

ASX Release

31 January 2022

DomaCom reduces 2022 capital requirements via extension of Secured Convertible Notes

Highlights

- DomaCom has negotiated an extension to the \$2.95 million Thundering Herd Convertible Notes

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 to 1 February 2023.

Extension terms

DomaCom has secured the extension of the Maturity date to 1 February 2023. The conversion price remains unchanged at \$0.06551.

This agreement reduces the need for additional capital by \$2.95 million and positions the Company on a more secure footing.

The notes were originally issued on 7 December 2018 as set out in the ASX announcement on 10 December 2018. The Convertible Notes were subsequently amended to include revised maturity dates and conversion prices as set out in the ASX announcements on 18 May 2020 and 23 July 2021.

DomaCom has paid fees of \$330k (inclusive of GST) to secure the revised terms.

The Variation Deed includes a clause such that the Event of Default arising as a result of the Company's Ordinary Shares being suspended from trading prior to the date of the Variation Deed is waived. In addition Thundering Herd has agreed to waive the condition precedent of being re-listed until 1 April 2022.

A summary of the revised Terms of Issue has been attached to this announcement as an Appendix.

Impact on Unsecured Convertible Notes

DomaCom currently separately holds 650,000 Unsecured Convertible Notes with a Maturity Date of 25 January 2022 (ASX Announcement Appendix 3B 20 May 2020). The Unsecured Noteholders entered into a subordination agreement with DomaCom and Thundering Herd in December 2018 such that the 650,000 Unsecured Convertible Notes will not be repaid prior to the 2,950,000 Secured Convertible Notes. As a result of the extension of the Maturity Date of the 2,950,000 Secured Convertible Notes, the effective Maturity Date of the 650,000 Unsecured Convertible Notes has also been extended to 1 February 2023. The terms of the Unsecured Convertible Notes remain otherwise unchanged.

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 \$3,600,000 less the extension fee payable of \$330,000 (inclusive of GST), additional waiver fees of \$176,000 (inclusive of GST) and additional interest for a period of 7 months of approximately \$323,000. We continue to value the

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support of all of our noteholders and will work together closely towards the ongoing success of the Company.” **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.

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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Appendix: Revised Terms of Issue for Secured Convertible Notes

Issuer	DomaCom Limited ACN 604 384 885
Nature of Interest Issued	Convertible Secured Redeemable Notes (Note)
Note Amount	\$2,950,000
Use of Funds	The funds raised used for the working capital purposes of the Issuer.
Original Issue Date	7 December 2018
<u>Revised Maturity Date</u>	1 February 2023.
Interest Rate	an interest rate of 15%pa
Default Interest Rate	an interest rate of 20%pa
Interest Calculations	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.
Interest Payment Dates	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.
Election Date	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.
Redemption Date	Upon Maturity (unless the Notes have been converted) or 10 days after the Noteholder issues a Redemption Notice, whichever is the earlier.
Redemption Notice	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.

<p>Event of Default</p>	<p>Each of the following events constitutes an Event of Default:</p> <p>(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;</p> <p>(b) (Material breach): the Company breaches or fails to comply with:</p> <p>(i) any obligation owed by the Company to a Noteholder; or (ii) any other provision,</p> <p>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:</p> <p>(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;</p> <p>(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 Ac;;</p> <p>(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;</p> <p>(e) (Failure to convert): the Company fails to convert or effect the conversion of any Convertible Note in accordance with these Convertible Note Conditions;</p> <p>(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>
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	<p>(g) (Company Change in Control Event): a Company Change in Control Event occurs;</p> <p>(h) (Security Interest) 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) (Non compliance with laws) 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) (Delisting or trading suspension):</p> <p>(a) 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>(b) the suspension of trading of the Company's Ordinary Shares on the ASX is not lifted, and its trading does not resume, on or before 1 February 2022 to the satisfaction of the Noteholders (acting reasonably); or</p> <p>(c) the Company's Ordinary Shares resume trading on the ASX on terms and subject to conditions not acceptable to the Noteholders (acting reasonably); or</p> <p>(d) if the Company's Ordinary Shares are trading on the ASX, the Company's Ordinary Shares are suspended from trading for more than 5 consecutive trading days; or;</p> <p>(k) (cross default – indebtedness) any indebtedness of the Company:</p> <p>(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</p> <p>(ii) is not paid when due or within any applicable grace period.</p>
Redemption	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.
Conversion Date	Maturity (at the election of the Noteholder) or 10 days after the Noteholder issues a Conversion Notice, whichever is the earlier.

Conversion Notice	<p>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.</p> <p>The Issuer does not have a right to elect to convert the Note.</p>
Conversion Price	A Conversion Price of 6.551 cents
Security and Security Documentation	Secured first ranking General Security Agreement in respect of the assets and undertaking of the Issuer and each of its related bodies corporate.
Assignment	<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>
Reconstruction	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 (Reconstruction), 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.
Effective Date of Variation of the Convertible Note Deed	Date the Majority of the Noteholders receive acceptable confirmation that the Conditions Precedent have been met.
Conditions Precedent for the Variation of the Convertible Note Deed	<p>(a) 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. Thundering Herd have waived this condition precedent until 1 April 2022;</p> <p>(b) (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;</p> <p>(c) no Shareholder Approvals required): the Majority Noteholders are satisfied (acting reasonably) that no</p>

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;

- (d) **(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;
- (e) **(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;
- (f) **(no default)**: the Majority Noteholders are satisfied (acting reasonably) that no Event of Default subsists or will result from the Convertible Notes being provided;
- (g) **(ASIC Instrument compliance)** 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);
- (h) **(Company representations)**: 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;
- (i) **(costs and expenses)** 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.
Termination	<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 1 February 2022, then the Majority Noteholders may elect in their absolute discretion to terminate this document by giving notice to the Company.</p> <p>A separate waiver has been provided by Thundering Herd to extend the Condition Precedent of being re-listed to 1 April 2022.</p>