

DomaCom Limited (ASX:DCL)

Investor Presentation

August 2020



DomaCom
FRACTIONAL PROPERTY INVESTING

The power to choose the asset is in your hands

General Advice Warning

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A copy of that PDS is available at <http://www.domacom.com.au/the-domacom-fund/product-disclosure-statement/> or by calling your financial adviser.

Section 1:

Introduction to DomaCom



DomaCom

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The Board



Arthur Naoumidis
Chief Executive Officer



Ross Laidlaw
Executive Director



Grahame Evans
Non-Executive Chairman

Fractional Investing

DomaCom Limited (ASX:DCL) owns and operates a fractional investment platform that provides real solutions for SMSF's, retirees & new home buyers.

The DomaCom Fund enables investors and SMSF Trustees to co-invest in a percentage of one or more high value assets like property and loans in a syndicate-like structure where they share the income and capital value with a group of other investors.

The concept is called **fractional investing**.



DomaCom Senior Equity Release

The DomaCom Fund enables retirees to “sell” a fraction of their home to investors and receive the proceeds either as a lump sum or a monthly payment.

The concept is called **equity release**.



Section 2:

Australia's leading fractional investment platform



DomaCom

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Covid-19 operational impact minimal

At the end of the quarter, DomaCom advised that the operational impact on DomaCom has been minimal as the Company is cloud-based and thus well-positioned to operate remotely [ASX Announcement: 27 March 2020].

Regarding the Company's property fund operations, the DomaCom Fund is in good shape as most properties are not leveraged, the sub-funds generally have internal rent reserves to cover 3-4 months of rent in case of vacancies, and well-defined processes are in place to raise top-up capital for sub-funds if required.

Company pivoting to "COVID-19 Friendly" products – Rent to Own, Islamic Leverage & "Downsizer" for self-funded retirees

The Platform

The leading fractional investment platform



Simple to use, fractional investment platform for SMSFs and Financial Planners with a focus on property



Access to significant debt facility to accelerate portfolio and FUM growth



DomaCom's products are fully compliant and approved by regulatory bodies



Management team with proven success in growing ASX-listed platform services

Fractional Property Investing

Disrupting the established ways of buying property



Traditionally, property has been an all or nothing proposition, you either buy the whole property or you buy nothing



Fractional investing enables you to buy pieces of a property of your choice together with other investors



Fractional Investing through DomaCom's platform makes it easy to create a diverse property portfolio



Fractional investing overcomes traditional barriers to entry in property investing

Section 3:

The DomaCom investment opportunity



DomaCom

FRACTIONAL PROPERTY INVESTING

Routes to Market

“Intel Inside”

IFAs

On approved product list of 40+ IFA groups
Representing over 1,200 advisers and approx.
240,000 clients

\$71+ million across 65+
transactions

Affinity Groups

In discussion with national builders
Property Developers
Renewable energy companies

Compelling business case
White label opportunities

B2C

Targeting B2C players

HALO is first
Islamic B2C group is next

Multiple Products

Fractional Property

SMSF's main target
SMSF Ruling
Internal Leverage
Islamic Leverage

50% of investors are SMSFS
Targeting % of \$700B+ SMSF market

Equity Release

8 Years in Development
The only financial product in Australia

Adviser accreditations underway
Over 65's own \$500 B

Lending

Advisers syndicating loans
Pooled Mortgage Sub-funds

Already > \$10 Million in FUM

Target market size

DomaCom's target market is SMSFs (Self-Managed Super Funds).



36%

SMSF assets have grown 36% since
June 2014

\$716bn

Worth an estimated \$716bn
in FY19

600,000

There are approximately 600,000 SMSFs
in Australia, and that number is
expected to keep rising

SMSFs have the ability to diversify across all asset classes except property. There is a significant opportunity for an easy to use fractional investment platform such as DomaCom's to penetrate the SMSF market.

Key Milestones

SMSF Sole Purpose Test–
ATO agreement concluded
late 2019

Initial \$50 million low-interest facility
secured with La Trobe Financial Group

\$71.4 Million FUM milestone reached 30th
June – 11.2% uplift in past 3 months

DomaCom's Senior Equity
Release product launched

Capital position stabilised &
cornerstone investor
secured

9th July First Rent-to-Own
property purchased

Covid-19 busines impacts

- **Increased Vacancy Risk**
 - Effective unemployment rate is 12%
 - Vacancy currently circa 4%
- **Property price decline**
 - Loans harder to get
 - High unemployment
 - Nervous lenders tightening criteria
 - Investors & home buyers nervous
 - -2.3% in Melbourne in past 3 months
- **Low interest rates**
 - Term deposit rates already at historic low before COVID-19
 - Slashed dividends due to COVID-19
 - Self funded retirees in crisis



Key business Drivers in 2020 & 2021

- Address vacancy & pricing risk
 - Rent to Own product
 - Affordable Housing
 - National Disability Insurance Scheme (NDIS) properties
- Target Islamic home owner market segment
 - DomaCom Equity Mortgage - Islamic Leverage product
 - Islamic consumers to purchase homes using Shariah compliant leverage
 - Not sensitive to property investment outlook
- Assist Self-Funded Retirees
 - Self-Funded Retirees are in crisis
 - DomaCom Senior Equity Release to help top up their SMSF
 - Seeking ATO “Downsizer” ruling



Equity Mortgage – Islamic Leverage



Innovate Product

- Extensive product development
- Unique legal structures in development
- Global Islamic compliance verification to be obtained
- Can be used by non-Islamic markets

Attractive Market Opportunity

- 700,000 Australians are Islamic
- Will be first Australian Islamic compliant property finance option
- Allows Muslims to acquire property in a manner similar to existing bank purchases
- Expected to be operational in 2021

Rent-To-Own



New Developer Distribution channel

- Developers prepared to discount 10% for bulk property sales
- Same discount as other channels
- Distribution margin split between investors and tenants
- Discount occurs as rebate on settlement
- Discount used to fund tenant leasing incentive & investor margin

Attractive Tenant Proposition

- tenant “gifted” 1% of equity per year for 5 years
- Tenants acquire 5% of property equity over 5 years
- DomaCom model creates homeowners – not just permanent renters
- Co-ownerships produces lower risk tenants
- Innovative model

Rent to own



Attractive Investor Proposition

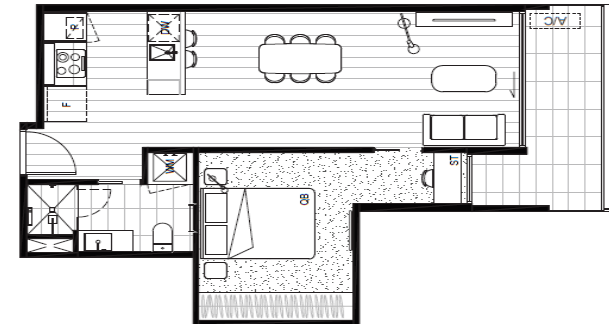
- 10-15% uplift due to equity gifting by Developer
- Low risk tenant → tenant is a shareholder
- Low risk of vacancy – who would not want to rent our properties?
- Tenant is a natural buyer of secondary market stock

Attractive Adviser Proposition

- 1% syndication fee paid to adviser
- Attractive investor proposition → great value add
- Provides arms length diversification for their clients

Rent to own – first acquisition

- Syndicated during pandemic
- 918/ 40 Hall St, Moonee Ponds, VIC 3039
- \$447K purchase price before 10% rebate
- \$51K in transaction costs, rent reserves & fees
- \$200K Loan (44% LVR)
- Initial Investor equity is \$248,851
- 261,948 units in sub-fund DMC0185AU
 - 248,851 Investor units (95%) across 15 investors
 - 13,097 RTO Tenant Reserve Trust (5%)
- Initial Investor NTA is \$0.97 per unit
 - Compares with \$0.90 NTA without Developer rebate
- Next properties now being syndicated
 - Brunswick in Melbourne
 - Westmead in Sydney



Rent to own – Affordable Housing

- Partnering with national Community Housing Provider (CHP)
- First pilot is “Essential Worker” \$25 million pilot - targeting 2020 Q4
- Access low cost government debt - circa 2%
- Low LVR of 40%
- 25% rental discount for teachers, nurses, firepersons,
- Plus 5% tenant equity gifting over 5 years
- Pilot can extend to all Australian CHP’s to solve their equity problem
- Potential scalable solution to housing affordability



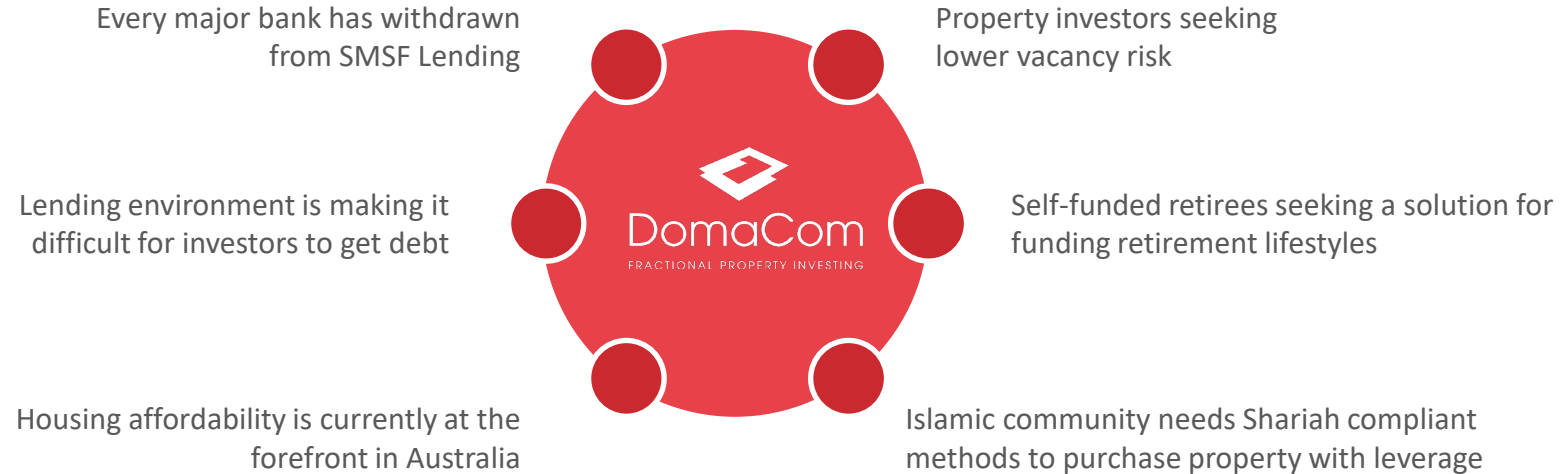
Senior Equity Release Product



- Senior Equity Release (SER) is a mechanism for senior Australians to realise part of the value of their home to help fund their retirement
- Allows IFAs to include property in multi-generational wealth planning
- Helps solve funding issue for retirees
- SMSF Trustees may be able to downsize by selling a fraction of their house to top up their SMSF

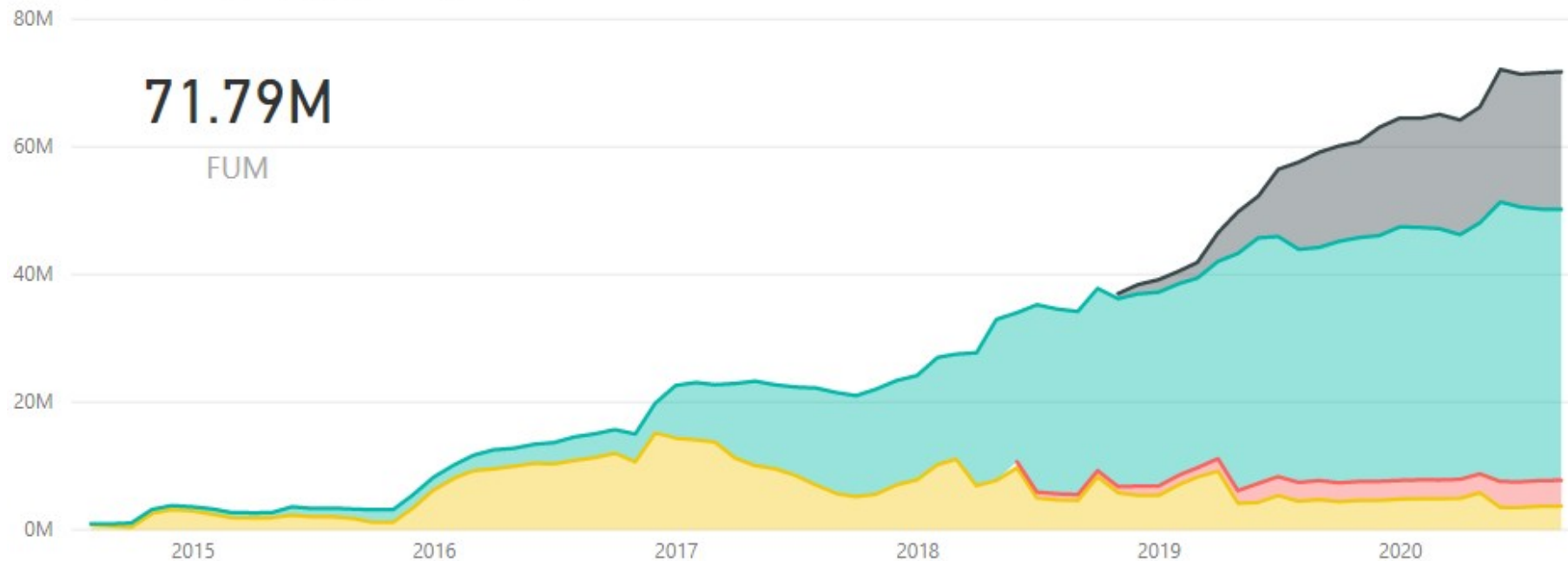
Supportive Landscape

Supportive Landscape that DomaCom can capitalise on



We are growing with multiple asset types

Value ● Cash ● Loan ● Property ● Special Opportunity



Pricing Strategy

DomaCom has adopted an attractive, recurring funds under management fee model

Standard Property Assets	Rent to Own & Affordable	Mortgage Assets	Cash
0.88% p.a.*	1% Upfront 0.66% p.a.*	0.44% p.a.	0.22% p.a.

* On gross value of property

Note: Fees are inclusive of GST

Corporate Outlook

- **Products primed for growth**

- Rent to Own product – transactions underway
- Affordable Housing – approvals obtained & tier 1 community housing provider on board
- Senior Equity release primed for growth after ATO “Downsizer” ruling
- Islamic market poised with a B2C partner in discussions

- **Attractive fee model**

- DomaCom fees are based on FUM
- DomaCom fee model changing to have 1% upfront and reduced ongoing

- **Leveraged 3 year scenarios**

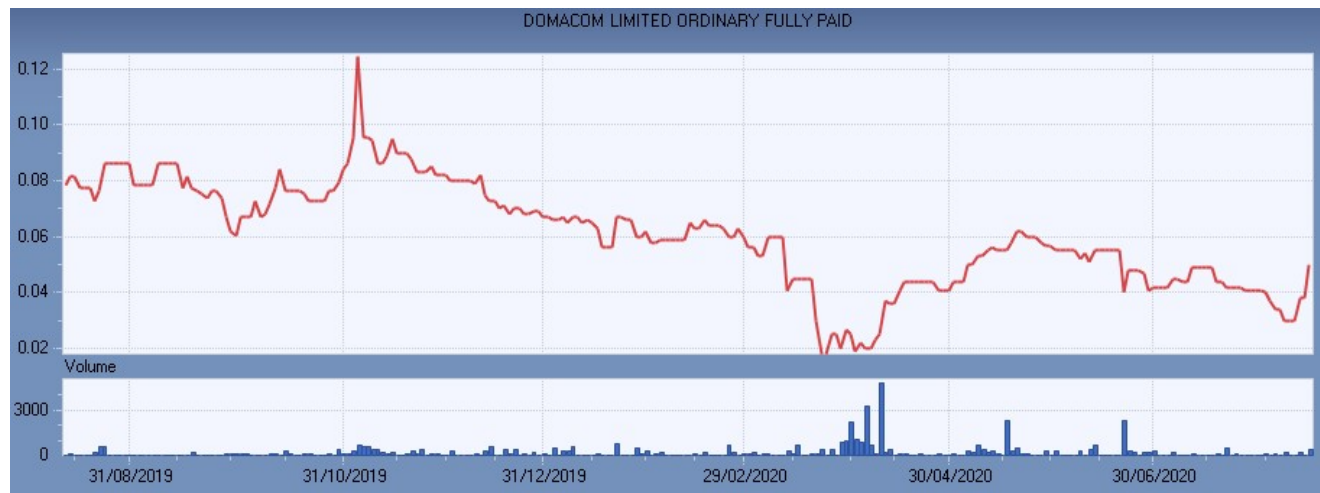
- Upfront fee has significant cash flow benefits, example of impacts are*:
 - If \$300 Million RTO is achieved over 3 years results in \$6.2 Million in fees during period
 - If \$200 Million RTO per year will achieve \$5.2 million cash flow in year 3 - break even in 2 years
- DomaCom markets are a mass market opportunities

* These are scenarios for illustration purposes and are not a forecast



Corporate Snapshot

ASX Ticker	DCL
Bid price as at 13 August 2020	\$0.05
Shares on issue	245.1m
Market Capitalisation as at 13 August 2020	\$12.1m
FUM as at 12 August 2020	\$71.1m



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