

ASX Announcement

29 April 2020

Covid-19 and Agent Promoter

RateMyAgent wishes to inform the market that the Corona virus has had a short-term negative impact on the Australian business, but is not having any obvious negative effect on the US business and is not expected to have a significant medium to long term effect.

The Australian real estate environment has been fluid with government decisions and the economy affecting stock for sale, property sales and open for inspections.

This impacted agent churn rates which spiked at the beginning of the month, however, as the real estate market adapted, churn rates have significantly fallen to that experienced pre-Covid. Consequently, the Company expects to be able to maintain at least 80-90% of its pre-Covid-19 subscription revenue in Australia.

In contrast, activity in the US has ramped up in the last 3 months and US cash revenues grew circa 60% month-on-month since February. Current sales are primarily focused on agents, but revenue growth is expected to increase as additional products targeting teams and brokerages are introduced over the next 3 months.

Key factors influencing our business position include:

- As a subscription business our revenues are mostly recurring revenues and not one-off transaction fees. In addition, our low price point provides some insulation against churn in a highly volatile market where many agents see even more reason to promote themselves through our platform.
- Digital marketing has become a more necessary form of business promotion for real estate agents and agencies and RMA is well positioned to leverage off this.
- We have accelerated product development to further increase our value proposition in our core subscription products and our Agent Promoter advertising platform.
- As a digital business, our work model is flexible, which enabled a rapid transition to remote working with little impact on our operations.
- Australia and New Zealand property markets will benefit immediately from the lifting of restrictions in the near term which should see agents looking to generate new listings and get back to business

RateMyAgent Chief Executive Officer, Mark Armstrong, said,

“History shows that a subscription business model remains more resilient in an economic downturn as demonstrated by RMA’s stable revenues during the property downturn of 18/19. Whilst Covid-19 provides challenges for many companies, RMA is well positioned to protect revenue in the Australian market while increasing revenue from the US market. This new landscape means our platform becomes even more important for agents to build and market their personal brand.”

This announcement has been authorised by the Company Secretary.

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About RMA Global Limited

RMA is an online digital marketing business providing extensive data on for-sale and sold residential property, sale results for individual 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.

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

About RateMyAgent

RateMyAgent is an Australia-based review platform now expanding rapidly in the United States. In Australia, RateMyAgent is used by agents who sell 80% of property across Australia and get reviews for 1 in 3 homes sold nationally.

RateMyAgent launched in the United States in 2018 and has partnerships with MLS's from Florida to California, including CRMLS, the country's largest MLS. RateMyAgent is the first review platform to be included and endorsed by the National Association of Realtors® 2019 NAR's REACH Accelerator Program.

More information about RateMyAgent can be found at www.RateMyAgent.com