an interest in DomaCom Limited through the 40,431,267 ordinary shares held by HALO Investment Co Pty Limited.

George Paxton is a Fund Manager and an Executive Director of a number of companies within the Financial Services Industry including aaig. He is also a Director of trading participant Ascot Securities Pty Ltd and of fintech businesses HALO Technologies Pty Ltd and Macrovue Ltd. He has experience in the entirety of the lifecycle of a corporate transaction utilising his skillset that includes acquisition sourcing, due diligence, valuation and negotiation.

HALO will have an exclusive 5-year initial licence that will allow them to develop, promote and operate a liquidity facility service based on the current secondary market capabilities available to investors in the DomaCom Fund. The facility will include the payment of license fees to DomaCom and charging of brokerage by HALO at a commercial rate. HALO will have the ability to extend the licence term subject to achieving specified trading volume requirements.

DomaCom’s CEO, Mr Arthur Naoumidis, said: “The Equity Raising represents another major milestone for DomaCom. This Equity Raising allows DomaCom to further expand the innovative product offerings that have been developed and to strengthen the balance sheet.”

“We are also delighted to have the ability to provide existing shareholders the opportunity to invest further in DomaCom at this exciting time.”

Key dates

An indicative timetable of key dates in relation to the Entitlement Offer is set out below.

Event	Date
Execute underwriting agreement, announce Entitlement Offer, deliver Appendix 3B to ASX	Friday 8 November 2019
Notice sent to Eligible Shareholders containing information required by Appendix 3B	Monday 11 November 2019
‘Ex’ date (date from which securities commence trading without the entitlement to participate in the Offer)	Thursday 14 November 2019
Record Date for determining entitlements	Friday 15 November 2019
Dispatch of offer document and personalised Entitlement and Acceptance Forms to Eligible Shareholders and Entitlement Offer opens Release Offer Document	Tuesday 19 November 2019
Closing date of Entitlement Offer (5.00pm AEDT)	Thursday 5 December 2019
New shares quoted on deferred settlement basis	Friday 6 December 2019
Notify ASX of undersubscriptions and announcement of Shortfall Offer (if applicable)	Tuesday 10 December 2019
Issue date	Wednesday 11 December 2019

The above dates are indicative only and are subject to change. Unless otherwise indicated all times are stated in Melbourne time. The Company reserves the right to vary any and all the above dates and times without prior notice subject to the Listing Rules, the Corporations Act and any other applicable laws.

Potential Control Implications of the Entitlement Offer

The Entitlement Offer is fully underwritten by Ascot Securities Pty Limited (**Underwriter**).

The effect of these underwriting arrangements is that, depending on the extent Eligible Shareholders take up their entitlement and apply for Shortfall Shares (and in consequence the extent to which the Underwriter and any sub underwriter are required to subscribe for any shortfall):

- the voting power of the Underwriter could increase within a range from 0% to 17.5%; and
- the aggregate voting power of HALO Technologies Pty Ltd and its associates could increase within a range from 19.9% to 34.0%.

Further information

Should you have any queries in relation to the Entitlement Offer, please contact DomaCom's Company Secretary, Philip Chard, on +61 3 8609 7077 or alternatively by email to philip.chard@domacom.com.au. Alternatively, contact your stockbroker, solicitor, accountant or other professional adviser.

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.