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DomaCom Limited
Level 11, 109 Pitt Street
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29 September 2016

Dear Sirs

Report on Cashflow Forecast

Introduction

This report has been prepared at the request of the Directors of DomaCom Limited (DomaCom) in connection with the fourth supplementary prospectus to be issued by DomaCom (the Prospectus) in respect of its initial public offering (the Offer) and subsequent listing on the Australian Securities Exchange.

Scope

Deloitte Corporate Finance Pty Limited has been engaged by the Directors of DomaCom to review the assumptions underlying the cash flow forecast for the 3 years ending 30 June 2019 (the Cashflow Forecast). The Directors' assumptions underlying the Cashflow Forecast are described in Appendix 1. The stated basis of preparation used in the preparation of the Cashflow Forecast is the recognition and measurement principles contained in Australian Accounting Standards and DomaCom's adopted accounting policies.

The Cashflow Forecast has been prepared by management and adopted by the Directors in order to enable the Directors to state in the Prospectus that DomaCom will have sufficient working capital to meet its stated objectives.

There is a considerable degree of subjective judgement involved in preparing forecasts since they relate to events and transactions that have not yet occurred and may not occur. Actual results are likely to be different from the Cashflow Forecast since anticipated events or transactions frequently do not occur as expected and the variation may be material.

The Directors' assumptions on which the Cashflow Forecast is based relate to future events and/or transactions that management expect to occur and actions that management expect to take and are also subject to uncertainties and contingencies, which are often outside the control of DomaCom. Evidence may be available to support the assumptions on which the Cashflow Forecast is based, however such evidence is generally future orientated and therefore speculative in nature. We are therefore not in a position to express a reasonable assurance conclusion on those assumptions, and accordingly, provide a lesser level of assurance on the reasonableness of the Directors'

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assumptions. The limited assurance conclusion expressed in this report has been formed on the above basis.

The sensitivity analysis set out in Appendix 1 demonstrates the impacts on the Cashflow Forecast of changes in key assumptions. The Cashflow Forecast is therefore only indicative of the financial performance which may be achievable. We express no opinion as to whether the Cashflow Forecast will be achieved.

We have assumed, and relied on representations from certain members of management of DomaCom, that all material information concerning the prospects and proposed operations of DomaCom has been disclosed to us and that the information provided to us for the purpose of our work is true, complete and accurate in all respects. We have no reason to believe that those representations are false.

Directors' Responsibility

The Directors are responsible for the preparation of the Cashflow Forecast, including the assumptions underlying the Cashflow Forecast.

This responsibility includes the responsibility for such internal controls as the Directors determine are necessary to enable the preparation of the Cashflow Forecast that is free from material misstatement, whether due to fraud or error.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the assumptions underlying the Cashflow Forecast based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with Australian Standard on Assurance Engagements (ASAE) 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly we will not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the Cashflow Forecast.

The procedures we performed were based on our professional judgement and considered reasonable in the circumstances:

- comparing the historical cash outflows for expenses to the forecast cash outflows;
- assessing the reduced operating costs which may be implemented from 1 January 2018, the cost of implementing that reduction and the time taken to realise the reduced operating costs;
- discussing the fractional property funds under management pipeline and growth assumptions with management and the Executive Directors;
- assessing the fractional property funds under management on revenue and cash inflows;
- understanding the impact of the reduced operating costs on R&D claims and cash inflows
- discussions with management and Executive Directors of the factors considered in determining their assumptions;

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- the evaluation of accounting policies used in the Cashflow Forecast; and
- review of the Replacement Prospectus, First Supplementary Prospectus, Second Supplementary Prospectus, Third Supplementary Prospectus and Fourth Supplementary Prospectus in so far as they are relevant to the Cashflow Forecast. In doing so we have relied on the adequacy and completeness of the due diligence process adopted in preparation of those documents.

Conclusion

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Directors assumptions used in the preparation of the Cashflow Forecast do not provide reasonable grounds for the Cashflow Forecasts set out in table 3 and 4 of Appendix 2.

This is based on operating costs being reduced to $2.2 million core operating costs per annum either in January 2018 or July 2017 if the budgeted FUM is not achieved by 31 December 2017 or 30 June 2017, respectively as set out in table 3 and 4 of Appendix 2.

Restrictions on Use

Without modifying our conclusions, we draw attention to the purpose of the Cashflow Forecast which is to enable DomaCom to comply with a request from the Australian Securities Exchange to obtain support for the disclosure in the Prospectus that DomaCom will have sufficient working capital to meet its stated objectives. As a result this report may not be suitable for use for another purpose.

Disclosure of Interest

Deloitte Corporate Finance Pty Limited does not have any interest in the outcome of this Offer other than the preparation of this report for which normal professional fees will be received.

Yours sincerely

DELOITTE CORPORATE FINANCE PTY LIMITED

Tara Hynes

Tara Hynes
Authorised Representative of
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Appendix 1

General Assumptions
The following general assumptions are relevant to the Cashflow Forecast:

- There is no material change in the competitive and operating environments in which DomaCom operates;
- There is no significant deviation from the current market expectations of the broader economic conditions relevant to DomaCom or its clients;
- There is no material change to the legislative regimes and regulatory environment in which DomaCom and its clients operate;
- There are no losses of clients;
- There are no significant disruptions to the continuity of operations of DomaCom and there are no other material changes in DomaCom business;
- There is no material litigation that will arise or be realised to the detriment of DomaCom;
- There are no contingent liabilities that will arise or be realised to the detriment of DomaCom; and
- None of the risks set out in Section 7 of the Replacement Prospectus occur.

Directors' Assumptions

The Cashflow Forecast has been prepared on the basis of the actual Cashflow balances as at 30 June 2016 and DomaCom's forecast for the period to 30 June 2019. DomaCom's forecast for this period also has regard to the current performance of DomaCom up until the Supplementary Prospectus date.

The Cashflow Forecast is based on various specific assumptions, of which the key assumptions are set out below. The assumptions below are a summary only and do not represent all factors that will affect DomaCom's Cashflow Forecast.

Revenue Assumptions

Revenue is derived from management fees earned on average funds under management (FUM) which for the Fractional Property Interest is a rate of 0.8% p.a. (excluding GST) and for the Cash Pool is a rate of 0.2% p.a. (exclusive of GST).

When FUM of $275 million is achieved on the Fractional Property Interest fund this will generate revenue of $2.2 million which will equate with the core operating costs of $2.2 million (Core Operating Costs) and DomaCom will be in a breakeven position.

Operating Cost Assumptions

The Cashflow Forecast assumes that base levels of expenditure are maintained until the end of 2017 calendar year and that DomaCom continues to incur expenditure in relation to the commercialisation of the Equity Release and Corporate Bond Products. If the budgeted FUM is not achieved by the end of 2017 then DomaCom will reduce expenditure to a Core Operating Cost of $2.2 million. At this stage DomaCom would not look to further commercialise the Equity Release and Corporate Bond Products until such time as the FUM can support development of these Products.

The Core Operating Cost Assumptions have the following impact on the Cashflow Forecast:

- The cessation of expenditure in relation to the Bond and Equity Release products from 1 January 2018.
- A stepped reduction in operating costs which will be phased over two months, and primarily relates to obligations for rent and employment expenses, 50% of the reduction will be delivered in January 2018 and the full reduction delivered by February 2018.
- The stepped reduction in operating costs to $2.2 million p.a is driven by the following key accounts:
    - A reduction in employee expenses by $1.8 million, driven by a reduction in headcount by 11 non-core employees.
    - A reduction in rent expense by $0.2 million due to smaller premises.
    - A reduction in sales and marketing costs from reduced activity including $0.5 million for marketing and $0.1 million for travel and accommodation.
    - A reduction in external legal costs by $0.2 million, due to only the ordinary business costs being incurred which excludes the remaining legal costs relating to commercialisation of the Equity Release and Corporate Bond Products.
    - A reduction in IT expenses by $0.1 million, driven by the reduction in headcount and reduced activity levels.
    - The remaining general administrative and overhead expenses are expected to reduce by $0.4 million, driven by the reduced level of activity, headcount and premises.
- In order to achieve the core operating costs the Directors' have identified a number of one-off costs which are forecast to total $0.3 million. These costs primarily relate to the redundancy costs and rental commitments.

Research and Development Assumptions

In respect of the R&D rebate, this is primarily driven by the level of IT expenditure which is able to be claimed back from the ATO. The termination of the Bond and Equity Release products and the associated decline in operation expenses will reduce the level of R&D rebate across future periods. A rate of 43.5% of the current state R&D claim was applied with a half year impact in FY18 and the full year impact in FY19.

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Sensitivity Analysis

The following sensitivity analyses have been prepared to show the impact on cash flows.

25% FUM Assumption

Sensitivity analysis was performed on the amount of FUM achieved and was adjusted down to 25% of budget, over the forecast period.

Core Operating Cost Assumption applied from July 2017

If the Core Operations Cost Assumption was applied six months earlier from 1 July 2017 the closing cash position at 25% of achieved FUM improves from $0.2 million to $1.6 million by 30 June 2019.

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Appendix 2

Table 1 – Current state FUM at 100%

Current state FUM at 100%

$m	Dec-16	Jun-17	Dec-17	Jun-18	Dec-18	Jun-19
Cash	5	20	40	60	95	150
FPI	30	170	203	260	412	651
	35	**190**	**243**	**320**	**507**	**801**
Bonds	-	10	24	60	95	150
Equity release	-	-	15	20	31	49
Total FUM at 100%	**35**	**200**	**283**	**400**	**632**	**1,000**
Cash flow ($000)						
Opening cash	504	6,387	5,045	3,032	2,446	1,140
Revenue	(26)	128	729	1,055	1,534	2,409
Expense	(1,934)	(2,669)	(2,742)	(2,742)	(2,839)	(3,014)
R&D rebate	1,300	1,200	-	1,100	-	1,100
Capital raising	7,500	-	-	-	-	-
IPO costs	(957)	-	-	-	-	-
Closing cash	**6,387**	**5,045**	**3,032**	**2,446**	**1,140**	**1,635**

Source: Management information

Table 2- Core operations cost assumption from 1 January 2018

Core operations cost assumption from Jan-18

$m	Dec-16	Jun-17	Dec-17	Jun-18	Dec-18	Jun-19
FUM (excluding equity release and bonds product revenue post Dec-17)						
Cash	5	20	40	60	95	150
FPI	30	170	203	260	411	650
	35	**190**	**243**	**320**	**506**	**800**
Bonds	-	10	24	-	-	-
Equity release	-	-	15	-	-	-
Total FUM at 100%	**35**	**200**	**283**	**320**	**506**	**800**
Cash flow ($000)						
Opening cash	504	6,387	5,045	3,032	3,204	3,366
Revenue	(26)	128	729	906	1,295	2,035
Expense	(1,934)	(2,669)	(2,742)	(1,524)	(1,133)	(1,203)
R&D rebate	1,300	1,200	-	789	-	479
Capital raising	7,500	-	-	-	-	-
IPO costs	(957)	-	-	-	-	-
Closing cash	**6,387**	**5,045**	**3,032**	**3,204**	**3,366**	**4,676**

Source: Management information

Table 3 – Core operations cost assumption from 1 January 2018 at 25% budgeted FUM

Core operations cost assumption from Jan-18

$m	Dec-16	Jun-17	Dec-17	Jun-18	Dec-18	Jun-19
FUM (excluding equity release and bonds product revenue post Dec-17)						
Achieve 25% of total FUM	18	50	71	80	126	200
Cash flow ($000)						
Opening cash	504	6,361	4,752	2,107	1,536	627
Revenue	(53)	(140)	97	164	225	341
Expense	(1,934)	(2,669)	(2,742)	(1,524)	(1,133)	(1,203)
R&D rebate	1,300	1,200	-	789	-	479
Capital raising	7,500	-	-	-	-	-
IPO costs	(957)	-	-	-	-	-
Closing cash	**6,361**	**4,752**	**2,107**	**1,536**	**627**	**244**

Source: Management information

Table 4 – Core operations cost assumption from 1 July 2017 at 25% budgeted FUM

Core operations cost assumption from Jul-17

$m	Dec-16	Jun-17	Dec-17	Jun-18	Dec-18	Jun-19
FUM (excluding equity release and bonds product revenue post Jun-17)						
Achieve 25% of total FUM	18	50	61	80	126	200
Cash flow ($000)						
Opening cash	504	6,361	4,752	3,306	2,870	1,976
Revenue	(53)	(140)	79	179	240	357
Expense	(1,934)	(2,669)	(1,524)	(1,094)	(1,133)	(1,203)
R&D rebate	1,300	1,200	-	479	-	479
Capital raising	7,500	-	-	-	-	-
IPO costs	(957)	-	-	-	-	-
Closing cash	**6,361**	**4,752**	**3,306**	**2,870**	**1,976**	**1,608**

Source: Management information

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