

DomaCom December Quarterly Activity Report (updated)

Highlights

- AustAgri completes acquisition of Cedar Meats
- Funds Under Management grows to \$101 million – 34% increase since 31 December 2020
- December 2021 Quarterly revenue grows 125% from December 2020 quarter.
- DomaCom's completes \$3.7 million capital raising

Fractional investment platform provider **DomaCom Limited (ASX:DCL)** ('DomaCom' or 'the Company') is pleased to provide the following operational and strategic update.

AustAgri Transaction

On 13th October 2021, DomaCom reported that AustAgri subsidiary Global Meats Exports Pty Ltd ("GME") had completed the acquisition of the business operations and assets of Cedar Meats. Since this time, AustAgri has been negotiating a long-term finance facility with the expectation of this being finalised in February/March 2022.

If AustAgri is successful in replacing its transaction finance facility with a long term facility then DomaCom will proceed with the on boarding tasks including formal legal and financial due diligence and shareholder approval.

If AustAgri is successfully onboarded into the DomaCom Fund, DomaCom will be entitled to receive a minimum annual management fee of \$2.6 million exclusive of GST as part of the Revenue Recognition Agreement entered into between DomaCom and AustAgri.

The Revenue Recognition Agreement has provisions for a termination fee of \$8.5 million plus GST if AustAgri does not end up being onboarded into the DomaCom Fund. In preparation for this event, if it occurs, DomaCom has issued an invoice and statutory demand to GME for the \$8.5 million plus GST termination fee.

Other Activity

The robust growth in Funds Under Management ("FUM") has continued and is now \$101 million which has primarily been driven by increased adviser syndication for National Disability Insurance Scheme ("NDIS") transactions executed through DomaCom's fractional investment platform.

DomaCom is in the final stages of seeking an ATO private ruling confirming that the finance income derived from the Equity Mortgage product is not interest. This will pave the way for the Equity Mortgage product to deliver a shariah compliant form of leverage to support the Crescent Finance offering.

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Funds Under Management

It was pleasing that the FUM grew by approximately 9% since the start of the quarter to \$98.9 million as at 31st December 2021 and has now grown to \$101 million as at 28th January 2022. This growth in FUM, along with the move to some upfront fees, has resulted in \$257k revenue for the December 2021 quarter which is up 125% from the December 2020 quarter.

Capital Management

The Company has raised \$3.7 million in a combination of a \$2 million placement and a further \$1.7 million via an entitlement/shortfall offer. The placement was completed at a price of \$0.06551 per share and the entitlement/shortfall offer was priced at \$0.066 per share.

Additionally, during December 2021, as part of preparing for a resumption of trading on the ASX, DomaCom negotiated a variation to the Thundering Herd (TH) Secured Convertible Notes to extend the maturity date to Q1 2023 and consequently allow a non-current liability classification.

Due to the Christmas and New Year holiday period, as well as the impact of Covid on peoples availability, the time taken to renegotiate the TH notes and the costs associated, has resulted in DomaCom needing to raise further capital to put the company in a position to request resumption of trading on the ASX.

Consequently, DomaCom is currently in the process of carrying out a placement to sophisticated investors for a further \$2.3 million at a price of \$0.066 per share. On completion of the capital raising, the Company will make a submission to the ASX for reinstatement to quotation.

Expenditure Analysis (updated)

In accordance with ASX Listing Rule 4.7C the Company provides the following additional commentary relating to the financial results included in the Appendix 4C for the quarter ended 31 December 2021.

Payment of remuneration to executive and non-executive directors and their related parties amounted to \$119,000 during the quarter ended 31 December 2021. In addition \$1,000 was received from the related party DomaCom Fund for expenses previously paid on its behalf.

DomaCom continued to carefully control costs during the quarter. Net cash used in operating activities decreased by \$376,000 compared to the previous quarter. The decrease is mainly due to a combination of a decrease in corporate costs associated with current business activities of \$232,000 and an increase in receipts from customers of \$115,000. The main business expense is staff costs that currently represents 51% of total costs before finance costs.

Transaction costs related to issues of equity securities or convertible debt securities increased by \$312,000 compared to the previous quarter mainly due the costs of extending the Thundering Herd Secured Convertible Notes and waiving their default provision relating to not being currently quoted on the ASX.

DomaCom Strategy

DomaCom is focusing on the following strategic initiatives:

- Onboarding AustAgri or collecting on the \$8.5 million termination fee
- Expanding the number of NDIS properties

- Finalising the Equity Mortgage product

The completion of the AustAgri transaction, if it goes ahead, will have a significant impact on the scale of operations that run through the DomaCom Platform and the management fees earned. The increased number of NDIS properties on the DomaCom Platform has had a significant impact on fee revenue. DomaCom will seek to further increase the number of NDIS properties. The finalisation of the Equity Mortgage product remains a key focus for DomaCom as it will offer a unique solution to allow the delivery of a shariah compliant form of leverage.

DomaCom will continue to offer the current unique product offerings that allow large assets to be fractionalised. DomaCom will continue to seek to grow the current distribution channels through well established adviser networks. DomaCom will maintain a strong IT development focus to allow the efficient delivery of current and future product offerings through the DomaCom Platform. DomaCom intends to maintain the current operating capabilities and staffing levels to support future growth.

DomaCom CEO Arthur Naoumidis said: “Even though 2021 has been a difficult year, it is pleasing to see the robust growth in FUM continue due to a focus on NDIS transactions amongst our clients with a significant pipeline of future transactions being established.

This December quarter also saw the completion of our \$3.7 million capital raise which, along with the current proposed \$2.3 million placement, will pave the way for the reinstatement of DomaCom to the ASX.

With AustAgri having completed the acquisition of the business assets and operations of Cedar Meats, we now look forward to the conclusion of the DomaCom Revenue Recognition Agreement in this quarter.”

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, possibly 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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