

AustAgri Transaction Update

Highlights

- DomaCom has been informed that AustAgri Group Limited (“**AustAgri**”) subsidiary Global Meat Export Pty Ltd (“**GME**”) has completed the acquisition of the business assets and operations of Cedar Meats Pty Ltd (“**Cedar Meats business**”).
- DomaCom has previously announced that it has entered into a Revenue Recognition Agreement with AustAgri relating to a conditional proposal to onboard AustAgri into a DomaCom sub-fund on the DomaCom Platform by exchanging shares in AustAgri for units in the DomaCom sub-fund (**AustAgri Transaction**).
- The acquisition of Cedar Meats business assets and operations by GME represents fulfilment of the first key condition under the Revenue Recognition Agreement. As a result, DomaCom has resumed its final legal and financial due diligence for the AustAgri Transaction.
- Other outstanding conditions which must be fulfilled to allow completion of the AustAgri Transaction to proceed include:
 - Satisfactory completion of legal and financial due diligence by DomaCom and AustAgri;
 - AustAgri shareholder approval;
 - DomaCom shareholder approval; and
 - AustAgri refinancing its transaction loan facility with longer term loan facility.

No assurance can be provided that these conditions will be fulfilled.

DomaCom Limited (ASX:DCL) (‘DomaCom’ or ‘the Company’) is pleased to announce that it has been advised that the Cedar Meats business assets and operations have been acquired by GME. This represents the first important step towards completion of the AustAgri Transaction.

GME management have advised DomaCom that the business will continue to trade as Cedar Meats Australia and it will be business as usual. The business will remain family operated with both Pierre and Tony Kairouz continuing to head up operations of GME and all current management and staff will remain and operations will continue as normal. Pierre and Tony Kairouz are expected to obtain a substantial ownership interest in AustAgri and is currently being negotiated.

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AustAgri Transaction

As previously announced, the main commercial terms of the AustAgri Transaction include:

- a newly-established DomaCom sub-fund proposes to acquire at least 75% of the issued shares in AustAgri by entering into share/unit exchange agreements with AustAgri shareholders;
- under the share/unit exchange agreements, as consideration for the acquisition of AustAgri shares by the DomaCom sub-fund, AustAgri shareholders will receive 1 unit in the DomaCom sub-fund for every 1 AustAgri share exchanged;
- DomaCom Australia Limited, will receive an annual management fee of 0.88%pa of the value of the DomaCom sub-fund with a minimum annual fee of \$2.6 million plus GST for a minimum period of 5 years; and
- DomaCom will issue 100,000,000 DomaCom shares to AustAgri shareholders (**Revenue Recognition Shares**) in recognition of the minimum \$13,000,000 in contracted management fees over a 5 year period to be delivered to DomaCom for management of the DomaCom sub-fund.

The AustAgri Transaction remains subject to a number of conditions precedent which may or may not be fulfilled including:

- Satisfactory completion of legal and financial due diligence by DomaCom and AustAgri;
- AustAgri refinancing its transaction loan facility with a longer term loan facility;
- AustAgri shareholder approval; and
- DomaCom shareholder approval.

DomaCom reiterates that no assurance can be given as to if or when the AustAgri Transaction will complete.

DomaCom Due Diligence

As a result of the completed acquisition of the Cedar Meats business assets and operations by GME, DomaCom has resumed its final legal and financial due diligence for the prospective transfer of at least 75% of the issued shares in AustAgri to a DomaCom sub-fund.

Transaction Loan refinance

GME has entered into a loan facility which enabled it to settle on the acquisition of the Cedar Meats Business. In the meantime, formal valuations are being refreshed for the Cedar Meats business and the properties to facilitate the refinancing of the transaction loan with a longer-term loan to facilitate the next phase of its development. Whilst the property assets of Cedar Meats are used as security for the loan facilities, the property assets themselves remain held by the Kairouz family trusts until the Transaction Loan is refinanced.

AustAgri Shareholder Approval

As previously advised, the exchange of at least 75% of the issued shares in AustAgri for units in the proposed DomaCom sub-fund requires AustAgri shareholder approval at a meeting of AustAgri shareholders to be convened under item 7, s611 Corporations Act. In relation to the required meeting of AustAgri shareholders, DomaCom notes that:

- a statutory notice period applies in relation to any meeting materials to be prepared and sent by AustAgri to their shareholders for the purposes of the item 7, s611 approval. ASIC policy requires that an independent expert report be prepared and for it to accompany the relevant meeting materials detailing an item 7 s611 transaction; and
- ASIC policy expresses a strong preference that meeting materials for an item 7, s611 transaction are provided to ASIC for review at least two weeks prior to despatch to AustAgri shareholders.

DomaCom Shareholder Approval

Due to the extended delay since the 21 October 2020 EGM where DomaCom shareholders previously approved the AustAgri Transaction and the issue of the Revenue Recognition Shares, DomaCom will in due course issue a Notice of Meeting to hold a further General Meeting to seek new approvals from DomaCom shareholders.

DomaCom CEO, Arthur Naoumidis, said: “Our planned on-boarding of AustAgri onto the DomaCom Platform has been a stop-start affair since we first announced it to the market more than 12 months ago. But at last real progress has been made, with the acquisition of Cedar Meats business assets and operations by GME. This means we can now again resume final legal and financial due diligence for this company-transforming transaction. If it completes, the AustAgri Transaction will provide a significant boost to DomaCom’s revenue base and its total funds under management.

As our AustAgri due diligence process recommences, we continue in our efforts to complete the shortfall raising, a precursor to DomaCom shares resuming trading on the ASX. Over the months ahead, we look forward to updating the market on further exciting developments leveraging off our unique fractional investment platform.”

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

Ends

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

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