

ASX Announcement

31 October 2022

Quarterly business update and Appendix 4C

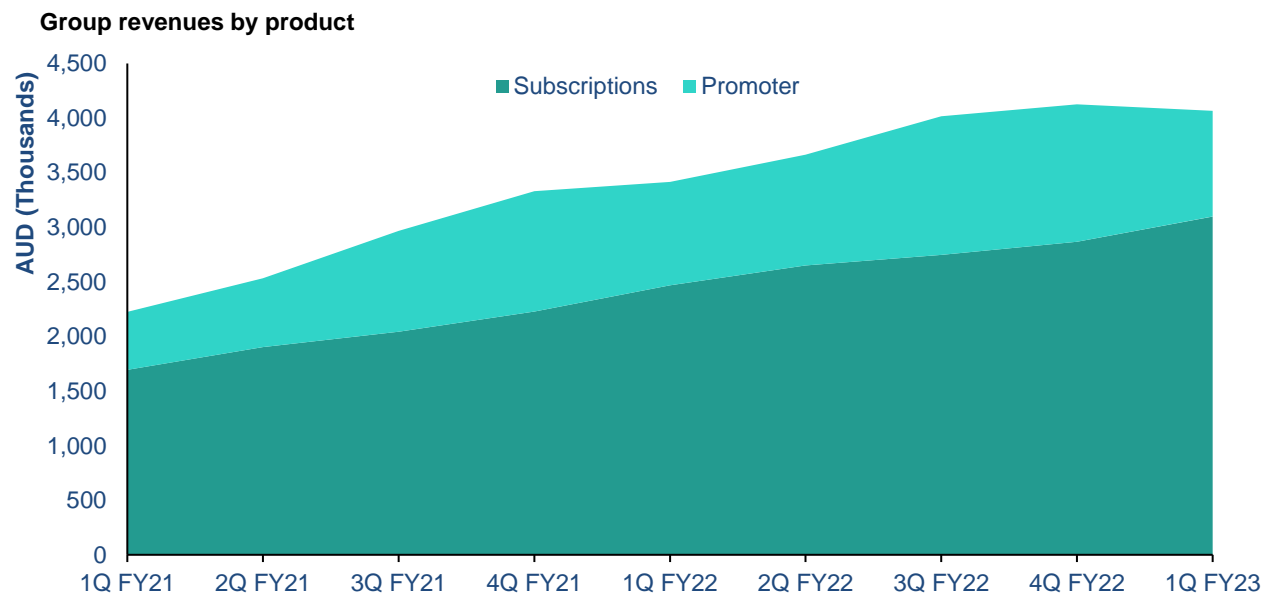
Highlights

- Group recurring revenue up 19% 1Q FY23 vs 1Q FY22
- Cash receipts up 12% 1Q FY23 vs 1Q FY22
- US revenues up 185% 1Q FY23 vs 1Q FY22, US reviews up 155% YOY

Quarterly performance

RMA Global Limited (ASX: RMY) (“the Company” or “RMA”) has delivered ongoing YoY revenue growth, with 1Q FY23 up 19% from 1Q FY22.

Subscription revenue is up 26% over the same period, supported by US subscriptions.



USA

Agents on the platform and reviews

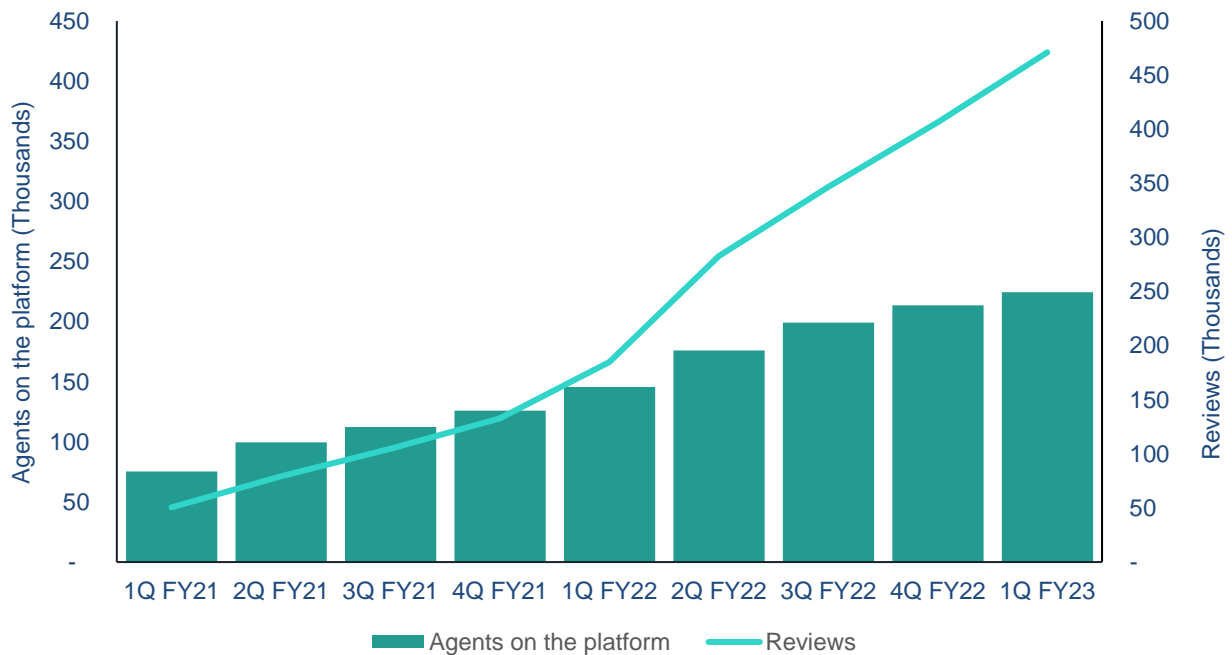
The real estate environment in the US has deteriorated during the year driven by high inflation and rising mortgage interest rates. While total property sales in the market have declined c. 23% YoY, the agent commission pool remains above long-term averages for the industry and the total agent population has grown +2.7% YoY (Source: NAR).

Despite the more challenging market environment, RMA has continued to drive growth in reviews and platform usage which are the leading indicators for paid subscriptions. As of 30 September there were 224,000 agents on the US platform with c.471,000 reviews, up 79,000 (54%) and 286,000 (155%) respectively compared with September 2021.

Once on the platform, agents collect reviews to improve their online profile. This engages agents with the platform and encourages them to collect more reviews and ultimately to take up a subscription and benefit from the additional marketing features RMA offers.

RMA has implemented several initiatives this year to accelerate review growth, which includes integrating with major brokerages in the US.

Agents on the platform vs reviews (cumulative)



US Revenue

Monetisation initiatives delivered during the year expanded our subscription product offering and made it easier for an agent to start a paid subscription.

- Introduction of a “lite” tier has proven an easy product entry-point for the core group of c.300,000 agents that we believe sell c.80% of properties;
- The 2-week trial period for all US subscriptions introduced last quarter was a major contributor to organic subscription growth; and
- Our trial subscriptions continue to convert at c.80% to paid subscriptions following improvements to our customer experience.

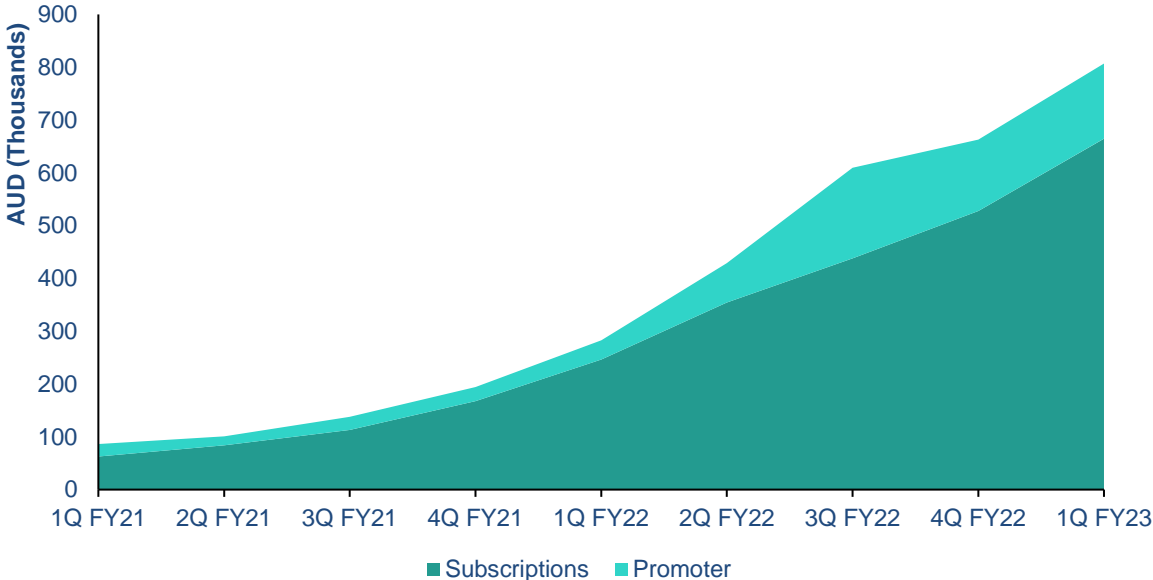
In September we focused on removing our legacy market entry pricing, a major barrier to our monetization efforts. We have streamlined our partnership offering to simplify our US product and improve the monetisation of our partnership networks.

We have a built a significant platform in the US market. Our current partnerships cover over 1,000,000 agents through 25 MLS and 5 Brokerage partnerships. We continue to expand our partner relationships and activity.

US subscriptions generated c.AU\$665k 1Q FY23, up 26% on 4Q FY22 and 170% on 1Q FY22.

US Promoter revenues were driven by high subscriber growth, which offset the seasonality of the September quarter. Revenues in 1Q FY23 were up 291% on 4Q FY22, albeit off a low base, and up 6% on 4Q FY22.

US quarterly revenues



ANZ Revenue

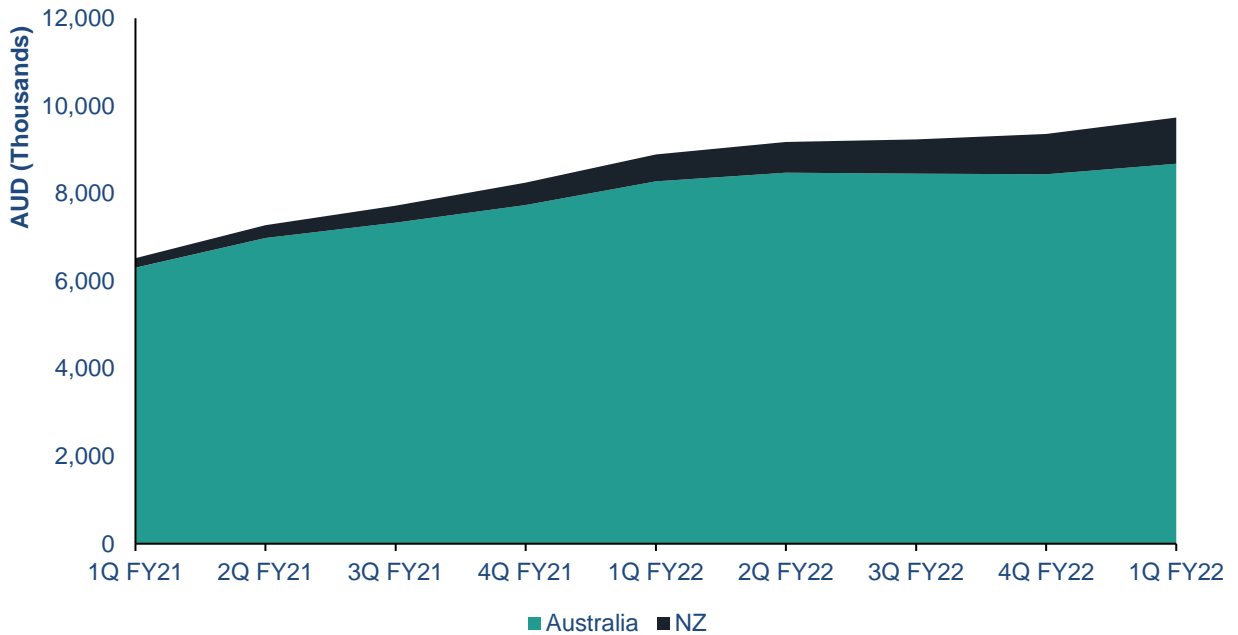
Interest rate increases and inflation has impacted the real estate industry and the number of active agents in the market has decreased by c.2% since February.

Subscriptions

In Australia, despite the current property downturn, subscription revenue in 1Q FY23 increased 5% on 1Q FY22.

New Zealand remains a growth market and subscription revenues in 1Q FY23 increased by c.72% on 1Q FY22.

ANZ Subscription ARR (based on quarterly revenues)



Promoter

Promoter is a digital advertising product that enables agents and agencies to showcase their reviews and profile across social media platforms and Google. Revenues are more seasonal than subscriptions with the RMA Awards in February providing a seasonal uplift in the third quarter.

Promoter was impacted by the winter seasonal downturn as well as a high degree of absence during the July/August Covid wave which significantly impacted sales.

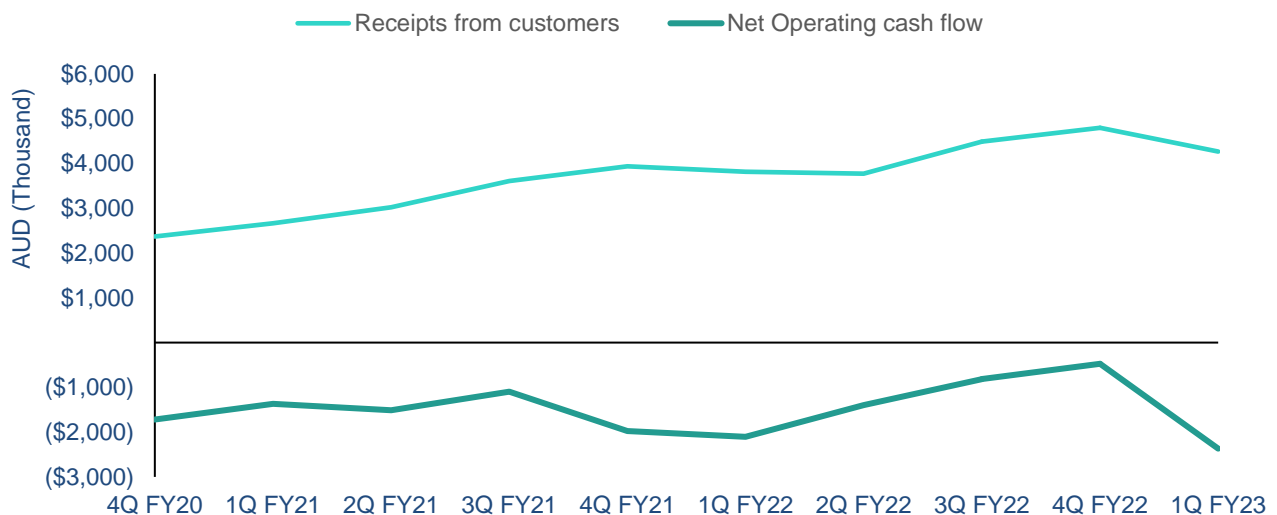
ANZ Promoter revenues decreased to \$0.8m in 1Q FY23, down 9% on 1Q FY22 and down 26% on 4Q FY22.

Cash flow and net cash position

- **Cash receipts from customers** in 1Q FY23 of \$4.3m, up 12% from 1Q FY22. This was lower than 4Q FY22 by \$500k due to high seasonal subscriptions received in June.
- **Operating cash payments** for the quarter was c.\$5.3m, up \$1.3m on 4Q FY22, driven by timing on some administration and operating costs, which include several annual prepayments made in July and August. The timing of these prepayments over a quarter-end has significantly skewed the cash outflow result.
- **Cash on hand** as of 30 September 2022 was \$3.35m.

CEO, Mr. Michael Davey, said, “We’ve never seen a clearer line to long term success than in the last quarter. More consumers are looking at our platform, who are finding more agents with more reviews in every market. Even with the challenging environment we have again grown the business, particularly in the US where we are focused on monetising our existing user base. Our service helps consumers find the genuine agents who deliver the best results for their customers. We’ve never had more positive feedback.”

Quarterly cash flows



Authorised for release by the Company Secretary, Scott Farndell

Further information:

Michael Davey

Chief Executive Officer

Mobile +61 400 888 120

michael.davey@ratemyagent.com

David Williams

Chairman

Mobile +61 414 383 593

dwilliams@kidder.com.au

Appendix 4C

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

Name of entity

RMA Global Ltd

ABN

69 169 102 523

Quarter ended ("current quarter")

30 September 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (4 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	4,266	4,266
1.2 Payments for		
(a) research and development	(627)	(627)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing (mainly Promoter costs)	(970)	(970)
(d) leased assets	(86)	(86)
(e) staff costs	(3,694)	(3,694)
(f) administration and corporate costs	(1,260)	(1,260)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	3
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(2,368)	(2,368)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(74)	(74)
(d) investments	-	-
(e) intellectual property	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (4 months) \$A'000
(f) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	(74)	(74)

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

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	5,762	5,762
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(2,368)	(2,368)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(74)	(74)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (4 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	29	29
4.6	Cash and cash equivalents at end of period	3,349	3,349

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	3,349	5,762
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,349	5,762

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(251)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

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

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	N/A	N/A
7.2 Credit standby arrangements	N/A	N/A
7.3 Other (please specify)	N/A	N/A
7.4 Total financing facilities	N/A	N/A
7.5 Unused financing facilities available at quarter end		N/A
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(2,368)
8.2 Cash and cash equivalents at quarter end (item 4.6)	3,349
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	3,349
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	1.4
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?
<p>Answer: The current quarter reflects an unusually high net cash outflows, largely due to timing of operational cost flows. A number of operating costs are paid upfront to take advantage of seasonal promotions and discounts, which usually occur around year-end and paid early in the new year. The cost base is relatively stable (on an annual basis) – applying the average cash outflow for 4Q FY22 and 1Q FY23 of c.\$501k per month against the current quarter's cash receipts as a proxy for the next 2 quarters would yield provide at least 2 quarters of available funding. This is supported by September cash outflows, representing an 'average' month', being c\$520k</p>	

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

Answer: No steps have been taken to raise cash to fund operations as yet. Cash receipts continue to grow year on year with a relatively stable cost base. Should it be considered necessary to raise additional capital, the Director's consider the likelihood of a successful raise to high as all prior capital raises have been significantly oversubscribed.

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

Answer: Yes. The business model continues to deliver, with revenue continues to grow YoY and there remains significant opportunity for the business, particularly in the USA. Our cost base is also relatively stable. Should additional funding be required to support the business until it is cash flow positive, the Director's consider the likelihood of a successful raise to high as all prior capital raises have been significantly oversubscribed.

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31/10/2022

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

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.