For personal use only

ASX Announcement

26 October 2020

RENT.COM.AU QUARTERLY ACTIVITIES REPORT FOR Q1 FY21

Rent.com.au Limited (ASX: **RNT**) ("**Rent.com.au**" or "**the Company**"), Australia's website made for renters, presents its quarterly activities report for the quarter ended 30th September 2020.

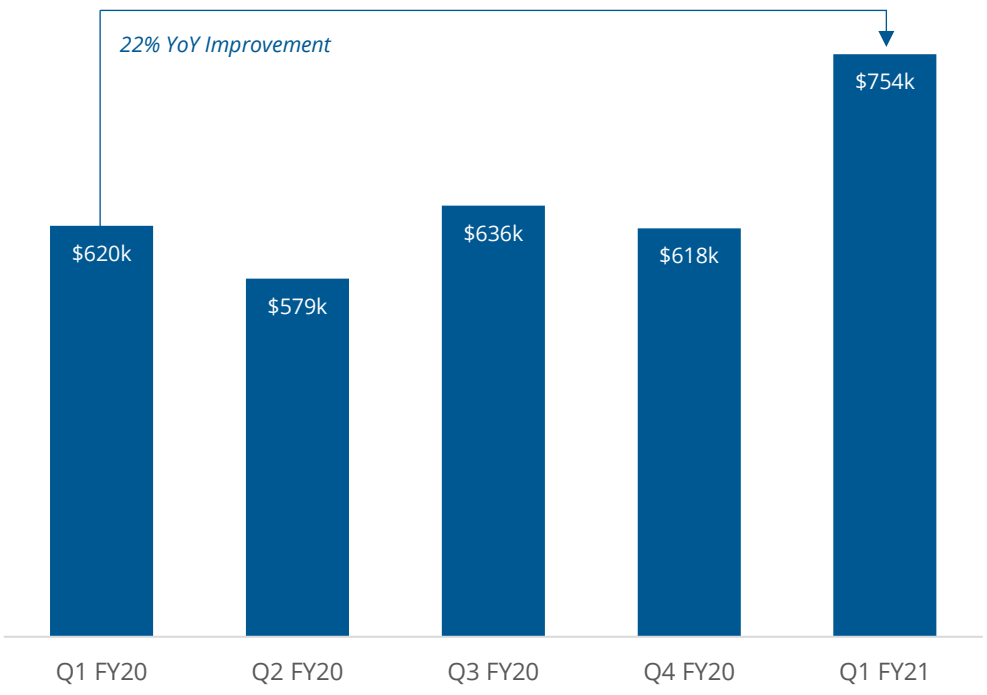
Key Points:

- Record quarterly revenue of $753k driven by a 41% growth in Renter Products
- Continued EBITDA improvement despite increasing RentPay investment
- Core rent.com.au portal business records first positive quarterly EBITDA
- RentPay redevelopment on track, additional innovation opportunities arising
- $2.3m cash on hand after oversubscribed placement

Operating Overview

"We're thrilled with the record revenue results that the team have achieved for the September quarter. We saw a 12% lift in traffic compared to the same period last year as renters returned to the market, with record product sales and engagement metrics highlighting the usefulness of our site to customers embarking on their renting journey," said Rent.com.au CEO, Greg Bader.

Quarterly Revenue



"We are seeing a tiered market starting to emerge. Our two largest cities (Melbourne, Sydney) have vacancy rates greater than 2019 but most regions are seeing the opposite, with some cities experiencing record low levels of stock availability. This creates a more competitive market in which to secure a property, meaning renters who can differentiate themselves and provide evidence of their good standing have an advantage. This is where our Renter Products shine".

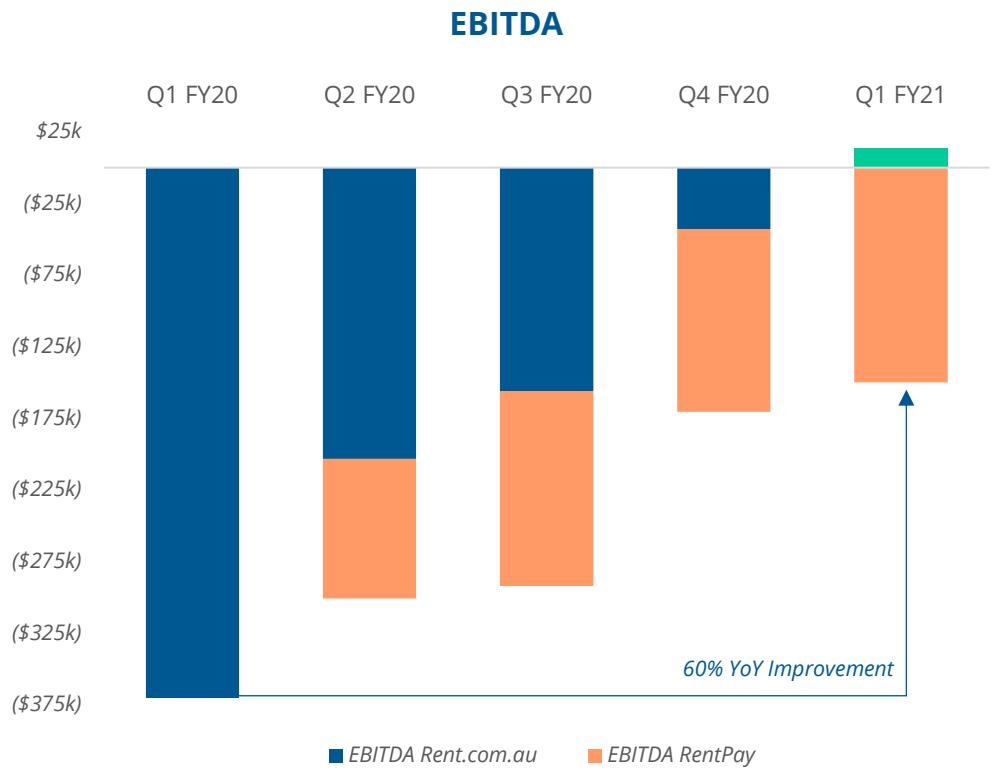
For personal use only

"Renter Resume continues to perform well, up 33% on the previous quarter and averaging around 800 per day. RentCheck, which allows renters to have their identity verified and themselves checked against the National Tenancy Database, increased 30% over the same period."

"Renters are also looking to reduce cost of living expenses and our RentConnect product, which is offered in partnership with AGL, provides renters not only with a great ongoing energy deal but also a $100 gift card from Rent.com.au. The partnership is working well with the average number of customers signing up to AGL growing by 24% since the June quarter.

"This quarter has not been without its challenges. Despite the number of people moving, demand for our bond finance product, RentBond, has been weaker than usual because of alternate sources of funding such as access to superannuation and also renters being more cautious about borrowing as is typical in uncertain times.

"Likewise, our Advertising revenue too has been affected. Advertising revenue has mirrored the general fall seen across the media market, although we expect the impact to be short-lived and in fact we have already seen an increase in advertising demand with October 2020 on track to be a record month for advertising revenue."



"We have maintained our ruthless focus on cost efficiency throughout the quarter, however we have continued to increase our investment into the development of RentPay with one-off recruitment costs for new staff hires in our software development team and other RentPay costs accounting for the increase in costs during the quarter. If we ignore the RentPay impact on EBITDA, the rest of the Rent.com.au business recorded its first ever positive EBITDA quarter.

"While profitability in our core business is a fantastic achievement and underpins our sustainability, we remain focussed on building a substantial and influential business for the long term. That means we will continue to invest in the innovative products and services needed to take advantage of the $60 billion per year tenancy market."

For personal use only

RentPay Update

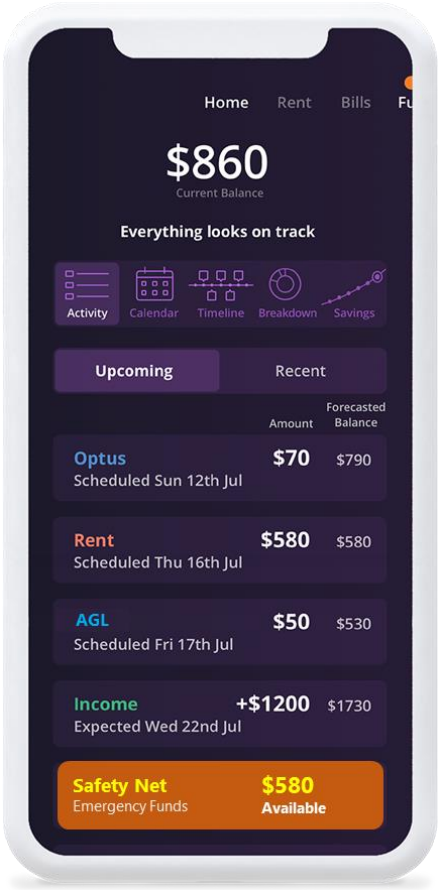
"Development of RentPay has surged ahead over the past quarter, with the completion by Novatti of the core digital wallet functionality and most of the payments integration layer.

"We also signed ANZ to provide transactional banking services to RentPay, allowing us to leverage their scale and expertise to provide lower cost and more timely services for renters.

"The RentPay ecosystem aims to transform the way rental payments work in Australia (and beyond) by giving renters more control and flexibility over their payments, while still being able to deliver value to the agent/landlord side of the transaction. At the same time, it builds a sustainable annuity revenue base for our business," explained Mr Bader.

"Extensions to provide finance, utility and insurance products will only amplify the value proposition for renters. Moving into the tenancy period of a renters life cycle opens up a market 20 times greater than Rent.com.au's current market, with 2.4 million renting households who collectively pay more than $60 billion in rent per year.

"We have entered the testing phase of RentPay development and will soon be launching our first live customer trials."



Outlook

"Our team continues to pull out all stops to deliver the best results we can. This quarter we delivered our strongest ever revenue and EBITDA results while also completing an oversubscribed placement to raise $1.5 million (before costs). This sets up the business to complete the development of RentPay and launch our move into the tenancy period.

"We know revenue drops off during the December quarter due to seasonality (no one wants to move house over Christmas) and any further COVID impacts are unknown. We will manage these as best we can while continuing to focus our efforts on completing the development of RentPay ready for what we expect will be a strong March quarter if restrictions continue to ease," concluded Mr Bader.

Disclosures required under ASX Listing Rules:

Payments to related parties of the entity during the quarter totalled $100k, comprising office rent and outgoings paid to entities associated with Dr Garside. Office rent is on favourable, market standard terms negotiated independently of Dr Garside.

Lodgement with the ASX has been authorised by the Board of Directors

Investors wishing to keep up to date with company news and events are invited to subscribe for updates at: **https://investors.rent.com.au/**

For personal use only

About rent.com.au

rent.com.au (ASX: RNT) exists to make renting rewarding. Made for renters, RNT is reimagining the renting experience to create Australia's most empowered rental community.

Our Mission

Inspired by our customers, and through the clever use of technology, we deliver innovative solutions to remove the complexities of renting and create positive, lasting change.

Our Products

rentcheck

An easy way for a renter to verify their ID and check for any reported breaches in their tenancy history, giving them an edge on their application.

Learn More

rentbond

A move now pay later product that helps renters bridge the gap from one rental to another by financing their bond online.

Learn More

rentconnect

A free and easy to use utility connection service in partnership with AGL that not only makes moving hassle free – ensuring the lights are on and the water is hot when a renter moves into their new place but also provides the renter with a $100 gift card to help them turn a house into a home.

Learn More

Renter (and Pet) Resume

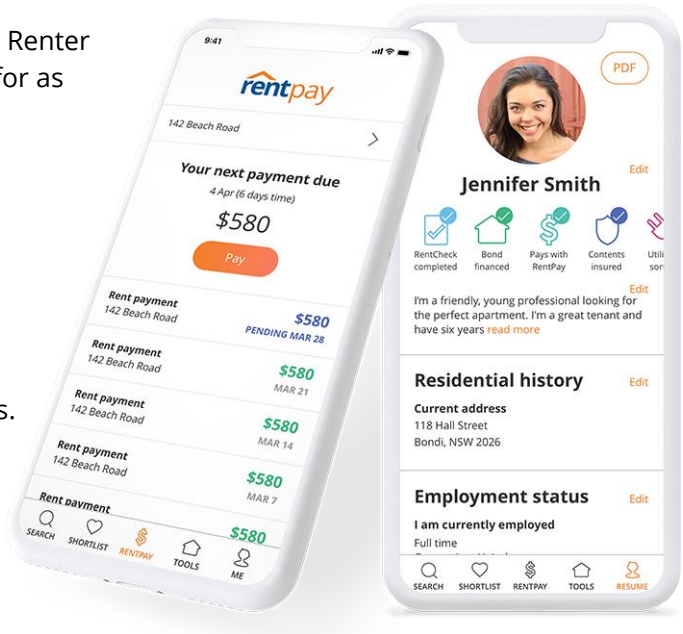
Renters can streamline their rental search with Renter Resume. Creating it once and using it to apply for as many properties as they like.

Learn More

RentPay

Rental payments in the palm of their hand. Renters can make payments, track payments, view their rental history, and set-up reminders.

Learn More



Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

For personal use only

Name of entity	
RENT.COM.AU LIMITED	
ABN	**Quarter ended ("current quarter")**
25 062 063 692	30 SEPTEMBER 2020

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	791	791
1.2	Payments for		
	(a) research and development	-	-
	(b) product manufacturing and operating costs	(279)	(279)
	(c) advertising and marketing	(59)	(59)
	(d) leased assets	(85)	(85)
	(e) staff costs	(358)	(358)
	(f) administration and corporate costs	(150)	(150)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	(3)	(3)
1.6	Income taxes paid	(13)	(13)
1.7	Government grants and tax incentives	684	684
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**528**	**528**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(8)	(8)
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	(259)	(259)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**(267)**	**(267)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,500	1,500
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(106)	(106)
3.5	Proceeds from borrowings	3	3
3.6	Repayment of borrowings	(24)	(24)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**1,373**	**1,373**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	633	633
4.2	Net cash from / (used in) operating activities (item 1.9 above)	528	528
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(267)	(267)

For personal use only

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,373	1,373
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**2,267**	**2,267**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	2,197	563
5.2	Call deposits	70	70
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**2,267**	**633**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	100
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

For personal use only

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	-	-

7.5	**Unused financing facilities available at quarter end**	-

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

n/a

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (Item 1.9)	528
8.2	Cash and cash equivalents at quarter end (Item 4.6)	2,267
8.3	Unused finance facilities available at quarter end (Item 7.5)	-
8.4	Total available funding (Item 8.2 + Item 8.3)	2,267
8.5	**Estimated quarters of funding available (Item 8.4 divided by Item 8.1)**	**n/a**

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:
n/a

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:
n/a

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:
n/a

For personal use only

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 26 October 2020

Authorised by: By the Board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – e.g. Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

For personal use only