

## Update on Secured Convertible Notes

**DomaCom Limited (ASX:DCL) ('DomaCom' or 'the Company')** issued \$2.95m of secured Convertible Notes ('Convertible Notes') on 7 December 2018 as set out in the ASX announcement on 10 December 2018. The Convertible Notes were subsequently amended to include a revised maturity date and conversion price as set out in the ASX announcement on 18 May 2020. The Convertible Note Deed contains a number of Events of Default that, if triggered, allow the holders of the Convertible Notes ('**Noteholders**') to elect to require (within two business days) the conversion of all or any number of the Convertible Notes and/or repayment of all or any portion of the Convertible Notes (with accrued interest) and/or to continue to hold all or a portion of the Convertible Notes. One of the Events of Default occurs if the Company is suspended from the ASX for more than 5 consecutive trading days. As a result of the Voluntary Suspension announced on 11 May 2021, the Company has been suspended for more than 5 days and has caused there to be a technical Event of Default. Similarly, due to the Voluntary Suspension announced on 21 August 2020, the Company was suspended for more than 5 days which caused there to be an additional technical Event of Default.

DomaCom has received confirmation from the Noteholders that the two technical default events will be waived subject to the conditions precedent. In addition, the Noteholders have agreed to extend the maturity date of the Notes to 1 July 2022. The conversion price of the Notes will be amended from \$0.10 to \$0.06551. An extension fee of \$325,000 (excluding GST) has been paid. The interest rate of 15% pa, payment terms and security arrangements remain unchanged.

The amended terms will use most of DomaCom's capacity to raise capital under ASX Listing Rule 7.1 without shareholder approval. An Appendix 3B will be released setting out the calculated amount. DomaCom will lodge a cleansing prospectus in relation to the amended terms of the Convertible Notes.

A summary of the revised Terms of Issue has been attached to this announcement as an Appendix, including a list of all potential Events of Default which previously had not been included in the Notice of Meetings, and the associated Explanatory Statements and Appendices, on 15 March 2019 and 12 June 2020 for the Extraordinary General Meetings held to approve the issue and amendment of the Convertible Notes. It is noted that the previous technical Event of Default that occurred as a result of the Voluntary Suspension announced on 21 August 2020 was not communicated to DomaCom, was not acted upon by the Noteholders and was not announced to the market.

**DomaCom CEO, Arthur Naoumidis, said:** "It is pleasing that we have been able to secure an extension to our convertible notes. This is a significant outcome for us as it reduces our capital requirements by \$2,950,000 less the extension fee payable of \$325,000 and additional interest for a period of 6 months of approximately \$221,000. We continue to value the support of all of our noteholders and will work together closely towards the ongoing success of the Company." **Ends**

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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.

Retirees can sell a fraction of their house to investors, possible family members, to help them improve their retirement income.

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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## Appendix: Revised Terms of Issue for Secured Convertible Notes

<b>Issuer</b>	DomaCom Limited ACN 604 384 885
<b>Nature of Interest Issued</b>	Convertible Secured Redeemable Notes ( <b>Note</b> )
<b>Note Amount</b>	\$2,950,000
<b>Use of Funds</b>	The funds raised used for the working capital purposes of the Issuer.
<b>Original Issue Date</b>	7 December 2018
<b><u>Revised Maturity Date</u></b>	1 July 2022.
<b>Interest Rate</b>	an interest rate of 15%pa
<b>Default Interest Rate</b>	an interest rate of 20%pa
<b>Interest Calculations</b>	Interest on the Note will accrue from day to day from the Issue Date on the basis of a 365-day year. If Issuer fails to make a redemption or interest payment when due and payable, the Default Interest Rate will apply.
<b>Interest Payment Dates</b>	Interest will be due and payable quarterly in arrears on the relevant Interest Payment Date. The Interest Payment Dates will be the last business day of each quarter, with an initial payment date of 31 March 2019. Where the Notes are converted or redeemed the final Interest Payment Date is the relevant Conversion Date or Redemption Date. In the alternative, the Noteholder may waive its right to the payment of interest in which case the interest due is capitalised at the relevant Interest Payment Date.
<b>Election Date</b>	Unless the Note has been previously redeemed or converted, the Noteholder may elect to convert the Note at any time prior to Maturity. The election must be in writing and delivered to the Issuer. If the Noteholder does not elect to convert the Note prior to Maturity, the election will be taken to be a redemption.
<b>Redemption Date</b>	Upon Maturity (unless the Notes have been converted) or 10 days after the Noteholder issues a Redemption Notice, whichever is the earlier.
<b>Redemption Notice</b>	A notice issued by the Noteholder exercising its right of early Redemption. The Noteholder may exercise such right upon the occurrence of any of the following events which are deemed to be an Event of Default.

**Event of Default**

Each of the following events constitutes an Event of Default:

(a) (**Failure to pay**): any failure by the Company to pay or satisfy any amount due under any Finance Document within 2 Business Days of the date when due;

(b) (**Material breach**): the Company breaches or fails to comply with:

(i) any obligation owed by the Company to a Noteholder; or  
(ii) any other provision,

under the Convertible Note Deed, including these Convertible Note Conditions (other than a provision requiring the payment of money as contemplated by Convertible Note Condition 10.1 (a)), or any other Finance Document, and it continues unremedied for 10 Business Days after the earlier of:

(iii) the Company becoming aware of the breach or failure to comply; and

(iv) the Noteholder giving notice to the Company of the breach or failure to comply;

(c) (**Insolvency Event**): an Insolvency Event occurs in respect of the Company or any of its Subsidiaries, or if a course of action is being developed or implemented by the Company or any of its Subsidiaries for the purposes of section 588GA of the Corporations Act;;

(d) (**Finance Document unenforceable**): if any material provision of these Convertible Note Conditions or a Finance Document is or becomes void, voidable, illegal, unenforceable or of limited force (other than because of equitable principles or laws affecting creditors' rights generally), or it becomes impossible or unlawful for the Company or any Subsidiary of the Company to perform a material obligation under a Finance Document to which it is party to, or the Company or any Subsidiary of the Company claims any of these things to be the case;

(e) (**Failure to convert**): the Company fails to convert or effect the conversion of any Convertible Note in accordance with these Convertible Note Conditions;

(f) (**Material misrepresentation**): any representation, warranty or statement made by the Company in any Finance Document is false or misleading or untrue in any material respect;

	<p>(g) <b>(Company Change in Control Event)</b>: a Company Change in Control Event occurs;</p> <p>(h) <b>(Security Interest)</b> the Security Interest, or any part of it, ceases for any reason to have the priority ranking contemplated in it, or any security interest over an asset of any Secured Property is enforced or becomes enforceable;</p> <p>(i) <b>(Non compliance with laws)</b> the Company or a Subsidiary of the Company fails to comply with all applicable laws, Authorisations and mandatory requirements of any Government Authority where failure to do so would have or be likely to have a Material Adverse Effect;</p> <p>(j) <b>(Delisting or trading suspension)</b>:</p> <p>(i) the Company's Ordinary Shares are removed from the official list of the ASX or any other securities exchange on which they are listed; or</p> <p>(ii) if following the Effective Date (of the variation deed) (see definition below):  (A) the suspension of trading of the Company's Ordinary Shares on the ASX:  (I) is not lifted; or  (II) continues for more than one trading day; or  (B) the suspension of trading of the Company's Ordinary Shares on the ASX is lifted, the Company's Ordinary Shares are suspended from trading for more than 5 consecutive trading days; or</p> <p>(k) <b>(cross default – indebtedness)</b> any indebtedness of the Company:  (i) becomes due and payable, or capable of being declared due and payable, before its stated maturity, expiry or repayment date (other than at the option of the Company); or  (ii) is not paid when due or within any applicable grace period.</p>
<b>Redemption</b>	The Note will be redeemed on the Redemption Date for cash at 100% of the Issue Price and any accrued interest up to the Redemption Date.
<b>Conversion Date</b>	Maturity (at the election of the Noteholder) or 10 days after the Noteholder issues a Conversion Notice, whichever is the earlier.
<b>Conversion Notice</b>	A notice issued by the Noteholder exercising its right of early Conversion. The Noteholder may exercise such right at any time after the Issue Date.

	The Issuer does not have a right to elect to convert the Note.
<b><u>Revised Conversion Price</u></b>	A Conversion Price of 6.551 cents
<b>Security and Security Documentation</b>	Secured first ranking General Security Agreement in respect of the assets and undertaking of the Issuer and each of its related bodies corporate.
<b>Assignment</b>	<p>The Issuer may not assign or transfer any of its rights or obligations under the Note without the prior written consent of the Noteholder (which may be withheld in the Noteholders absolute discretion).</p> <p>A Noteholder may assign or transfer all or part of its rights and obligations under the deed upon written notice to the Company.</p>
<b>Reconstruction</b>	If, after the Issue Date and prior to the Conversion Date, there occurs any reconstruction of the issued share capital of the Issuer including a consolidation, reduction, subdivision or return of capital ( <b>Reconstruction</b> ), the entitlement of the Noteholder to convert the Note must be reconstructed in the same proportion and manner as the issued capital of the Issuer is reconstructed and in a manner which will not result in any additional benefits being conferred on the Noteholder which are not conferred on holders of ordinary shares and, so far as possible does not prejudice the Noteholder, but in all other respects, the terms of the Note will remain unchanged.
<b>Effective Date of Variation of the Convertible Note Deed</b>	Date the Majority of the Noteholders receive acceptable confirmation that the Conditions Precedent have been met.
<b>Conditions Precedent for the Variation of the Convertible Note Deed</b>	<p>(a) (<b>Cleansing Prospectus</b>) the Company lodges with ASIC by no later than 31 August 2021 a prospectus for the purposes of section 708A(11) of the Corporations Act for an offer of shares to be issued by the Company (such offer to be for ordinary shares in the Company at an issue price not less than the Conversion Price) that are in the same class as the shares into which the Convertible Notes may convert (Cleansing Prospectus) and:</p> <ul style="list-style-type: none"> <li>(i) the offer of Company shares under the Cleansing Prospectus closes not later than 30 days after the date the Cleansing Prospectus is lodged with ASIC; and</li> <li>(ii) the Company applies for, and is granted quotation, on ASX of the Company shares (if any) issued under the Cleansing Prospectus; and</li> </ul>

(iii) an issue of shares under the Cleansing Prospectus is not void or voidable by reason of section 723(3) or 724 of the Corporations Act; and

(iv) ASIC does not issue a stop order or interim stop order in relation to the Cleansing Prospectus under section 739 of the Corporations Act;

(b) **Company's securities trading on ASX** the Company's securities are trading in the ordinary course on ASX and are not subject to any trading halt or suspension (whether voluntary or otherwise) or other restriction or impediment;

(c) **(executed counterpart)** an original counterpart of Variation Deed duly executed by the Company, on which any applicable stamp duty or other taxes of a similar nature have been paid;

(d) **no Shareholder Approvals required**: the Majority Noteholders are satisfied (acting reasonably) that no Shareholder Approvals are required in respect of the matters the subject of this document and the Convertible Note Deed (as amended by this document), including in respect of the change in the terms of issue of the Convertible Notes as contemplated by this document;

(e) **(regulatory approvals)**: all necessary regulatory consents, permits and approvals (including by ASIC or ASX, or both) in respect of the acquisition of the Convertible Notes by the Noteholders and the acquisition of new Ordinary Shares in connection with the conversion of the Convertible Notes by the Noteholders have been obtained by the Noteholders (including all regulatory approvals from any third parties if required), including in respect of the change in the terms of issue of the Convertible Notes as contemplated by this deed. If any such consent or approval is given subject to conditions or requirements, this Condition Precedent is not fulfilled unless those conditions or requirements are acceptable to the Noteholders;

(f) **(searches)**: satisfactory PPSR and ASIC company searches on the Company and evidence that all steps have been taken under the PPSA to allow the Noteholders to perfect all Security Interests in its favour under the Finance Documents;

	<p>(g) <b>(no default)</b>: the Majority Noteholders are satisfied (acting reasonably) that no Event of Default subsists or will result from the Convertible Notes being provided;</p> <p>(h) <b>(ASIC Instrument compliance)</b> the Company has satisfied, to the reasonable satisfaction of the Majority Noteholders, the requirements of sections 708A(12C)(b) and (c) of the Corporations Act (as those provisions have been inserted by ASIC Corporations (Sale Offers: Securities Issued on Conversion of Convertible Notes) Instrument 2016/82);</p> <p>(i) <b>(Company representations)</b>: there is no material breach, and there are no facts or circumstances that may reasonably be expected to lead to a material breach, of any of the representations and warranties made by the Company under clause 5.2 of the Convertible Note Deed;</p> <p>(j) <b>(costs and expenses)</b> evidence that all fees, costs and expenses due and payable to the Noteholders or Thundering Herd Pty Ltd under the Convertible Note Deed, this deed or other Finance Documents have been paid in cleared funds.</p>
<p><b>Termination</b></p>	<p>The Company must use reasonable endeavours to ensure the Conditions Precedent are satisfied as soon as reasonably possible after the execution of this document. If any Conditions Precedent is not satisfied, or waived on or before 30 September 2021, then the Majority Noteholders may elect in their absolute discretion to terminate this document by giving notice to the Company.</p>