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ASX Announcement | 31 July 2023
DomaCom Limited (ASX: DCL)

DomaCom exceeds fee revenue target and continues to grow FUM; FY24 strategic plan being actioned

Highlights

- Annual fee revenue of $2.4m up 23% quarter-on-quarter (QoQ) and 134% year-on-year (YoY).
- Funds Under Management (FUM) on the DomaCom platform as at end-June 2023 was over $216m, up 10% QoQ and 61% YoY.
- DomaCom customer accounts numbered 2,330 by the end of the June 2023 quarter, up 2% QoQ and 29% YoY.
- The number of sub-funds on the DomaCom Platform rose to 133 by end-June 2023, up 2% QoQ and 25% YoY.
- With a focus on execution and a steadfast adherence to its strategic plan, the company is well-positioned to accelerate both FUM and revenue growth in FY24, paving the way for continued success.

DomaCom Limited (ASX:DCL) ('**DomaCom**' or '**Company**'), is pleased to announce its Appendix 4C cash flow report for the quarter ended 30 June 2023 (Q4 FY23), along with the following financial and operational update.

Ongoing Funds Under Management growth delivered

DomaCom continued to report sustained growth in key performance metrics over the June 2023 quarter, as shown in the following table.

Growth Metric		**Percentage Change**	
		QoQ	YoY
Funds Under Management ($m)	216	+10	+61
Customer Accounts (No.)	2,330	+2	+29
Sub Funds (No.)	133	+2	+25

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Despite the challenging economic conditions, the increase in Funds Under Management (FUM) over the June 2023 quarter was diverse, both from an asset class and funds received perspective. It cut across multiple property segments and varied asset classes investors wanted to gain exposure to. Investors displayed a keen interest in gaining exposure to numerous niche property segments, reflecting their desire for diversified asset classes. The FUM uplift was spread across multiple advisory groups, underscoring the broad-based appeal and recognition of the Company's investment solutions by various investment professionals.

The strong investor interest in sub-funds on the DomaCom platform did not just reflect existing clients moving to diversify their exposure to the array of asset segments it offers. New customer accounts also continued to increase, as DomaCom successfully provided access to its addressable market of investors wanting to direct some of their investible funds into attractive niche assets.

The steady expansion of sub-funds, despite the challenges posed by uncertain investment conditions, indicates the resilience and attractiveness of DomaCom's platform in the market. Although slower than planned due to the uncertain economic market, the number of sub-funds rose during the year, as asset owners saw the value of using DomaCom's fractional investing model to match their assets with investors wanting to diversify their portfolios.

Fee revenue continues to grow

DomaCom is pleased to report that its fee revenue for the three months ended 30 June 2023 was $547,000, exhibiting an increase of 23% over the $444,000 reported in the prior quarter and an impressive 76% increase over the $311,000 reported in the same quarter last year. Fee revenue for the whole of FY23 was in excess of $2.4m, a substantial 134% increase on the FY22 level of $1.0m. The FY23 fee revenue figure also exceeded the target set in DomaCom's strategic plan, which was issued back in mid calendar 2022.

DomaCom has a steady pipeline of business over the next quarter and will continue to bring new diverse opportunities to investors to drive growth in the business and associated fee revenue.

A continued focus on cost base discipline

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 30 June 2023.

During the quarter ended 30 June 2023, the payment of remuneration to executive and non-executive directors and their related parties amounted to

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$133,000. Furthermore, a net amount of $83,000 was paid for reimbursable expenses incurred on behalf of the related party DomaCom Fund.

DomaCom remained vigilant in monitoring its costs throughout the quarter, with operating expenses, excluding depreciation and non-cash debt provisioning, amounting to $1,085,000, remaining largely unchanged from the equivalent $1,065,000 for the previous quarter. There were Increases in legal and professional fees of $63,000 and savings in recruitment of $20,000 and corporate governance of $17,000. There was an increase in insurance costs of $29,000 and a reduction in occupancy costs of $15,000. The larger decrease in operating payments within the "Cash flows from operating activities" of the Appendix 4C from $1,237,000 for prior quarter to $1,003,000 for the quarter ended 30 June 2023 was attributable to the timing of payments made for these underlying expenses.

FY24 strategy targets accelerated upscaling of the DomaCom business

With key strategic deliverables locked in, DomaCom is committed to a further acceleration of the upscaling of its business. Central to this process, which will help the Company's transition to earnings positive status, is focusing on the key business objectives and continuing the execution of our strategy.

Key tenets of this strategy are:

- Capital sustainability and deployment to meet corporate objectives and shareholder returns;
- collaboration and connectivity with distribution and commercial partners;
- Innovative and differentiated digital value propositions; and
- People and culture.

A key aspect of the DomaCom solution remains the Secondary Market facility that brings liquidity to assets within the DomaCom Platform. Investors therefore not only benefit from being able to invest in fractions of larger assets, but also have access to a mechanism that provides potential liquidity in those assets. DomaCom will continue to focus on these key benefits to drive growth in Funds Under Management.

DomaCom CEO John Elkovich commented, "During these unprecedented times, DomaCom continued to expand the scale of its business in the June 2023 quarter. The robust year-on-year and quarter-on-quarter gains in FUM and fee income during these current economic conditions are evidence that the strategy implemented by DomaCom's leadership team and then diligently implemented by our staff has us heading in the right direction. At the same time, the sustained growth in our client accounts and sub fund metrics clearly illustrate that our model

continues to gain traction in key client segments. DomaCom sub-funds continue to provide the bridge between investors wanting to diversify their portfolios and advisors wanting alternative solutions for their clients.

As DomaCom's financial year 2024 has just commenced, the Company is presently executing further growth initiatives that collectively build upon the progress achieved in FY23. We eagerly anticipate sharing more details about this strategy, which is explicitly designed to accelerate the expansion of our business, in the FY23 results announcement scheduled for August."

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

End

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About DomaCom
DomaCom Limited (ASX:DCL) is the operator of an innovative managed investments platform for a wide range of assets across wholesale and retail markets. The platform offers investors and financial advisers easy access, reporting and transparency with comparatively lower minimum investments and competitive costs and structures. Investments on the platform can include a range of unique assets from agriculture, energy, securities, commercial and residential property.

As a leader in the Australian financial sector, DomaCom has a reputation for innovative structures and making portfolio diversification a reality for investors.

To learn more, please visit: www.domacom.com.au

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