



rmaglobal

Annual Report

For the year ended 30 June 2019

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About RMA Global

rmaglobal

Bringing transparency to the world of real estate

RMA Global Limited is an online digital marketing business providing extensive data on residential property for-sale and sold, sale results for individual residential real estate agents and agencies, as well as reviews of agent performance from vendors and buyers of real estate.



Homeowners

use RateMyAgent to search for, shortlist, and ultimately engage the right agent to sell their property.



Buyers

use the platform to help find and follow leading agents who are selling the types of properties they want to buy.



Real estate agents

and agencies use RateMyAgent to demonstrate experience and sales ability to prospective vendors.

The product offering has recently expanded to leased properties with RateMyAgent for Property Managers. RMA Global currently operates in Australia, but recently launched into the US and New Zealand.

As we enter our fifth year, we haven't forgotten our roots: maintaining the startup culture, creative thinking and an unwavering focus on what's most important – making real estate approachable, engaging and accessible.

Snapshot 2019

Australian Snapshot

↑ **0.4%**

21,800

Estimated active
agents in Australia
with a claimed profile ⁽¹⁾

↓ **17.4%**

House sale volumes
in cities ⁽²⁾

↑ **16.1%**

33,000

Claimed profiles on
the RMA Platform in
Australia ⁽¹⁾

↓ **4.3%**

33,500

Estimated active
agents in Australia ⁽¹⁾

(1) As at 16 September 2019 compared to 30 June FY18

(2) CoreLogic Monthly Housing and Economic Chart Pack, August 2019

↑ **42.8%**

665,500

Reviews on our platform
in Australia ⁽¹⁾

↑ **38.4%**

\$976,000

Promoter revenues
in Australia

↑ **17.5%**

\$6.0 million

Subscription revenues
in Australia

US Snapshot

↑ **519%**

26,500

US Claimed profiles ⁽¹⁾

(1) As at 16 September 2019 compared to 30 June FY18



The current focus is to grow the infrastructure and customer network in the USA and New Zealand and to monetise the Australian agent network.



David Williams
Chairman



Mark Armstrong
CEO

Chair and Chief Executive Officer's Report

Consumers are increasingly more digitally astute, have better access to information and increasingly make informed choices influenced by the reviews of other consumers. This is changing the landscape for B2C suppliers and makes owning and managing a profile that facilitates online reviews a necessity.

It is because of this and our dominant position in the real-estate agent review space that RMA is well placed for success even in a challenging real estate environment.

FINANCIAL AND STRATEGIC HIGHLIGHTS

It has been a challenging year for the real estate industry in Australia, with house sale volumes down 17.4%¹ and many real estate agents leaving the market. There are early signs of the market starting to turn and although RMA was negatively impacted by the downturn, we have come through the year in a better market position than when we entered.

Group operating revenues are up 19% to \$7.3 million. We invested significantly in our business to be able to enter new markets and expand our product offering. We also invested in marketing to promote and expand our brand, primarily in the USA. This resulted in an EBITDA loss of \$7.3 million.

Australia

RMA remains the dominant real estate agent review platform in Australia with an estimated 80%² of all real estate agent reviews in Australia being posted on the platform. Agent profile claims and reviews are proof of the value RMA offers to real estate agents in building their public profile and marketing their services.

To further our commitment to delivering value to our subscribers, RMA has recently signed a syndication agreement with real estate technology company, Domain, whereby agents who are subscribers of RMA or a Platinum subscriber of Domain will have their latest reviews displayed on the Domain platform. Consumers can see agent profile reviews on Domain's platform and click through to the RMA platform to research agents further. This relationship benefits RMA's subscribers through increased consumer traffic and leads.

In FY19 we received circa 163,000 reviews (FY18: 181,000). Although this represents a 10% decrease, the volume of houses sold decreased by 17.4%¹. This reflects a net increase in the number of reviews received per property sold.

Quarterly subscription revenues only increased by 1.4% between 4Q FY18 and 4Q FY19. We consider this to still be a great result because the market reduced by 8.3% between June 2018 and June 2019. The impact of this downturn occurred towards the last half of the year and limited annual subscription growth to just 17.5%.

The company is pursuing a strategy to significantly increase subscriptions in FY20.

Agent Promoter continues to gain popularity with agents, accelerated through expanding the product offering to include Facebook and Instagram campaigns, with year-on-year growth of 38.4%.

1 CoreLogic Monthly Housing and Economic Chart Pack, August 2019.

2 RMA internal data.

Chair and Chief Executive Officer's Report

USA

Our roll out strategy for the USA communicated last year was to start by creating a database of agents, converting these profiles to claimed profiles and then building agent profiles through reviews. Once we reached a critical number of claimed profiles and reviews, paid subscription and other revenues were to be pursued, replicating the Australian model.

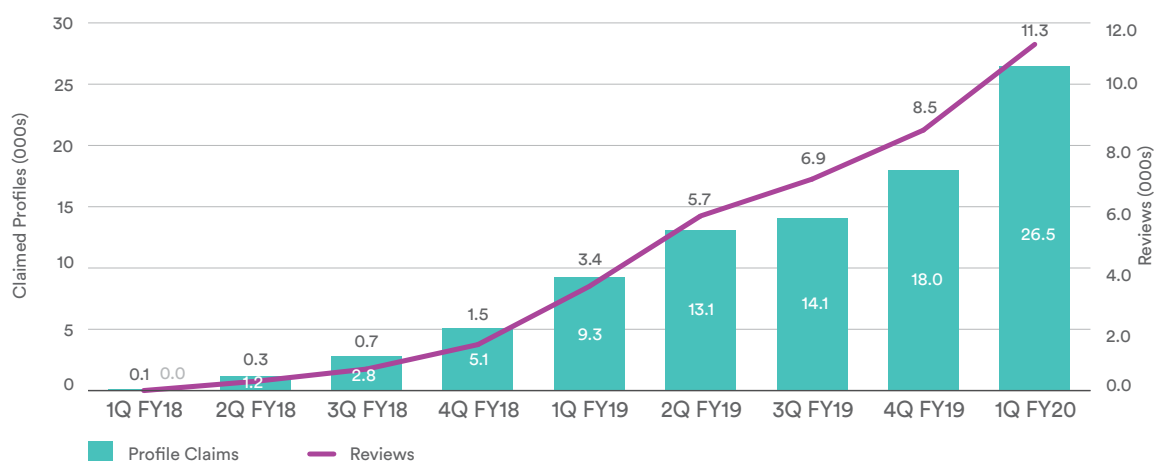
In the USA, the disparate nature of the industry posed challenges in being able to obtain consistent data. Instead, we have achieved this by partnering with Multiple Listing Services ("MLS"), which are data aggregation services for real estate transactions.

MLS also promote our products directly to their agent members which lends additional credibility to RMA.

Since May, we have launched our services through six MLS with another five launches due by the end of 2Q FY20. As a consequence, we have nearly doubled the number of claimed profiles to circa 26,500. In the same period, reviews increased by 50% to just over 11,300 reviews.

There is a delay between claiming a profile, getting reviews and when revenues flow, but the indicators are all pointing in the right direction.

USA – Profile claims vs reviews (Cumulative)



New Zealand

Growth within New Zealand has largely been organic. In May, RMA invested in additional resources to deliver growth which has resulted in a significant uptick in new profile claims, reviews and revenues with month-on-month subscription revenues doubling in June 2018.

Chair and Chief Executive Officer's Report

CAPITAL MANAGEMENT

RMA is positioned to grow significantly in FY20. In September 2019, the Group raised \$9 million of capital through a private placement of 45 million shares to institutional and sophisticated investors at a price of \$0.20 per share. This includes \$1.26 million to be raised from director-related entities which will be conditional on shareholder approval which will be sought at the Group's AGM in November 2019. The Group will also proceed with a Share Purchase Plan (SPP) to raise up to a further \$1m from existing shareholders at a price of \$0.20 per share.

PEOPLE

FY19 was an exciting year for RMA as we transitioned from a privately-owned start-up with a primarily Australian focus to a listed business with a global focus.

To facilitate this transformation, RMA appointed a number of new senior executives, including our COO and CFO, and added depth to our internal team structures to align team objectives with our global strategy and position the business for success.

We also expanded our operations to set up a physical presence in the USA with the opening of an office in California.

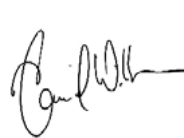
OUR FOCUS IN FY20

The current focus is to:

- Significantly grow the infrastructure and agent network in the USA and New Zealand.
- Pursue a new strategy for monetising our dominant position in Australia.
- Investigate new markets for expansion.

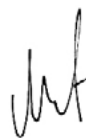
THANK YOU

We are extremely grateful to the team we have at RMA. Our success is a direct result of their passion and dedication. We have a highly engaged team who love coming to work and building a great product. We thank them for their contribution.



David Williams

Chairman



Mark Armstrong

CEO

Directors' Report

Board of Directors and Senior Management

DAVID WILLIAMS

Non-executive Chairman

David was appointed a Non-executive Director and Chairman on 27 November 2016.

David is an experienced director and corporate advisor with a proven track record in business development, mergers, acquisitions and capital raisings. He has more than 34 years' experience advising ASX-listed companies. David is currently Chairman of Medical Developments International Ltd. (ASX:MVP), PolyNovo Ltd (ASX:PNV) and is Managing Director of corporate advisory firm Kidder Williams Ltd.

David is the Chairman of the Nomination and Remuneration Committee.

David holds an Honours and Master's degree and is a Fellow of the Australian Institute of Company Directors.

SIGAL PILLI

Non-executive Director

Sigal was appointed a Non-executive Director on 12 April 2018.

Sigal has over 20 years' experience in senior finance roles across a range of industries, including tech, digital (ecommerce), manufacturing and engineering. Sigal is currently the Chief Operating Officer of Assembly Payments Pty Ltd. Prior to this, Sigal was the CFO of online marketplace Envato Pty Ltd for just under 8 years.

Sigal holds an MBA from Tel Aviv University and a BA (Economics & Accounting) from The Hebrew University of Jerusalem. Sigal is also a qualified accountant (in Australia and in Israel) and a member of CPA Australia.

From left to right:

- Edward van Rosendaal
- David Williams
- Sigal Pilli
- Philip Powell
- Mark Armstrong



PHILIP POWELL

Non-executive Director

Philip was appointed a Non-executive Director on 5 April 2018.

Philip has over 20 years' experience in investment banking specialising in capital raisings, IPOs, mergers and acquisitions and other successful corporate finance assignments across a diverse range of sectors. He spent 10 years in senior financial roles at OAMPS Ltd, a former ASX-listed financial services group and 10 years in audit with Arthur Andersen & Co. in Melbourne, Sydney and Los Angeles. Philip has been involved in numerous IPO engagements, valuations and venture capital related raisings.

Philip is currently a Non-executive Director of BARD1 Lifesciences Limited (ASX:BD1), Medical Developments International Ltd (ASX:MVP) and PolyNovo Ltd (ASX:PNV). He is also an alternate Director for the Natures Dairy Australia group.

Philip is a qualified Chartered Accountant, a Fellow of FINSIA and a Member of the Australian Institute of Company Directors.

Philip is the Chairman of RMA's Audit and Risk Committee.

MARK ARMSTRONG

Chief Executive Officer and Co-Founder

Mark was appointed a Director on 15 April 2014.

Mark is an experienced real estate professional, Certified Practising Account and a Co-Founder of RMA. Mark holds a Bachelor of Business (Accounting) and is a member of the Australian Institute of Company Directors.

EDWARD VAN ROOSENDAAL

Chief Technical Officer and Co-Founder

Ed was appointed a Director on 23 May 2018.

Ed has more than 15 years' industry experience and leads the strategic direction for the Group's product and technology teams. Ed holds a Bachelor of Information Technology from Swinburne University of Technology and is a member of the Australian Institute of Company Directors.



SCOTT FARNDALL

Chief Financial Officer and Company Secretary

Scott joined RMA on 14 June 2018 and was appointed as Chief Financial Officer (CFO) and Company Secretary on 28 June 2018.

Scott is a qualified Chartered Accountant with more than 16 years' financial experience, predominantly in Financial Services and Technology. He has worked in the UK, South Africa and Australia.

Scott holds Honours degrees in Accounting and Engineering.



Directorships of other listed companies

Directorships of other listed companies held by the Directors in the 3 years immediately before the end of the financial year are:

Name	Company	Period of Directorship
David Williams	Polynovo Limited (Chairman)	Since 28 February 2014
	Medical Developments International Limited (Chairman)	Since 16 September 2003
Philip Powell	Polynovo Limited	Since 13 May 2014
	Medical Developments International Limited	Since 17 December 2014
	BARD1 Life Sciences Limited	Since 18 June 2019

Directors' interests

The relevant interest of each director in the shares, debentures, interests in registered schemes and rights or options over such instruments issued by the companies within the Group and other related bodies corporate, as notified by the Directors to the ASX in accordance with S205G(1) of the *Corporations Act 2001*, at the date of this report is as follows:

Director	Ordinary Shares	Options	Rights
Mr David Williams	116,045,341	—	—
Mr Mark Armstrong	66,276,769	—	—
Mrs Sigal Pilli	40,000	—	—
Mr Philip Powell	522,302	—	—
Mr Ed van Rosendaal	19,991,674	—	—
Total	202,876,086	—	—

Directors' Report

Directors' meetings

The number of Directors' meetings (including meetings of committees of Directors) and number of meetings attended by each of the Directors of the Company during the financial year are:

Director	Board		Audit and Risk		Nomination and Remuneration	
	Eligible	Attended	Eligible	Attended	Eligible	Attended
Total meetings held	12		3		0*	
Mr David Williams	12	11	#	#	0*	0*
Mr Mark Armstrong	12	12	3	3	#	#
Mrs Sigal Pilli	12	12	3	3	0*	0*
Mr Philip Powell	12	12	3	3	0*	0*
Mr Ed van Rosendaal	12	12	#	#	#	#

* No Committee meetings were held in the current financial year and all duties of the sub-committees were incorporated into the main Board meetings

Not a member of the committee

Operating and financial review

Overview of the Group

RMA Global Limited ('RMA'), the ultimate parent of the RMA Group ('the Group'), is a public company listed on the Australian Securities Exchange. As at 30 June 2019, RMA had seven wholly owned subsidiaries:

- DC Global Pty Ltd
- RateMyAgent.com Pty Limited
- Property Results Online Pty Ltd
- Propertyresultsonline.com.au Pty Ltd
- Property Tycoon Pty Ltd
- Propertytycoon.com.au Pty Ltd
- RateMyAgent Inc

All companies, except RateMyAgent Inc, are Australian proprietary companies. RateMyAgent Inc is a US subsidiary registered in Delaware. All subsidiaries are dormant, except RateMyAgent.com Pty Ltd and RateMyAgent Inc, which are the trading entities.

Principal activities and operations

RMA is an online digital marketing business providing extensive data on residential property sale results for residential real estate agents and agencies, as well as reviews of agent performance from vendors and buyers of residential real estate. This data can be used by agents to build their profile to market themselves, or by vendors to compare agents and find an agent or agency to sell their property.

The product offering also allows for the rating of agencies on leased properties.

RMA currently operates in Australia, New Zealand and the USA.

Directors' Report

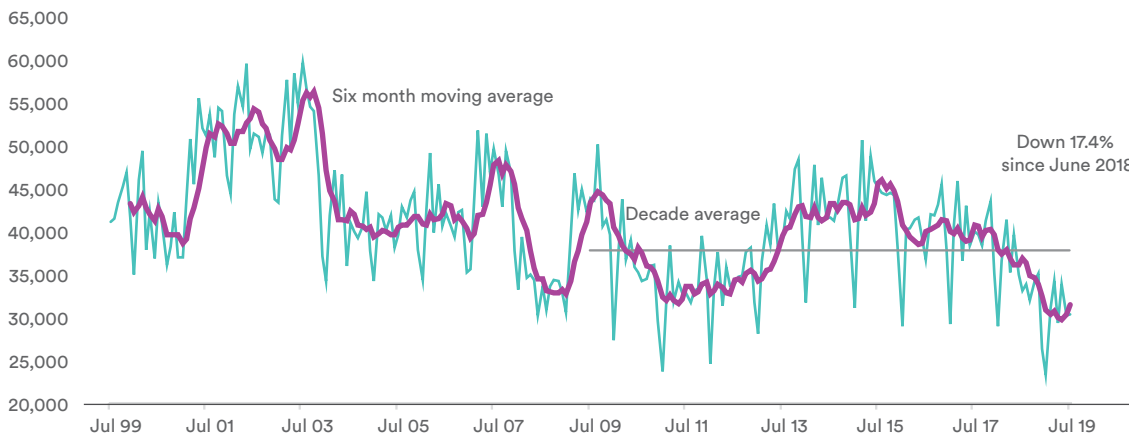
Australia

Subscription revenue

The major revenue stream for Australia consists of subscriptions whereby agents and agencies pay a monthly fee for a more prominent profile and additional products and services.

Economic conditions for real estate in Australia over the last financial year have been tough, with a 17.4% decrease in year-on-year property sales, shown in the graph below.

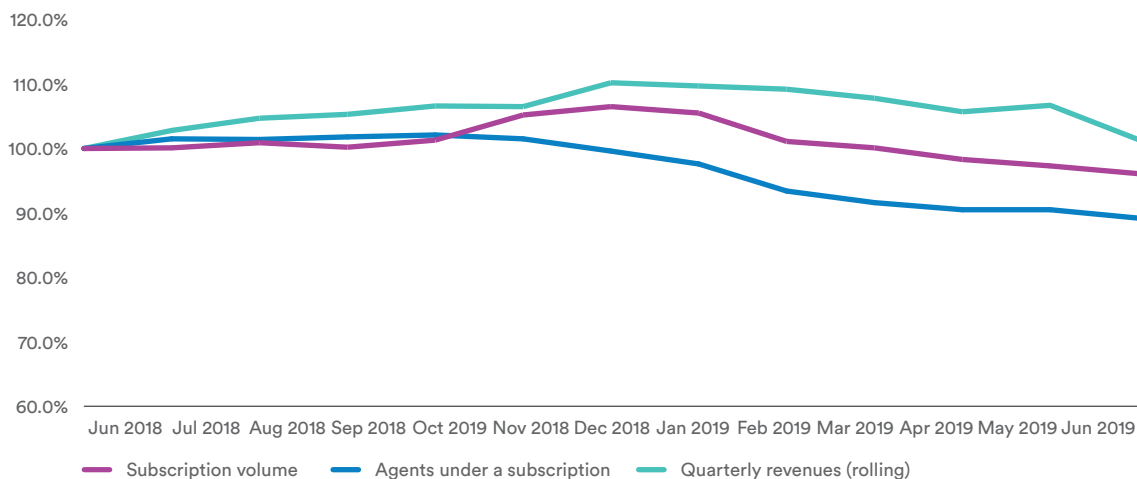
Monthly sales with six month moving average, National



Source: CoreLogic total home sales

Over the same period, the number of active agents with a claimed profile in the market has reduced by 8.3%¹ and subscription volumes have decreased by 3.9%. Realestate.com also entered the real estate review space in early 2019. However, 4Q FY19 revenues are up 1.4% on 4Q FY18. This reflects that RMA has continued to grow despite challenging market conditions.

Indexed subscription volumes vs agents under a subscription vs quarterly revenues (rolling)



¹ RMA internal data.

Directors' Report

The table below reflects the quarterly revenues by source for the last two years.

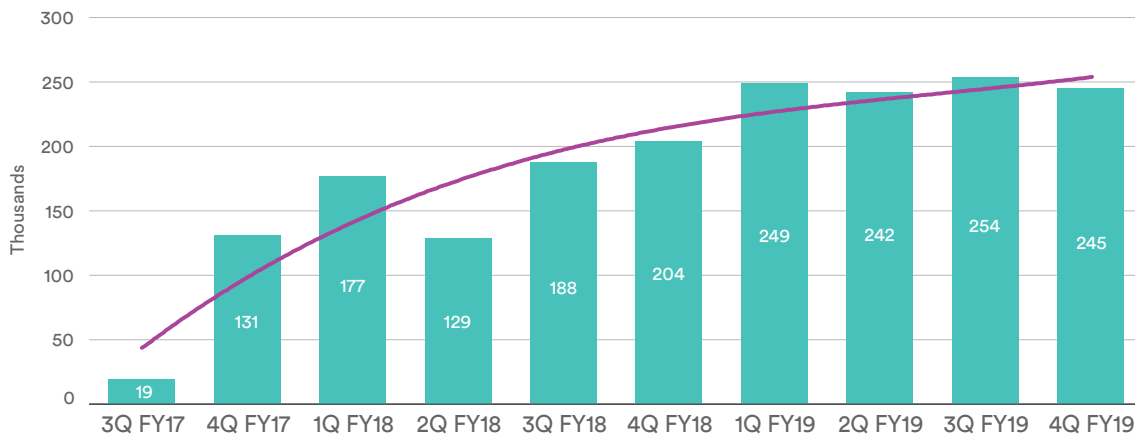
Revenue item	1Q FY18	2Q FY18	3Q FY18	4Q FY18	1Q FY19	2Q FY19	3Q FY19	4Q FY19
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Subscription revenue	1,106	1,245	1,346	1,414	1,489	1,559	1,524	1,434
Promoter revenue	177	129	188	204	249	242	250	235
Lead Generation Revenue	68	22	19	39	19	4	–	–
Total recurring revenue	1,351	1,396	1,553	1,657	1,757	1,805	1,774	1,669

Other metrics influencing subscription conversion are the active agent base and number of review requests. In FY19, a quarterly average of 8,600 active agents (FY18: 9,400) initiated 300,000 review requests (FY18: 310,000).

Promoter

Promoter revenues are generated through the promotion of agent and agency campaigns via 3rd-party online advertising providers. Campaigns are renewable and run for between 1 week and 3 months. RMA issues annual Awards in February, which as a positive temporary impact on Promoter campaigns.

Promoter revenue



Lead Generation

Lead generation revenue is generated through referrals to industry service providers, including removalists and utility providers, from the sale data collected. In our interim report we communicated that we would be progressing with revenue models for two potential partners. This did not eventuate, but when priorities allow, RMA continues to seek alternative back-end revenue partnerships.

USA

The route to market in the US differs to that in Australia. In Australia, agents generally work for an agency for a salary plus commission. Systems within an agency are usually homogeneous and the agency brand is paramount. In any transaction there is also generally only one agent, being the vendor's selling agent.

In the US, the brokerages are the equivalent of agencies, but an agent's relationship is closer to an independent commission driven micro-business than a salaried employee. Real-estate transactions are transacted using two agents, one for the buyer and one for the vendor.

Directors' Report

Multiple Listing services are data aggregation services that facilitate real estate market clearing. Agents upload current and sold listings into a database where data is accessible to all members and also distributed to portals such as RMA.

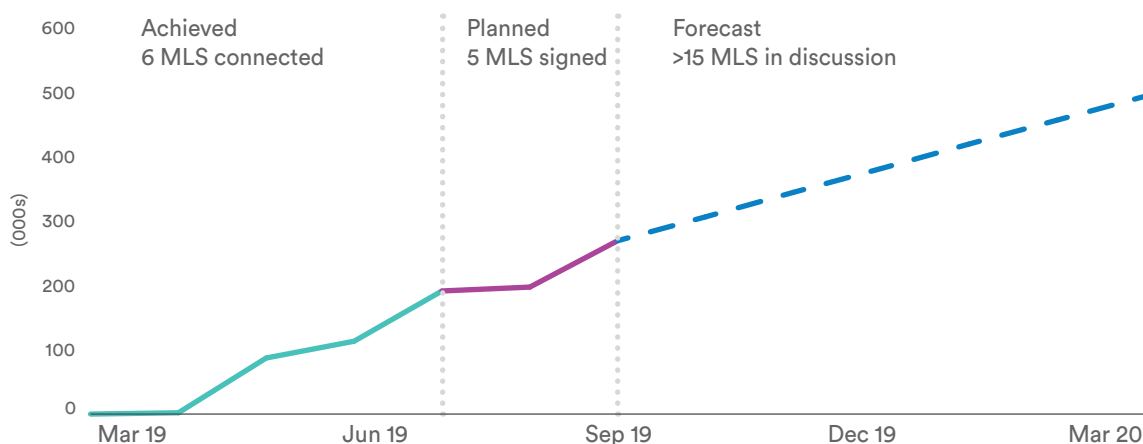
There are several hundred MLS in the US, with most focused in a specific geography. However, there are a relatively small number of large MLS that cover the majority of the agents in the US.

All agents are members of a MLS and they often look to their MLS for advice. MLS also compete with one another on value and service.

Partnering with an MLS is the key to achieving scale in the US as they are viewed as trustworthy sources of recommendations for agents, and they also provide the best source of data.

Since the beginning of the year, RMA has signed agreements with eleven MLS's, including the largest in California and Florida. These eleven MLS have a combined claimed membership of 270,000 members. RMA is integrating with five of these MLS and have launched with the remaining six.

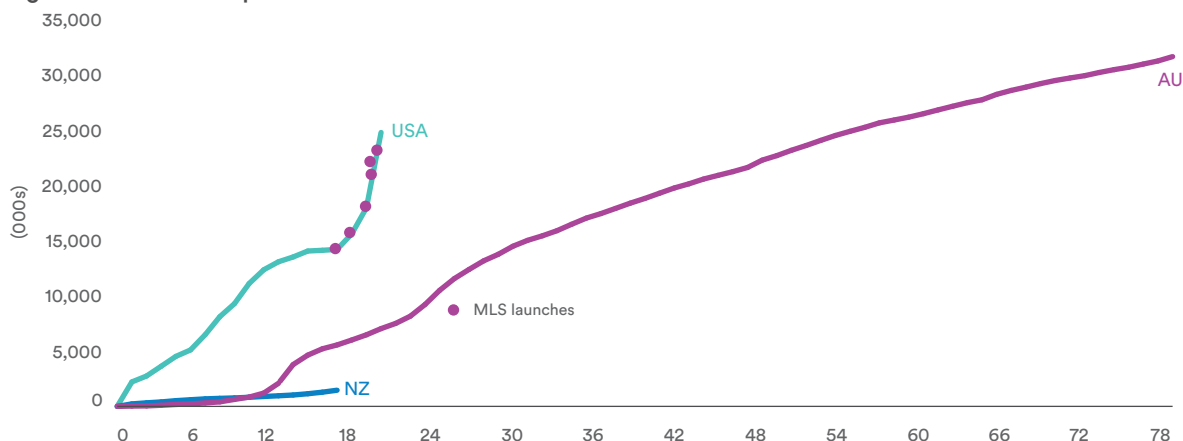
Number of agents connected via MLS¹



1. We consider an MLS and agent to be connected when RMA is receiving a relevant data feed from the MLS, and this is being used to power our platform.

Since our first launch in May, our results have been very pleasing and, as at 16 September 2019 we have over 26,500 profile claims and have received 11,300 vendor reviews.

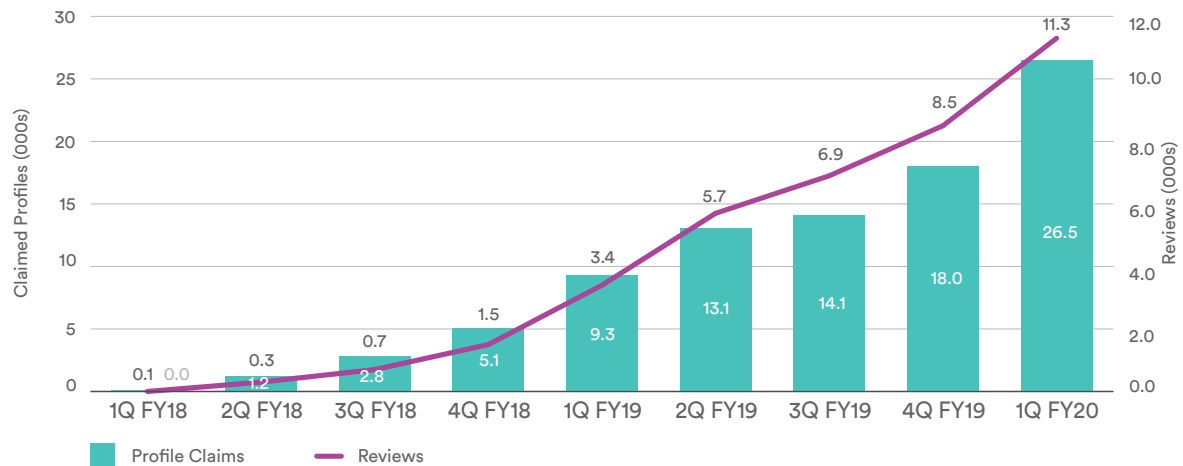
Agents with claimed profiles



Directors' Report

Revenues are not currently significant as there is a delay between a profile claim and agents paying a subscription, which typically follows an agent populating a profile with vendor/buyer reviews.

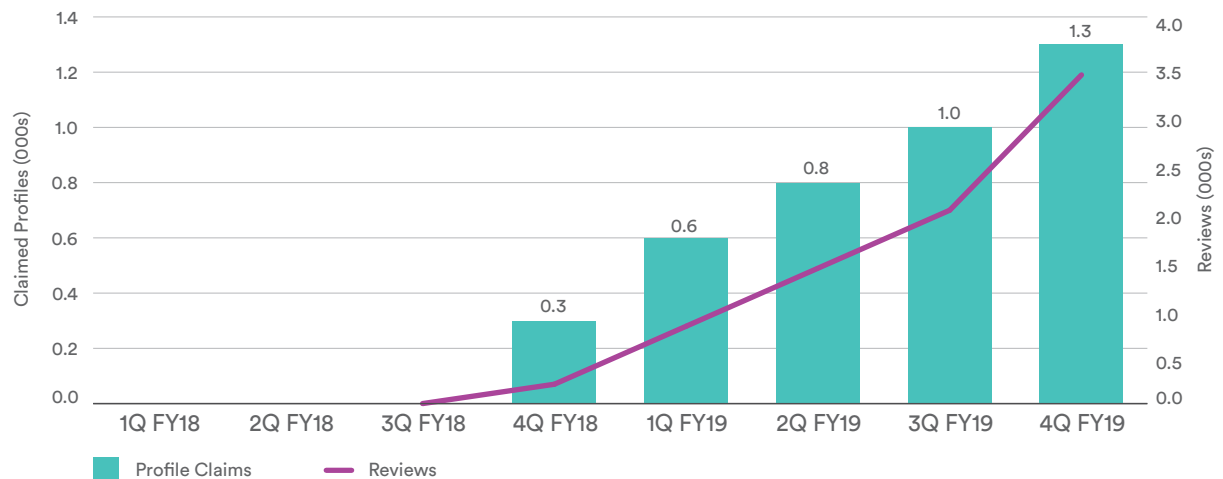
USA – Profile claims vs reviews (Cumulative)



New Zealand

We continue to build our database of agents, convert their profiles to claimed profiles and then build the profiles through reviews. RMA increased its sales focus on New Zealand in 3QFY19. The results in revenues have been immediate with revenue doubling between May and June 2019, albeit off a low base.

NZ – Profile claims vs revenue (cumulative)



Directors' Report

Group operating costs

Staff Costs

In FY19 the Group invested significantly in developing the RMA platform and products to enable it to scale more rapidly into new markets. Customer acquisition and support teams were also expanded, particularly in the USA. To facilitate this, RMA made a number of senior hires, including two new executives, and supplemented existing teams with contract employees.

Average monthly headcount, including part-time and contract employees increased 56% in FY19 to 75, resulting in an increase of 66% in staff costs.

Marketing

Marketing has been a major investment area for the Group, in the USA and Australia, to grow RMA's own brand awareness as well as to promote our customers' brands. As a result, the Group's marketing costs increased by 252% to \$2.2m in FY19.

In the USA, the primary focus has been in generating brand awareness and developing networks, particularly with the MLS', through attendance and participation at a number of realtor conferences and tradeshow. This has had a direct impact on RMA's current success rate in partnering with MLS' and is reflected in the high initial rate of US profile claims.

The RMA Open, which concludes with the RMA Agent/Agency of the year Awards ceremony, is the premier real estate event in Australia. The popularity of this event has swelled year-on-year with a proportionate increase in associated costs. However, this is largely offset by Awards-related revenues.

RMA also conducted market research on consumer and brand awareness. Our findings informed two branding campaigns targeting both consumers and agents. These campaigns were launched on a trial basis in Brisbane in 4Q FY19 and the initial results reflect a considerable uptick in consumer traffic and agent engagement in these areas. These campaigns are expected to be rolled out nationally in 2Q FY19.

Included in marketing costs are the direct costs associated with the Agent Promoter revenues. The increase in Promoter revenues resulted in a net increase in Promoter costs of \$150,000 (29%).

Other operating costs

Other operating costs for Australia are largely consistent with prior year. Year-on-year increases primarily relate to additional operating costs associated with our US expansion and headcount increases.

Future outlook and likely developments

RMA has entered into a syndication agreement with real estate technology company Domain, whereby real estate agents who are subscribers of RMA or are a Platinum subscriber of Domain will have their latest reviews displayed on the Domain platform. Consumers can see agent profile reviews on Domain's platform and click through to the RMA platform to research agents further. This relationship benefits RMA subscribers through increasing consumer traffic and leads.

RMA's ambition continues to be to grow its existing subscriber base, expand into new markets and make its platform an essential for Real Estate Agents. To further deliver against these goals, RMA raised additional capital in September 2019 to fund ongoing operations and working capital to enable the Group to accelerate its penetration of the US, Australian, New Zealand and other real estate markets as part of its strategy of becoming an essential service provider to real estate agents and agencies.

Remuneration Report

RMA Global remuneration report (audited)

This remuneration report, which forms part of the Directors' report, sets out information about the remuneration of RMA Global Limited's key management personnel for the financial year ended 30 June 2019. The term 'key management personnel' (KMP) refers to those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director of the Group. The prescribed details for each person covered by this report are detailed below under the following headings:

- Key management personnel
- Remuneration strategy
- Relationship between the remuneration policy and company performance
- Remuneration of key management personnel
- Key terms of employment contracts.

Key management personnel

RMA Global Limited's KMP consist of the following Directors and executives:

KMP	Position	Term as KMP
Non-executive Directors		
Mr David Williams	Non-executive Chairman	Full year
Mrs Sigal Pili	Non-executive Director	Full year
Mr Philip Powell	Non-executive Director	Full year
Executive Directors		
Mr Mark Armstrong	Chief Executive Officer	Full year
Mr Ed van Rosendaal	Chief Technical Officer	Full year
Executives		
Mr Scott Farndell	CFO and Company Secretary	Full year
Mr Michael Davey ⁽¹⁾	Chief Operating Officer	Part year

(1) Mr Davey was appointed on 30 July 2018

Remuneration strategy

RMA Global Limited considers the size and complexity of the role, the skills and experience of the individual and market pay levels of comparable roles in determining fixed remuneration and 'at risk' remuneration elements.

In assessing the link between Group performance and compensation, it must be recognised that RMA Global Limited is a start-up Group, which is still in the initial phases of growth and is not currently profitable. RMA Global Limited's annual expenditure has been primarily focussed on the development of software intellectual property (IP) and the securing of a critical mass of subscribers, which it has only recently started commercialising. As a result, the Board considers key milestones as well as financial performance measures to be more meaningful in determining compensation. To date, no short-term incentives have been paid and only employees, excluding Directors, have received long-term incentives as part of the listing process. However, as the commercialisation of the IP progresses, the Board will continue to review compensation policies to ensure that KMP are rewarded in a competitive and appropriate manner.

In accordance with corporate governance best practice, the Group has a compensation policy for Non-executive Directors and a separate policy for managers.

Remuneration Report

Non-executive remuneration

Compensation for Non-executive Directors is set by the Remuneration Committee based on advice from external advisors with reference to fees paid to other Non-executive Directors of comparable companies. The base fee for the Chairperson is \$100,000 per annum. Base fees for other Directors are \$60,000 per annum, which includes superannuation. Directors' base fees cover all main board activities and membership of committees.

Non-executive Directors do not receive performance-related compensation and are not provided with retirement benefits, apart from statutory superannuation.

Non-executive Directors are also encouraged to own shares in RMA Global Limited.

Executive remuneration

RMA Global Limited's remuneration strategy is to attract, retain and reward the people needed to develop and pursue its strategy and to align the interests of the shareholders and employees. This is delivered through two key elements:

- A fixed remuneration consisting of base salary and superannuation, which are determined with reference to market rates; and
- Performance incentives, which comprise short-term incentives based on meeting performance indicators during the year and long-term incentives payable in equity, the value of which is determined by the Board based on various factors including Group and individual performance.

As part of the recent listing of RMA, the Board adopted an employee share incentive plan to facilitate the development and maintenance of a high performance culture within the Group, as well as to retain KMP.

In accordance with the provisions of the plan, executives and employees may be granted options to purchase parcels of ordinary shares. The details of the employee share option plan are set out in Note 4 to the financial statements. The COO and CFO were both granted share options on joining RMA. The details of which are set out below. No Directors were offered share options in the current year.

Terms and conditions of share-based payment arrangements affecting remuneration of KMP in the current financial year or future financial years are set out below:

Options Series	Grant date	Grant date fair value	Exercise price	Expiry date	Vesting date and other terms
FY18 Series 2	29/06/2018	\$0.057	\$0.25	29/12/2021	3 years from grant date, provided the recipient is still employed. 6 months to exercise from vesting date. 60% of exercised options to be escrowed for 12 months
FY19 Series 1	30/07/2018	\$0.034	\$0.25	30/01/2022	3 years from grant date, provided the recipient is still employed. 6 months to exercise from vesting date. 60% of exercised options to be escrowed for 12 months
FY19 Series 2	24/09/2018	\$0.040	\$0.25	24/03/2022	3 years from grant date, provided the recipient is still employed. 6 months to exercise from vesting date. 60% of exercised options to be escrowed for 12 months

Remuneration Report

Share options

No options were granted to the Board in the financial year under review.

On his appointment, Mr Farndell received 200,000 options with an exercise price of \$0.25 each and the same vesting terms conditions as the options issued to all employees under the FY18 employee share option grant.

Similarly, Mr Davey received 400,000 options on his appointment with an exercise price of \$0.25 each and the same vesting terms conditions as the options issued to all employees under the FY18 employee share option grant.

Service contracts

All RMA Executive KMP have a formal service agreement. These agreements are of an ongoing nature and have no set term of service.

The key terms of the service agreements for the Executive Directors are summarised below.

Criterion	Arrangements
Term of contract	Ongoing
Notice period (resignation or termination on notice)	Three months (from the employee and Group).
Retirement	There are no additional financial entitlements due from RMA on retirement.
Redundancy	If RMA terminates employment for reasons of bona fide redundancy, a severance payment will be made. The quantum of the payment will be determined subject to the Board's discretion, considering matters such as statutory requirements, the executive's contribution, position and length of service.
Termination for serious misconduct	RMA may terminate the employment agreement at any time without notice.
Restraint of trade	A restraint of trade arrangement exists during the Executive's employment and for a period of up to 24 months following their employment with the Group.

Remuneration Report

The key terms of the service agreements for the COO are summarised below.

Criterion	Arrangements
Term of contract	Ongoing
Notice period (resignation or termination on notice)	Three months (from the employee and Group).
Retirement	There are no additional financial entitlements due from RMA on retirement.
Redundancy	If RMA terminates employment for reasons of bona fide redundancy, a severance payment will be made. The quantum of the payment will be determined subject to the Board's discretion, considering matters such as statutory requirements, the executive's contribution, position and length of service.
Termination for serious misconduct	RMA may terminate the employment agreement at any time without notice.
Restraint of trade	A restraint of trade arrangement exists during the Executive's employment and for a period of up to 24 months following their employment with the Group.

The key terms of the service agreements for the CFO are summarised below.

Criterion	Arrangements
Term of contract	Ongoing
Notice period (resignation or termination on notice)	One month (from the employee and Group).
Retirement	There are no additional financial entitlements due from RMA on retirement.
Redundancy	If RMA terminates employment for reasons of bona fide redundancy, a severance payment will be made. The quantum of the payment will be determined subject to the Board's discretion, considering matters such as statutory requirements, the executive's contribution, position and length of service.
Termination for serious misconduct	RMA may terminate the employment agreement at any time without notice.
Restraint of trade	A restraint of trade arrangement exists during the Executive's employment and for a period of up to 24 months following their employment with the Group.

Remuneration Report

Remuneration of key management personnel

The following table discloses the remuneration of the Directors and KMP of the Group in 2018 and 2019:

Position		Short-Term employee benefits				Post-Employment	Long-term employee benefits	Share-based payments	Total
		Salary & fees	Cash Bonus	Non-monetary	Other	Superannuation	Long service leave	Options & rights	
		\$	\$	\$	\$	\$	\$	\$	\$
Non-executive Directors									
Mr David Williams	2019	91,324	–	–	–	8,676	–	–	100,000
	2018	38,636	–	–	–	3,670	–	–	42,306
Mrs Sigal Pilli ⁽¹⁾	2019	54,785	–	–	–	5,215	–	–	60,000
	2018	19,194	–	–	–	1,813	–	–	21,007
Mr Philip Powell ⁽²⁾	2019	54,785	–	–	–	5,215	–	–	60,000
	2018	22,716	–	–	–	2,147	–	–	24,863
Executive Directors									
Mr Mark Armstrong	2019	228,310	–	–	–	21,690	–	–	250,000
	2018	175,000	–	–	–	16,625	–	–	191,625
Mr Ed van Roosendaal	2019	228,310	–	–	–	21,690	–	–	250,000
	2018	175,000	–	–	–	16,625	–	–	191,625
Mr Xavier Perronnet ⁽³⁾	2019	–	–	–	–	–	–	–	–
	2018	32,981	–	–	–	3,133	–	–	36,114
Executives									
Mr Scott Farndell ⁽⁴⁾	2019	170,031	–	–	–	16,044	–	2,002	188,077
	2018	7,154	–	–	–	680	–	–	7,834
Mr Michael Davey ⁽⁵⁾	2019	220,610	–	–	–	20,958	–	2,193	243,761
	2018	–	–	–	–	–	–	–	–
Total KMP									
	2019	1,048,155	–	–	–	99,488	–	4,195	1,151,838
	2018	470,681	–	–	–	44,693	–	–	515,374

Notes to the Remuneration of KMP

- (1) Mrs Pilli was appointed to the Board on 12 April 2018
(2) Mr Powell was appointed to the Board on 5 April 2018
(3) Mr Perronnet resigned from the Board effective 2 February 2018
(4) Mr Farndell was appointed on 14 June 2018
(5) Mr Davey was appointed on 30 July 2018

Remuneration Report

Key management personnel disclosures

The movement in the number of ordinary shares held in RMA during the reporting period either directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

Position	Held at 1 July 2018	Granted as compen- sation	Received on exercise of options	Other changes ⁽¹⁾	Held at 30 June 2019	Indirect holding	Direct holding
Non-executive Directors							
Mr David Williams	104,764,595	–	–	11,280,746	116,045,341	116,045,341	–
Mrs Sigal Pilli	40,000	–	–	–	40,000	40,000	–
Mr Philip Powell	200,000	–	–	322,302	522,302	522,302	–
Executive Directors							
Mr Mark Armstrong	66,276,769	–	–	–	66,276,769	66,276,769	–
Mr Edward van Rosendaal	19,821,674	–	–	170,000	19,991,674	19,621,674	370,000
Executives							
Mr Scott Farndell	40,000	–	–	153,000	193,000	–	193,000
Mr Michael Davey	–	–	–	456,956	456,956	–	456,956
Total	191,143,038	–	–	12,383,004	203,526,042	202,506,086	1,019,956

Notes:

(1) Other changes represent shares that were purchased or sold during the year

Loans to key management personnel

No loans have been made to Directors or KMP at RMA, including their personally related entities.

Other key management personnel transactions

Armstrong Property Planning

Certain minor data-related services and accounts, which amount to less than \$1,000 p.a. and pre-date the formation of the Group, are in the name of Armstrong Property Planning, an entity associated with Mr Mark Armstrong. The Group pays the associated invoices directly to the service provider.

Significant changes in the state of affairs

Except as otherwise set out in this report, the Directors are unaware of any significant changes in the state of affairs of RMA during the year ended 30 June 2019.

Dividends

No dividends have been declared in the financial year ended 30 June 2019 and no amounts have been recommended to be paid by way of dividends since the beginning of the current financial year.

Indemnification and insurance of officers and auditors

During the year, the Company paid a premium in respect of a contract insuring each of the Directors of the Company (as named above), the Company Secretary and all of the Executive Officers of the Group against a liability or expense incurred in their capacity as a Director, Secretary or Executive Officer to the extent permitted by the *Corporations Act 2001*. Further details have not been disclosed due to confidentiality provisions in the insurance contract.

In addition, the Company has entered into a Deed of Indemnity, which ensures that a Director or an officer of the Company will generally incur no monetary loss as a result of defending actions taken against them as a Director or an officer. Certain actions are specifically excluded, for example, penalties and fines that may be imposed in respect of breaches of the law.

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by the law, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred in their capacity as an officer or auditor.

Non-audit services

During the year Deloitte Touche Tohmatsu, the Group's auditor, has performed certain other services in addition to the audit and review of the financial statements.

The Board has considered the non-audit services provided during the year by the auditor is satisfied that the provision of those non-audit services during the year by the auditor is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services were subject to the corporate governance procedures adopted by the Group and have been reviewed by the Board to ensure they do not impact the integrity and objectivity of the auditor; and
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Group, acting as an advocate for the Group or jointly sharing risks and rewards.

Details of the amounts paid to the auditor of the Group, Deloitte, and its network firms for audit and non-audit services provided during the year are set out in Note 28 of the Financial Statements.

Auditor's Independence Declaration

The auditor's independence declaration is set out on page 25 and forms part of the Directors' report for the financial year ended 30 June 2019.

On behalf of the Directors

A handwritten signature in black ink, appearing to read 'David Williams', with a stylized flourish at the end.

David Williams
Chairman

Melbourne, 25 September 2019

Auditor's Independence Declaration



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25 September 2019

The Board of Directors
RMA Global Limited
118-120 Balmain Street
RICHMOND VIC 3121

Dear Board Members

RMA Global Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of RMA Global Limited.

As lead audit partner for the audit of the financial statements of RMA Global Limited for the financial year ended 30 June 2019, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Anneke du Toit
Partner
Chartered Accountants

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.com/au/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms.

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Member of Deloitte Asia Pacific Limited and the Deloitte Network

Consolidated Financial Statements

for the year ended 30 June 2019

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Consolidated Financial Statements for the year ended 30 June 2019

Consolidated statement of profit or loss and other comprehensive income

For the year ended 30 June 2019

		FY19	FY18
	Notes	\$	\$
Revenue			
Recurring subscription revenue	2	7,071,968	5,957,127
Non-recurring revenue	2	237,794	177,878
Total Revenue		7,309,762	6,135,005
Other Income	3	44,632	1,332,925
Operating Costs			
Employee benefits	4	(8,455,950)	(5,088,555)
Consulting		(1,387,726)	(618,092)
Marketing related		(2,175,220)	(862,861)
Technology		(1,229,893)	(705,851)
Other operating expenses		(1,331,604)	(882,316)
IPO	5	(24,344)	(1,758,390)
Foreign exchange gains and losses		(55,633)	(4,307)
Total Operating Costs		(14,660,370)	(9,920,372)
EBITDA		(7,305,976)	(2,452,442)
Depreciation and Amortisation	21,22	(94,256)	(58,667)
EBIT		(7,400,232)	(2,511,109)
Net finance costs			
Finance income		157,061	10,961
Finance expense		(1,211)	(4,268)
Total Net finance costs		155,850	6,693
Loss before tax		(7,244,382)	(2,504,416)
Income tax expense	6	–	–
Loss after tax		(7,244,382)	(2,504,416)
Other comprehensive income			
Other comprehensive income, net of tax		73	–
Total comprehensive loss for the period		(7,244,309)	(2,504,416)
Earnings per share	7	cents per share	cents per share
Basic earnings/(loss) per share		(1.97)	(0.78)
Diluted earnings/(loss) per share		(1.97)	(0.78)

Consolidated Financial Statements for the year ended 30 June 2019

Consolidated statement of financial position

As at 30 June 2019

		FY19	FY18
	Note	\$	\$
Assets			
Current Assets			
Cash and cash equivalents	9	3,693,752	11,379,973
Trade and other receivables	11	582,705	474,021
Other current assets		26,862	–
Total Current Assets		4,303,319	11,853,994
Non-current Assets			
Plant and equipment	21	216,319	193,229
Intangible assets	22	70,633	5,965
Other non-current assets	11	250,954	238,828
Total Non-current Assets		537,906	438,022
Total Assets		4,841,225	12,292,016
Liabilities			
Current Liabilities			
Trade and other payables	12	1,289,803	1,513,345
Provisions	4,12	188,685	171,735
Deferred Income		286,752	298,577
Other current liabilities	12	47,968	37,419
Total Current Liabilities		1,813,208	2,021,076
Non-current Liabilities			
Provisions	4,12	47,824	19,917
Other non-current liabilities	12	97,211	144,172
Total Non-current Liabilities		145,035	164,089
Total Liabilities		1,958,243	2,185,165
Net Assets		2,882,982	10,106,851
Equity			
Share capital	13	18,032,468	18,032,468
Reserves		7,725,152	7,704,712
Accumulated losses		(22,874,711)	(15,630,329)
Foreign currency translation reserve		73	–
Total Equity		2,882,982	10,106,851

Consolidated Financial Statements for the year ended 30 June 2019

Consolidated statement of cash flows

For the year ended 30 June 2019

		FY19	FY18
	Notes	\$	\$
Cash flows from operating activities			
Receipts from customers		8,017,835	6,825,293
Payments to suppliers and employees		(14,690,410)	(8,571,375)
Interest expense		–	(2,712)
Cash receipts from government grants		44,632	1,328,923
Cash payments from other operating activities		(55,702)	(4,409)
Net cash flows from operating activities	8	(6,683,645)	(424,280)
Cash flows from investing activities			
Interest received		153,613	11,983
Payment for intangible assets		(79,951)	(511)
Payment for property, plant and equipment		(104,449)	(72,145)
Proceeds from/(investment in) term deposits		–	(3,000)
Other cash items from investing activities		(11,989)	–
Net cash flows from investing activities		(42,776)	(63,673)
Cash flows from financing activities			
Proceeds from the issue of shares		–	11,321,789
Share issue transaction costs		(959,800)	(551,646)
Net cash flows from financing activities		(959,800)	10,770,143
Net Cash Flows		(7,686,221)	10,282,190
Cash and Cash Equivalents			
Cash and cash equivalents at beginning of period	9	11,379,973	1,097,783
Net change in cash for period		(7,686,221)	10,282,190
Cash and cash equivalents at end of period	9	3,693,752	11,379,973

Consolidated Financial Statements for the year ended 30 June 2019

Consolidated statement of changes in equity

For the year ended 30 June 2019

	Note	Issued capital	Share-based payments reserve	Foreign currency translation reserve	Accumulated Losses	Total Equity
		\$	\$	\$	\$	\$
Balance at 30 June 2017		6,271,379	7,656,595	–	(13,125,913)	802,061
Profit/(Loss)		–	–	–	(2,504,416)	(2,504,416)
Other comprehensive income		–	–	–	–	–
Total comprehensive income		–	–	–	(2,504,416)	(2,504,416)
Transactions with owners of the Company						
Issue of ordinary shares	13	12,000,000	–	–	–	12,000,000
Share issue costs	13	(238,911)	–	–	–	(238,911)
Dividends		–	–	–	–	–
Equity-settled share-based payments	4	–	48,117	–	–	48,117
Total transactions with owners of the Company		11,761,089	48,117	–	–	11,809,206
Balance at 30 June 2018		18,032,468	7,704,712	–	(15,630,329)	10,106,851

	Note	Issued capital	Share-based payments reserve	Foreign currency translation reserve	Accumulated Losses	Total Equity
		\$	\$	\$	\$	\$
Balance at 30 June 2018		18,032,468	7,704,712	–	(15,630,329)	10,106,851
Profit/(Loss)		–	–	–	(7,244,382)	(7,244,382)
Other comprehensive income		–	–	73	–	73
Total comprehensive income		–	–	73	(7,244,382)	(7,244,309)
Transactions with owners of the Company						
Dividends		–	–	–	–	–
Equity-settled share-based payments	4	–	20,440	–	–	20,440
Total transactions with owners of the Company		–	20,440	–	–	20,440
Balance at 30 June 2019		18,032,468	7,725,152	73	(22,874,711)	2,882,982

Notes to the Financial Statements

Section 1. Financial performance

1. Operating segments

Management has determined the operating segments based on the reports reviewed by the Directors (the chief operating decision makers as defined under AASB 8) that are used to make strategic and operating decisions. The Directors consider the business primarily from a geographic perspective. The Group has a presence in the USA and New Zealand, but is not currently generating significant revenue in these regions. On this basis, only one reportable segment has been identified.

The revenue and results from continuing operations, and assets and liabilities for the Australian operating segment are as per those included in the consolidated statement of profit or loss and other comprehensive income and the condensed consolidated statement of financial position.

2. Revenue

	FY19	FY18
	\$	\$
Over time		
Subscription revenue	6,041,295	5,111,428
Promoter revenue	1,007,133	697,985
Point in time		
Lead Generation	23,540	147,714
Recurring revenue	7,071,968	5,957,127
Point in time		
Non-recurring revenue	237,794	177,878
Total revenue	7,309,762	6,135,005

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

Sale of services

Revenue from the rendering of subscription services, including Promoter, is recognised on a straight-line basis over the period of the prepaid subscription or promotion. The customer simultaneously receives and consumes the benefits provided by RMA over this period.

Lead generation revenue is recognised at the point when services are delivered. Non-recurring revenue recognised from lead generation is recognised at the point this data is provided to the customer when control passes.

Sale of goods

RMA has an Awards programme included in non-recurring revenue that recognises agents who have excelled in various categories. The Group generates revenues through the sale of trophies, certificates and other memorabilia related to the awards.

Revenue from the sale of goods is recognised when control of the goods has transferred to the customer, being the point in time at which the customer accepts delivery of the goods.

Notes to the Financial Statements

3. Other Income

	FY19	FY18
	\$	\$
Other Income		
EMDG Grant	44,632	45,625
R&D rebates	–	1,283,498
Other income	–	3,802
	44,632	1,332,925

Australian Government grants

During the year the Group received government grants for investment in export markets. Government grants are not recognised until there is reasonable assurance that:

- the entity will comply with the conditions attaching to them; and
- the grants will be received.

R&D rebates

In 2018 the Group received funds in the form of a rebate on research and development tax offset, which is recognised as other income on the same basis as other grants. No grant was applied for in 2019 relating to the 2018 financial year as a significant portion of the development work performed related to building out and expanding existing product lines into new geographies and would not meet the narrow definition of research.

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

4. Employee Benefits

Short-term employee benefits, which are comprised mainly of base salary and leave costs, are expensed as the service is received from the employee. Post-employment benefits consist of contributions to defined contribution retirement plans and are expensed as the employee renders services. Termination benefits are amounts paid to employees when their employment is terminated before the normal date retirement through retrenchment or voluntary redundancy and is recognised when the Group is committed to the termination without possibility of withdrawal.

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave, and long service leave, when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date.

Notes to the Financial Statements

Equity-settled transactions

The costs of equity settled transactions are recognised as an expense over the period of the service/performance condition (vesting period). A corresponding increase is recognised in Equity. Where the vesting period spans multiple periods, adjustments are made at each reporting date to reflect the total expense recognised in the consolidated statement of profit or loss and other comprehensive income in line with the vesting conditions. Adjustments include changes in assumptions such as expected employee retention. At each subsequent reporting date until vesting, the cumulative charge to the consolidated statement of profit or loss and other comprehensive income is in accordance with the vesting conditions.

Equity settled awards granted by the Group to employees of subsidiaries are recognised in the subsidiaries' separate Financial Statements as an expense with a corresponding credit to equity. As a result, the expense recognised by the Group is the total expense associated with all such awards. Until an award has vested, any amounts recorded are contingent and will be adjusted if more or fewer awards vest than were originally anticipated. The Group has an Option Plan in place under which certain employees received options as part of the Group's retention program. Under the scheme, the options granted vest into shares on a one-to-one basis, subject to meeting the vesting requirements set out in this note. Settlement of these options will be by the issuance of shares or by on-market purchase. The Group has chosen to recognise the equity credit in the Share Based Payment Reserve.

Retention share plan

There were three share-based payments entered into in the current financial year, offered to specific members of senior management when they joined the company. No other share-based payments were entered into in the current financial year. In the prior financial year, the Group introduced two share-based payment arrangements.

The objectives of these arrangements are to:

- provide an incentive for them to remain in their employment;
- recognise their ongoing ability and expected efforts;
- acknowledge employees' contribution to the performance and future success of the Group and provide a means through which they may acquire Shares in the Group under the Plan rules and benefit from the potential growth in the Group's share price.

Employee Award Offer

On listing in 2018, eligible employees, which excluded Directors, were offered the opportunity to apply for shares to the value of \$1,000 each, being 4,000 shares at the \$0.25 initial listing price, for no consideration ('the Award Shares'). Eligible employees included permanent employees of the Group who had not received or given notice of termination of their employment on or before the date of issue of the Shares under the offer.

The shares are subject to a holding lock, which restricts the disposal of the shares for 3 years from the date the shares are granted, or such earlier time that the employee ceases to be employed by the Group.

There were 192,000 shares granted under this award, resulting in a share-based-payment expense of \$48,000.

No employee awards were granted in FY19.

Employee share option plan

The Group also adopted the Employee Share Options Plan ('ESOP') for Australian based employees. Eligibility to participate in the plan is at the Board's discretion and no Directors participated in the first grant of ESOP options.

Additional one-off grants of options were made to three senior employees on joining the Group in FY19. These options were issued on the same terms and conditions as the first in the current financial year as part of their remuneration contracts but were subject to the employees passing their probationary periods.

Notes to the Financial Statements

No share options under any share option grant have vested or been exercised. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

The key terms and conditions related to the grants under these programmes are as follows:

Measurement of fair values

The grant date fair values of the various ESOPs were independently determined using the Black-Scholes option-pricing model applying standard option pricing inputs. Key inputs are summarised below:

Plan	Grant Date	Grant Date Fair Value	Exercise Price	Vesting Date	Expiry Date	Escrow Period	Number of Shares/Options Granted	Number of Shares/Options Expired	Number of Shares/Options Outstanding	Value of Shares/Options as at Grant Date \$	Expense Recognised in the Current Year \$	Expense Recognised in the Prior Year \$
Award Shares 2018 Series 1	29/06/2018	\$0.250	NA	29/06/2018		36 months	192,000	–	192,000	48,000	–	48,000
ESOP LTI 2018 Series 1	29/06/2018	\$0.056	\$0.25	29/06/2021	29/12/2021	60% of exercised options to be escrowed for 12 months	3,250,000	1,700,000	1,550,000	182,000	15,170	117
ESOP LTI 2018 Series 2	29/06/2018	\$0.057	\$0.25	29/06/2021	29/12/2021	60% of exercised options to be escrowed for 12 months, contingent on meeting probation period	200,000	–	200,000	11,400	2,002	–
ESOP LTI 2019 Series 1	30/07/2018	\$0.034	\$0.25	30/07/2021	30/01/2022	60% of exercised options to be escrowed for 12 months, contingent on meeting probation period	400,000	–	400,000	13,600	2,193	–
ESOP LTI 2019 Series 2	24/09/2018	\$0.040	\$0.25	24/09/2021	24/03/2022	60% of exercised options to be escrowed for 12 months, contingent on meeting probation period	200,000	–	200,000	8,000	1,075	–
Total										263,000	20,440	48,117

Notes to the Financial Statements

Valuation model inputs	ESOP LTI 2018 Series 1	ESOP LTI 2018 Series 2	ESOP LTI 2019 Series 1	ESOP LTI 2019 Series 2
Model used	Black-Scholes	Black-Scholes	Black-Scholes	Black-Scholes
Exercise price	\$0.25	\$0.25	\$0.25	\$0.25
Risk free rate	2.14%	2.14%	2.09%	2.13%
Volatility	35.0%	35.0%	35.0%	35.0%
Dividend yield	0.0%	0.0%	0.0%	0.0%
Illiquidity discount for portion of shares subject to escrow	37.0%	29.0%	38.6%	32.0%

Employee benefit disclosures

Benefits paid to employees during the financial year, as well as employee-related liabilities are set out below:

	FY19	FY18
	\$	\$
Employee benefits		
Salaries and short-term benefits	7,460,965	4,477,899
Post-employment benefit	563,371	392,397
Termination payments	118,490	18,512
Share-based payment expense	20,440	48,067
Employee administration and training costs	292,684	151,680
Total employee benefits expense	8,455,950	5,088,555
Employee benefit provision		
Current portion employee benefit provision	188,685	171,735
Non-current employee benefit provisions	47,824	19,917
Total employee benefits provisions	236,509	191,652
Key management personnel benefits expense (included above)		
Salaries and short-term benefits	1,048,155	470,681
Post-employment benefit	99,488	44,693
Long-term employee benefits	4,195	–
	1,151,838	515,374

Notes to the Financial Statements

5. IPO Expenses

Included in operating costs are IPO costs of \$24,344 (FY18: \$1,758,390) relating to listing of the Company in June 2018 and comprise brokerage, legal and consulting fees.

6. Income Tax

This note provides an analysis of the group's income tax expense and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the group's tax position.

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Accumulated losses are recognised to the extent that the Group expects to make profits in the foreseeable future.

The major components of income tax expense comprise:

	FY19	FY18
	\$	\$
Current tax		
In respect of the current year	1,358,068	650,130
Under/(over) provision for prior year	–	–
Less: Tax losses not recognised	(1,358,068)	(650,130)
Deferred tax		
In respect of the current year	778,337	452,844
(Under)/over provision for prior year	–	–
Less: Unrecognised temporary differences	(778,337)	(452,844)
Income tax expense	–	–

Notes to the Financial Statements

The relationship between recognised tax expense and accounting profit is as follows:

	FY19	FY18
	\$	\$
Profit/(Loss) before income tax	(7,244,382)	(2,504,416)
Income tax (expense)/benefit calculated the Australian tax rate of 30% (2018:30%)	2,173,315	751,325
Income tax expense adjustments		
Tax effect of different tax rates in foreign jurisdictions	–	–
Tax effect of non-deductible expenses	(815,247)	(486,244)
Tax effect of non-assessable income	–	385,049
Under/(over) provision of current tax liability in prior year	–	–
Under/(over) provision of deferred tax in prior year	–	–
Income tax expense before adjustment	1,358,068	650,130
Less: tax losses not booked	(1,358,068)	(650,130)
Net tax expense	–	–

Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following:

	FY19	FY18
	\$	\$
Tax losses (at 30%)	1,479,531	809,706
Deductible temporary differences		
Provisions	114,506	112,093
Accruals	24,401	46,338
Intangible assets	1,617,665	–
Other	343,227	503,967
Total potential tax asset	3,579,330	1,472,104

No amounts of tax were recognised directly in equity.

Notes to the Financial Statements

7. Earnings per share

	Basic earnings per share		Dilutive earnings per share	
	FY19	FY18	FY19	FY18
Loss for the year attributable to ordinary shareholders (\$)	(7,244,382)	(2,504,416)	(7,244,382)	(2,504,416)
Weighted number of ordinary shares*	367,996,001	320,068,067	367,996,001	320,068,067
Reported loss per share (cents)	(1.97)	(0.78)	(1.97)	(0.78)

*Dilutive earnings per share excludes unvested options as these are antidilutive.

8. Reconciliation of loss after income tax to net cash inflow from operating activities

	FY19	FY18
	\$	\$
Loss for the year	(7,244,382)	(2,504,416)
Depreciation and Amortisation	94,256	58,667
Interest revenue	(153,613)	(11,983)
Other non-cash charges	19,741	33,290
Share issue transaction costs expenses	24,344	1,758,390
Less: related movement in trade and other payables		
Changes in net assets and liabilities:		
(Increase)/decrease in assets:		
Trade and other receivables	(108,684)	(430,251)
Other current assets	(26,862)	–
Other non-current assets	(12,126)	–
Increase/(decrease) in liabilities:		
Trade and other payables	736,260	413,293
Provisions	44,857	54,694
Deferred Income	(11,825)	130,869
Other liabilities	(45,611)	73,167
Net cash flows from operating activities	(6,683,645)	(424,280)

Section 2. Capital and risk management

9. Cash and cash equivalents

Cash comprises cash on hand, demand deposits and credit card overdrafts where there is a legal right of offset against the demand deposit accounts. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, which are subject to an insignificant risk of changes in value and have a maturity of three months or less at the date of acquisition.

	FY19	FY18
	\$	\$
Cash at bank	3,693,752	11,379,973
Total cash and cash equivalents	3,693,752	11,379,973

10. Financial instruments

In the current year, the Group has applied AASB 9 Financial Instruments (as amended) and the related consequential amendments to other Accounting Standards that are effective for an annual period that begins on or after 1 July 2018. The transition provisions of AASB 9 allow an entity not to restate comparatives.

AASB 9 introduced new requirements for:

- The classification and measurement of financial assets and financial liabilities,
- Impairment of financial assets, and
- General hedge accounting.

Details of these new requirements and their impact on the Group's consolidated financial statements are described below.

Financial assets

Financial assets are classified as into the following specified categories:

- as subsequently measured at amortised cost,
- subsequently measured at fair value through other comprehensive income ('OCI'); or
- subsequently measured at fair value through profit or loss

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Except for trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value. For financial assets not at fair value through profit or loss, the initial measurement value also includes transaction costs.

For a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates. This assessment is performed at an instrument level.

Financial assets at amortised cost is the category most relevant to the Group.

Notes to the Financial Statements

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ('EIR') method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost include trade receivables (Note 11).

Financial Liabilities

Financial liabilities continue to be recognised initially at fair value, net of transaction costs incurred, and are subsequently measured at amortised cost.

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The Group has applied the exception under AASB 9 to not restate comparatives as the adoption of AASB 9 did not result in material changes.

11. Trade, other receivables and other non-current assets

Trade receivables continue to be held at amortised cost under AASB 9. The adoption of AASB 9 has however resulted in a change to the methodology by which the Group has assessed the provision for doubtful debtors from the incurred loss model to the expected credit loss model. The Group's trade receivables do not have a significant financing component. Therefore, the Group has adopted the simplified approach for measuring expected credit losses at an amount equal to lifetime expected loss allowance for its trade receivables.

Under the simplified approach the expected credit loss model requires the Group to determine the lifetime expected credit losses for groups of trade receivables with shared credit risk characteristics. An expected credit loss rate is then determined for each group, based on the historic credit loss rates for each group, adjusted for any other current observable data that may materially impact the group's future credit risk.

The requirements of AASB 9 were adopted on 1 July 2018 and applied to the Group's trade receivables at that time. Given the amount, history of collectability and aging of trade receivables recorded for the Group and associated expected credit losses, the difference between the credit loss allowances calculated under AASB 9 compared to the incurred loss calculated under AASB 139 is not material to the Group.

Notes to the Financial Statements

Trade and other receivables

	FY19	FY18
	\$	\$
Trade receivables	111,485	101,922
Provision for expected credit losses	–	–
Net trade receivables	111,485	101,922
Prepayments	471,220	372,099
Total trade and other receivables	582,705	474,021
Other non-current assets		
Security deposits	250,954	238,828
Total other non-current assets	250,954	238,828

There are no debtors that are outstanding for longer than 30 days. At the date of this report, all outstanding trade receivables had been received by the business and no impairment has been made against trade receivables at the end of the financial reporting period.

Prepayments predominantly relate to deposits for conferences and events which are hosted by the Group and which will be held in the next 12 months. Also included in prepayments are amounts for insurance contracts and software subscriptions.

Other non-current assets relate to funds held by the bank as security against a guarantee issued for the premises rental contract.

12. Trade, other payables, provisions and other liabilities

Trade and other payables

Trade payables and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

Provisions

Provisions are recognised when the Group has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

Notes to the Financial Statements

	FY19	FY18
	\$	\$
Current trade and other payables		
Trade payables	960,847	689,898
Accrued expenses	165,939	452,218
Employee-related payables	163,017	371,229
Total current trade and other payables	1,289,803	1,513,345
Employee-related provisions	188,685	171,735
Lease liability	47,968	37,419
Total current trade and other payables, provisions and liabilities	1,526,456	1,722,499
Non-current trade and other payables		
Employee-related provisions	47,824	19,917
Lease liability	97,211	144,172
Total non-current trade and other payables, provisions and liabilities	145,035	164,089

Employee-related payables include PAYG and superannuation accruals and provisions relate to leave liabilities.

Under AASB 117, the operating lease payments relating to premises have been straight-lined with differences between the rental cash cost and the recognised expense reflected in other payables. The lease payments are discussed in more detail in section 14. The adoption of AASB 16 will have an impact on the financial statements is detailed in section 18.

Employee-related provisions are discussed in more detail in section 4.

13. Share capital

Ordinary shares are classified as equity. Incremental costs from the acquisition of new shares are shown in equity as a deduction, net of tax, from the proceeds.

The number of ordinary shares in issue at 30 June 2019 was 367,996,001 (2018: 367,996,001)

Date	Details	Number of shares	Issue price	\$
1 July 2016	Opening balance	26,666,672		6,271,379
	Movement in the year	—		
30 June 2017	Closing balance	26,666,672		6,271,379

Notes to the Financial Statements

Date	Details	Number of shares	Issue price	\$
1 July 2017	Opening balance	26,666,672		6,271,379
May 2018	Share split	293,137,329		–
June 2018	Capital raise and share issue	48,000,000	\$0.25	12,000,000
June 2018	Employee award share grant	192,000	\$0.25	48,000
June 2018	Less: award grant included in share-based payments reserve	–		(48,000)
June 2018	Less: Capitalised share-raising costs	–		(238,911)
30 June 2018	Closing balance	367,996,001		18,032,468

Date	Details	Number of shares	Issue price	\$
30 June 2018	Opening balance	367,996,001		18,032,468
	Movement in the year	–		–
30 June 2019	Closing balance	367,996,001		18,032,468

14. Commitments and contingencies

Operating lease commitments

RMA leases its premises. The Group moved to its current location in November 2016, with an initial lease term of 5 years. The lease term is renewable. Rent increases are a fixed rate per annum and will be negotiated on renewal. The lease is supported by a bank guarantee.

The Group's commitments for future minimum lease payments in relation to non-cancellable operating leases were as follows:

	FY19	FY18
	\$	\$
Not later than one year	274,235	263,687
Later than one year, but not later than five years	381,507	655,842
Five years and longer	–	–
	655,742	919,529

The payments against this lease recognised in profit and loss is as follows:

	FY19	FY18
	\$	\$
Rent expense	229,632	241,029

Other commitments and contingencies

Other than as set out in this financial report, there were no other material contingent liabilities or capital commitments as at the reporting date.

Notes to the Financial Statements

15. Financial risk management

The Group seeks to manage risks in ways that will generate and protect shareholder value. Management of risk is a continual process and an integral part of business management and corporate governance.

The Board determines overall risk tolerance, after considering the Group's strategic objectives and financial position, which is managed and monitored by the Group's finance function.

The financial risks arising from the Group's operations comprise market, credit and liquidity risk.

Market risk – interest rate risk

Interest rate risk refers to the risk of changes in cash flow arising from exposure to changes in interest rates.

The Group's exposure to interest rate risk mainly arises from its cash reserves, which generate interest at floating rates. A decrease in the interest rates of 100 basis points (1.0%), would result in a decrease in the annual interest income of the Group by \$74,000 (FY18: \$19,000).

Credit risk

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Group.

The Group has adopted a policy of only dealing with creditworthy counterparties. The majority of credit risk sits with a single counterparty, which is used to process all our subscription revenue using credit cards. The risk is mitigated by the counterparty being a large, recognised industry provider and receipts are settled daily. Exposure to the counterparty is monitored on a daily basis.

The number of post-paid customers is limited, and the Group's exposure is continually monitored. The carrying amount of financial assets recorded in the financial statements, net of any allowance for losses, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral or other security obtained.

As at 30 June 2019, all debtors were neither past due nor impaired and all monies owing at the reporting date have been received.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations as they fall due. Liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due.

The Group manages liquidity risk by maintaining adequate cash reserves by continuously monitoring forecast and actual cash flows.

Section 3. Other disclosures

16. Basis of reporting

Statement of compliance

These financial statements are general purpose financial statements which have been prepared in accordance with the *Corporations Act 2001*, Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board (AASB) and comply with other requirements of the law.

The financial statements comprise the consolidated financial statements of the Group.

Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Group comply with International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board (IASB). Consequently, this financial report has been prepared in accordance with and complies with IFRS as issued by the IASB.

The financial report has been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Group is involved in significant expansionary activity and as such, is currently cash absorbing. During the period the group incurred a loss of \$7,244,382 (FY18: \$2,504,416) and had net cash outflows from operating activities of \$6,683,645 (FY18: \$424,280).

The Group has announced an additional capital injection of \$10 million in September 2019 in order to achieve growth on the current level of operating activities. The Group has raised \$9 million of capital in September 2019 through a private placement of 45 million shares to institutional and sophisticated investors at a price of \$0.20 per share. This includes \$1.26 million to be raised from director-related entities which will be conditional on shareholder approval which will be sought at the company's AGM in November 2019. The Group will also proceed with a Share Purchase Plan (SPP) to raise up to a further \$1m from existing shareholders. The SPP enables all shareholders to acquire up to \$30,000 worth of shares at a price of \$0.20 per share.

At the date of this report and having considered the above factors, the directors are confident that the Group will be able to continue as a going concern.

17. Adoption of new standards

The Group has adopted all the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for annual reporting periods on or after 1 July 2018. None of these standards has had a material impact on RMA in the current or future reporting periods or on foreseeable future transactions. The Group does not intend to early adopt any of the pronouncements.

AASB 9 *Financial Instruments* and related amending Standards

This standard replaces AASB 139 *Financial Instruments: Recognition and Measurement*. AASB 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculation of impairment on financial assets. This is outlined in the note on Trade receivables (note 11).

The Group has applied the exception under AASB 9 to not restate comparatives as the adoption of AASB 9 did not result in material changes.

Notes to the Financial Statements

AASB 15 Revenue from Contracts with Customers

The Group adopted AASB 15 *Revenue from Customers* on 1 July 2018. AASB 15 establishes a principles-based approach for revenue recognition whereby revenue is recognised when performance obligations are satisfied, and the control of goods or services is transferred. For each revenue stream, the Group has assessed the timing of revenue recognition after analysing the comprehensive five-step model for entities to use in accounting for all revenue streams arising from contracts with customers with two separate approaches for recognising revenue: at a point in time or over time.

Sale of services

The adoption of AASB 15 has not impacted the timing of revenue recognition on the sale of subscription services, including Promoter. These services have separate transactions prices and are recognised as separate performance obligations satisfied over time.

Sales of goods

The adoption of AASB 15 has not impacted the timing of revenue recognition on the sale of goods with revenue recognised at the point in time that control transfers to the customer. Under AASB118 revenue was recognised at the point in time when risks and rewards of ownership passed to the customer. Under AASB15 revenue is recognised at the point in time when control passes to the customer. There is no difference in timing of revenue recognition for RMA under AASB15 when compared to AASB118.

The Group has applied the exception under AASB 15 to not restate comparatives as the adoption did not result in material changes to the amounts previously reported

18. Standards on issue but not yet effective

New standards and amendments are effective for annual periods beginning after 1 July 2019 and earlier application is permitted. The Group has elected not to early adopt the new or amended standards in preparing these consolidated financial statements.

With the exception of AASB 16 *Leases*, RMA does not believe these Accounting Standards and Interpretations in issue but not effective will have a material impact in future periods on the financial statements of the Group. Management is in the process of performing a detailed assessment of the impact of the adoption of AASB 16 on the financial statements of the Group in future periods as noted below. AASB 9 *Financial Instruments*.

AASB 16 Leases

AASB 16 *Leases* is effective for years commencing on or after 1 January 2019. AASB 16 eliminates the classification of leases as either operating leases or finance leases for lessees as required by AASB 117 *Leases* and instead, introduces a single lessee accounting model. The change to the definition of a lease mainly relates to the concept of control. AASB 16 determines whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for the period of time in exchange for consideration. Applying that model, a lessee is required to recognise:

- assets and liabilities for all leases with a term of more than 12 months in the consolidated statement of financial position, initially measured at the present value of future lease payments, unless the underlying asset is of low value;
- amortisation of lease assets separately from interest on lease liabilities in the consolidated statement of profit or loss; and
- the total amount of cash paid into a principal portion (presented within financing activities) separately from interest (presented within operating activities) in the consolidated statement of cash flows.

Notes to the Financial Statements

The Group has assessed the impact on its consolidated financial statements, which are summarised in the tables below.

Balance sheet impact @ 1 July 2019	\$
Increase in non-current asset (recognition of lease right-of-use)	486,403
Increase in liabilities from recognition of lease liabilities	(486,403)
Income statement impact for the FY20 full year	\$
Decrease in rent expense (increase in EBITDA)	226,266
Increase in interest expense	(29,140)
Increase in depreciation expense	(208,459)
Increase in net loss before tax	(11,333)

The only material lease identified with terms of more than 12 months relates to the leasing of office premises.

19. Summary of significant accounting policies

Included below are the significant accounting policies not disclosed in the notes above and which have been adopted in the preparation and presentation of the financial report.

Consolidation

The consolidated financial statements include the financial statements of the Group, and the information and results of each subsidiary from the date on which the Group obtains control and until such time as the Group ceases to control such entity. An entity is controlled when RMA is exposed to, or has rights to, variable returns from involvement with the entity and has the ability to affect those returns through power over the entity.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. In reporting the consolidated financial statements, all intercompany balances and transactions, and unrealised profits or losses within the Group are eliminated in full.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, is classified as operating cash flows.

Notes to the Financial Statements

20. Use of judgements and estimates

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is included in the following notes:

- Note 4 – fair value of employee options: underlying valuation assumptions as well as management's estimate of number of options which will be exercised.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the year ending 30 June 2019 is included in the following notes:

- Note 6 – recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used.
- Notes 4 and 12 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

21. Plant and Equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by management to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets are depreciated over their estimated useful lives to the entity commencing from the time the asset is held ready for use.

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of profit or loss and other comprehensive income.

Computer Hardware	2–5 years
Furniture and Fittings	5–10 years

Notes to the Financial Statements

Details of Plant and Equipment are set out below:

	Computer hardware at cost	Furniture and fittings at cost	Total
	\$	\$	\$
Gross carrying amount			
Balance at 30 June 2017	63,196	144,253	207,449
Additions	43,615	43,157	86,772
Disposal	–	–	–
Balance at FY18	106,811	187,410	294,221
Additions	90,173	14,276	104,449
Disposal	(16,334)	–	(16,334)
Balance at FY19	180,650	201,686	382,336
Accumulated depreciation			
Balance at 30 June 2017	(24,441)	(17,884)	(42,325)
Depreciation expense	(25,552)	(33,115)	(58,667)
Disposals	–	–	–
Balance at FY18	(49,993)	(50,999)	(100,992)
Depreciation expense	(44,761)	(34,212)	(78,973)
Disposals	13,948	–	13,948
Balance at FY19	(80,806)	(85,211)	(166,017)
Net book value			
As at FY18	56,818	136,411	193,229
As at FY19	99,844	116,475	216,319

22. Intangible assets

Intangible assets for the Group comprise computer software and long-term domain name right-of-use assets.

Intangible assets are initially recognised at cost, which includes all implementation costs associated with bringing the intangibles to a state ready for use. All intangible assets have finite lives and are carried at cost less accumulated amortisation and accumulated impairment losses.

Internally generated assets will be recognised where the cost of actual development can be reliably measured and clearly distinguished from research and ongoing operating and maintenance activities. Given software development occurs contemporaneously with the research phase and operating and maintenance activities, the separation of the cost of development can be imprecise and difficult to reliably measure.

Accordingly, where the expenditure related to the development activity cannot be reliably measured, the Group expenses the amounts in the period they are incurred. No internally generated computer software assets have been recognised during the period.

Notes to the Financial Statements

Amortisation

The amortisation of all intangible assets are amortised over their estimated useful lives to the entity commencing from the time the asset is held ready for use.

Details of Intangible assets are set out below:

	Computer Software	Domain Names	Total
	\$	\$	\$
Gross carrying amount			
Balance at 30 June 2017	–	5,454	5,454
Additions	–	511	511
Disposal	–	–	–
Balance at FY18	–	5,965	5,965
Additions	69,887	10,064	79,951
Disposal	–	–	–
Balance at FY19	69,887	16,029	85,916
Accumulated Amortisation			
Balance at 30 June 2017	–	–	–
Amortisation expense	–	–	–
Disposals	–	–	–
Balance at FY18	–	–	–
Amortisation expense	(5,824)	(9,459)	(15,283)
Disposals	–	–	–
Balance at FY19	(5,824)	(9,459)	(15,283)
Net book value			
As at FY18	–	5,965	5,965
As at FY19	64,063	6,570	70,633

Notes to the Financial Statements

23. Group structure

RMA Global Limited (the 'Company') is a company domiciled in Australia and is a for-profit entity primarily involved in online digital marketing, providing extensive data on real estate agents, their active residential property listings and sale results as well as reviews from vendors and buyers of residential real estate.

Details of the Group's subsidiaries at the end of the reporting period are as follows:

Name	Principal activity	Principal place of business	Ownership interest	
			2019	2018
DC Global Pty Ltd ^(1,2)	Dormant	Australia	100%	100%
Property Results Online Pty. Ltd ^(1,2)	Dormant	Australia	100%	100%
Propertyresultsonline.com.au ^(1,2)	Dormant	Australia	100%	100%
Property Tycoon Pty. Ltd ^(1,2)	Dormant	Australia	100%	100%
Propertytycoon.com.au Pty. Ltd ^(1,2)	Dormant	Australia	100%	100%
RateMyAgent.com Pty Ltd ^(1,2)	Online digital marketing	Australia	100%	100%
RateMyAgent Inc ⁽³⁾	Online digital marketing	USA	100%	N/A

1 These wholly-owned subsidiaries have entered into a deed of cross guarantee with RMA Global Limited pursuant to ASIC Corporations (Wholly-owned Companies) Instrument 2016/785 and are relieved from the requirement to prepare and lodge an audited financial report.

2 These companies are members of the tax-consolidated group.

3 RateMyAgent Inc was incorporated in December 2018.

24. Parent entity financial information

The individual Financial Statements for the parent entity, RMA Group Limited are reflected below. They have been prepared on the same bases as the Consolidated Financial Statements.

	FY19	FY18
	\$	\$
(Loss)/profit from ordinary operations	(731,013)	(477,841)
Impairment of investment in subsidiary	(141,511)	–
Reversal of impairment/(Impairment) of loan to subsidiary	885,864	(11,250,911)
Net (loss) for the year	13,340	(11,728,752)
Other comprehensive income	–	–
Total comprehensive loss for the year	13,340	(11,728,752)

Notes to the Financial Statements

	FY19	FY18
	\$	\$
Current assets	142,732	43,299
Non-current assets	–	48,717
Total Assets	142,732	92,016
Current liabilities	16,936	–
Non-current liabilities	600	600
Total liabilities	17,536	600
Net Assets	125,196	91,416
Share capital	18,032,467	18,032,467
Reserves	7,725,152	7,704,712
Accumulated losses	(25,632,423)	(25,645,763)
Total Equity	125,196	91,416

25. Deed of Cross Guarantee

RMA Global Limited, and some Australian wholly-owned subsidiaries as specified in note 23 are party to a Deed of Cross Guarantee under which each company guarantees the debts of the others. By entering into the deed, the relevant wholly-owned subsidiaries have been relieved from the requirement to prepare the financial report and Directors' Report under ASIC Corporations (wholly-owned companies) Instrument 2016/785 issued by the Australian Securities and Investments Commission.

(a) Consolidated statement of profit or loss and retained earnings

	FY19	FY18
	\$	\$
Loss before tax	(7,130,731)	(2,504,416)
Income tax expense	–	–
Loss after tax	(7,130,731)	(2,504,416)
Retained earnings at beginning of the year	(15,630,329)	(13,125,913)
Transfers from reserves	–	–
Dividends declared	–	–
Retained earnings at the end of the year	(22,761,060)	(15,630,329)

Notes to the Financial Statements

(b) Consolidated statement of financial position

	FY19	FY18
	\$	\$
Assets		
Current Assets		
Cash and cash equivalents	3,657,958	11,379,973
Trade and other receivables	521,385	474,021
Other current assets	26,862	–
Total Current Assets	4,206,205	11,853,994
Non-current Assets		
Plant and equipment	216,319	193,229
Intangible assets	70,633	5,965
Investment in subsidiaries	72,355	–
Receivables to RMA Group companies outside the Deed	4,063	–
Other non-current assets	244,262	238,828
Total Non-current Assets	607,632	438,022
Total Assets	4,813,837	12,292,016
Liabilities		
Current Liabilities		
Trade and other payables	1,148,837	1,513,345
Provisions	188,685	171,735
Deferred Income	286,752	298,577
Other current liabilities	47,968	37,419
Total Current Liabilities	1,672,242	2,021,076
Non-current Liabilities		
Provisions	47,824	19,917
Other non-current liabilities	97,211	144,172
Total Non-current Liabilities	145,035	164,089
Total Liabilities	1,817,277	2,185,165
Net Assets	2,996,560	10,106,851
Equity		
Share capital	18,032,468	18,032,468
Reserves	7,725,152	7,704,712
Accumulated losses	(22,761,060)	(15,630,329)
Total Equity	2,996,560	10,106,851

Notes to the Financial Statements

26. Related parties

Name	Principal place of business	Ownership interest	
		2019	2018
DC Global Pty Ltd	Australia	100%	100%
Property Results Online Pty. Ltd	Australia	100%	100%
Propertyresultsonline.com.au	Australia	100%	100%
Property Tycoon Pty. Ltd	Australia	100%	100%
Propertytycoon.com.au Pty. Ltd	Australia	100%	100%
RateMyAgent.com Pty Ltd	Australia	100%	100%
RateMyAgent Inc	United States of America	100%	N/A

27. Related party transactions

Armstrong Property Planning

Certain minor data-related services and accounts, which amount to less than \$1,000 p.a. and pre-date the formation of the Group, are in the name of Armstrong Property Planning, an entity associated with Mr Mark Armstrong. The Group pays the associated invoices directly to the service provider.

28. Remuneration of auditors

Included in other operating expenses are fees to our auditors, Deloitte Touche Tohmatsu, for services rendered, which are detailed below:

	FY19	FY18
	\$	\$
Audit or review of the financial report	61,300	58,500
Non-Audit services		
Tax-related services and advice	45,500	41,000
Other non-audit services ⁽¹⁾	69,000	64,100
Total fees to auditors	175,800	163,600

(1) Other non-audit services comprise R&D consulting, transfer pricing agreement and compliance work for the IPO.

29. Dividends

For the near-term, the Group will be focusing on growing and reinvesting revenues in the business. There will be no dividend in respect of FY19.

Notes to the Financial Statements

30. Significant events after the reporting date

During the 2020 financial year RMA Global underwent a capital raising to fund ongoing operations including accelerating the Group's expansion into the USA. In September 2019, the Group raised \$9,000,000 through a private placement of 45,000,000 ordinary shares at a price of \$0.20 per share. This includes \$1,260,000 to be raised from director-related entities which will be conditional on shareholder approval which will be sought at the Group's AGM in November 2019.

The Group will also proceed with a Share Purchase Plan (SPP) to raise up to a further \$1m from existing shareholders. The SPP enables all shareholders to acquire up to \$30,000 worth of shares at a price of \$0.20 per share.

The Directors are not aware of any other item, transaction or event of a material and unusual nature which occurred between the end of the financial year and the date of this report, which is not dealt with in this report and, in the opinion of the Directors of the Company, is likely to significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Directors' Declaration

The Directors declare that:

- (a) in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable
- (b) in the Directors' opinion, the attached financial statements are in compliance with International Financial Reporting Standards, as stated in note 16 to the financial statements
- (c) in the Directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity, and
- (d) the Directors have been given the declarations required by s.295A of the *Corporations Act 2001*

At the date of this declaration, the Company is within the class of companies affected by ASIC Corporations (Wholly owned Companies) Instrument 2016/785. The nature of the deed of cross guarantee is such that each company which is party to the deed guarantees to each creditor payment in full of any debt in accordance with the deed of cross guarantee.

In the Directors' opinion, there are reasonable grounds to believe that the Company and the companies to which ASIC Corporations (Wholly owned Companies) Instrument 2016/785 applies, as detailed in note 25 to the financial statements will, as a group, be able to meet any liabilities to which they are, or may become, subject because of the deed of cross guarantee.

Signed in accordance with a resolution of the Directors made pursuant to s.295(5) of the *Corporations Act 2001*.

On behalf of the Directors



David Williams
Chairman

Melbourne
25 September 2019

Independent Auditors' Declaration



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Independent Auditor's Report to the members of RMA Global Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of RMA Global Limited (the "Company") and its subsidiaries (the "Group") which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Touche Tohmatsu Limited



Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
Share based payment expense In the prior year ending 30 June 2018 RMA Global Limited issued 3,250,000 employee share options with a 3 year vesting period. The number of share options on issue have been revised for changes in vesting conditions during the current year. During the financial year ending 30 June 2019, an additional 800,000 share options were issued. Details of share options issued are disclosed in Note 4. Judgement is required in determining the number of options expected to vest at the end of the vesting period. The group values the new options, assisted by an external expert, using the Black Scholes model, where inputs such as volatility, dividend yield and risk free rate require judgement. All shares are classified by the Group as an equity settled share based payment transaction.	Our procedures included, but were not limited to: • Comparing the terms and conditions of new options, including the grant date and number of shares on issue, between external specialist report and inputs in the Black Scholes calculation • Obtaining the Group's expert's valuation report for new options and assessing the reasonableness of the inputs used in valuing the options • Assessing the competency of the Group's expert including their experience and qualifications • Assessing the reasonableness of the fair value calculation through re-performing the Black Scholes model calculation, and • Assessing the reasonableness of estimates for the number of options to vest at the end of the vesting period. We have also assessed the appropriateness of the disclosures in Note 4 to the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Deloitte

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent Auditors' Declaration



Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 17 to 23 of the Directors' Report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of RMA Global Limited, for the year ended 30 June 2019, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Deloitte Touche Tohmatsu
DELOITTE TOUCHE TOHMATSU

A handwritten signature in blue ink, appearing to read "Anneke du Toit", written over a horizontal line.

Anneke du Toit
Partner
Chartered Accountants
Melbourne, 25 September 2019

Shareholder Information

The Shareholder information set out below was applicable as at 20 September 2019.

Other information as required by the ASX

Top 20 Shareholders			
Rank	Holder Name	Shares Held	% of Issued Capital
1	HECTOR GEORGE PTY LTD <ARMSTRONG FAMILY A/C>	63,976,769	17.4%
2	LAWN VIEWS PTY LTD <ANGELA WILLIAMS FAMILY A/C>	56,363,396	15.3%
3	LAWN VIEWS PTY LTD <THE KIDDER WILLIAMS INV A/C>	28,204,575	7.7%
4	PERRONNET HOLDINGS PTY LTD <THE PERRONNET FAMILY A/C>	26,970,133	7.3%
5	RENTIERS PTY LTD	25,776,337	7.0%
6	EVRA PTY LTD <VAN ROOSEDAAL FAMILY A/C>	19,621,674	5.3%
7	MOGGS CREEK PTY LTD <MOGGS CREEK SUPER A/C>	14,762,628	4.0%
8	THE TRUST COMPANY (AUSTRALIA) LIMITED <MOF A/C>	10,777,253	2.9%
9	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	8,152,482	2.2%
10	LAWN VIEWS PTY LTD <THE KIDDER WILLIAMS INV A/C>	6,742,000	1.8%
11	ROYGAV PTY LTD <THE ROYGAV FAMILY A/C>	5,681,661	1.5%
12	LAWN VIEWS PTY LTD <ANGELA WILLIAMS FAMILY A/C>	5,574,360	1.5%
13	MS KOH LIAN HUA	3,997,545	1.1%
14	PHILIPPA STATHAM PTY LTD <PHILIPPA STATHAM FAMILY A/C>	3,787,543	1.0%
15	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	3,555,000	1.0%
16	GALSM INVESTMENTS PTY LTD <GALSM INVESTMENTS A/C>	3,198,043	0.9%
17	LINE ACCORD PTY LTD <ENTWISLE DIRECTORS SF A/C>	2,882,646	0.8%
18	KIDDER WILLIAMS LIMITED	2,638,382	0.7%
19	SUPER ARMSTRONG PTY LTD <ARMSTRONG FAMILY SUPER A/C>	2,300,000	0.6%
20	MISS LAURA MADELEINE ALLEN	2,203,295	0.6%
Totals: Top 20 Holders of ORDINARY FULLY PAID SHARES (TOTAL)		297,165,722	80.8%
Total Remaining Holders Balance		70,830,279	19.2%
Total Shares		367,996,001	100%

Shareholder Information

Substantial Shareholders ¹		
Holder Name	Shares Held	% of Issued Capital
DAVID WILLIAMS	116,045,341	31.5%
MARK ARMSTRONG	66,276,769	18.0%
PERRONNET HOLDINGS PTY LTD <THE PERRONNET FAMILY A/C>	26,970,133	7.3%
MERIM PTY LTD	26,776,337	7.3%
EDWARD VAN ROOSEDAAL	19,821,674	5.4%
Total Substantial Shareholders	255,890,254	69.5%
Other Shareholders	112,105,747	30.5%
Total	367,996,001	100.0%

Range of Units	Total Holders	Shares Held	% of Issued Capital
1 to 1,000	5	1,316	0.0%
1,001 to 5,000	120	415,694	0.1%
5,001 to 10,000	56	484,631	0.1%
10,001 to 100,000	234	10,249,453	2.8%
100,001 and over	144	356,844,907	97.0%
Total	559	367,996,001	100.0%

Unmarketable Parcels	Minimum Parcel Size	Holders	Units
Minimum \$ 500.00 parcel at \$ 0.2400 per unit	2,084	13	16,284

¹ As per the most recent substantial holder notice.

Corporate Information

Auditor

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Securities Exchange Listing

RMY Global shares are listed on the Australian Securities Exchange
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