

18 May 2020

## DomaCom reduces 2020 capital requirements via extension of convertible notes

### Highlights

- DomaCom has negotiated a 12-month extension to the A\$2.95 million Thundering Herd Convertible Note
- Additional A\$650k in Convertible notes also extended by 12 months
- The extension removes the need to repay the notes in Q4 2020 which reduces the 2020 capital requirement by A\$3.6 million
- DomaCom will continue to focus on launching its four new products including Senior Equity Release

Fractional investment platform provider **DomaCom Limited (ASX:DCL)** (**'DomaCom'** or **'the Company'**) is pleased to announce that it has extended the term of the outstanding convertible notes by 12 months.

### Extension terms

DomaCom has agreed to make a payment of A\$300k + GST to secure the extension along with a revised nominal conversion price of 10 cents.

This agreement reduces the need for additional capital by A\$3.6 million and positions the Company on a more secure footing, allowing it to focus on delivering the following key products: Equity Mortgage, Rent to Own, Essential Worker, and Senior Equity Release.

The notes were issued in late 2018. Specifically, DomaCom secured \$2.95 million in funding through the issue of a Convertible Security to Thundering Herd Fund No. 1 and Thundering Herd Pty Ltd, a Melbourne-based institutional investor [ASX Announcement: 10 December 2018].

### New product overview

**Equity Mortgage:** This product is being developed to be Shariah compliant and is targeting the Australian Islamic community and other communities that are prohibited from borrowing money. As this product is aiming to provide a method of obtaining leverage for people wishing to purchase a home, it is not believed to be as exposed to negative property investment segment as normal property investment is expected to be. The Company is targeting a launch in Q3 2020.

**Rent to Own:** Work on this product is continuing with the Company's first transaction expected to occur in May 2020. This product uses the developer distribution margin to provide a discount to investors whilst gifting equity to tenants each year.

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[www.domacom.com.au](http://www.domacom.com.au)

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**Essential Worker:** DomaCom is progressing its Essential Worker affordable housing product with one of Australia's leading Community Housing Providers. This product aims to leverage the Government's affordable housing lending facility to deliver a Rent To Own product for essential workers with a 25% discounted rent. This product is expected to be attractive due to low vacancy risk stemming from the security of the tenants' employment (nurses, firefighters, teachers, police) in addition to the emotional impact of supporting our essential workers at this time. The targeted launch period for this product is Q3 CY20.

**Senior Equity Release:** Adviser accreditation for the Company's Senior Equity Release product has commenced with the first group of advisers having completed the accreditation these past few weeks. The product is now on Approved Product Groups of four financial planning firms. DomaCom is currently preparing a campaign direct to the retirees to help identify those needing equity from their homes. COVID-19's recent impact on self-funded retirees income has increased the market for this product.

**DomaCom CEO Arthur Naoumidis said:** "It is pleasing that we have been able to secure an extension of our convertible notes. This is a significant outcome for us as it reduces our 2020 capital requirements by A\$3.6 million. By reducing our need to raise capital, we will be able to better focus our efforts on launching the four new products currently in development. These products address key issues facing investors in Australia such as diversification, housing affordability and improved retirement outcomes. As our operations remain largely unimpacted by COVID-19, we hope to launch all of these products this year."

## Ends

This announcement has been authorised for release to the market by Company Secretary Philip Chard.

## About DomaCom

DomaCom Limited (ASX:DCL) owns and operates a fractional investment platform that provides real solutions for SMSF's, retirees and new home buyers. Using the DomaCom platform, investors can make fractional investments in a range of asset classes including property-related investments, mortgage-backed securities, renewables, affordable housing, disability accommodation and debt securities via a unique trust structure tailored to them.

DomaCom runs a crowdfunding campaign process in which investors can commit as much as they want towards the purchase of assets together with other like-minded investors. When a campaign is complete, DomaCom purchases the asset, places it in a sub-fund, and issues the investors with units in proportion to the amount they invested.

DomaCom's proprietary platform allows Australians to invest in almost any asset class, empowering them to create diversified portfolios with comparatively lower minimum investments and competitive cost structures.

To learn more, please visit: [www.domacom.com.au](http://www.domacom.com.au)



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