

# ASX Release

25 January 2023

Attached is the Quarterly Business Update and Appendix 4C for RMA Global Limited

In releasing the attached Appendix 4C, the Chairman offered his further perspectives on the business.

Chairman David Williams said, "I look at this business and consider our Australian success as a base indicator of our US potential. In Australia we have approximately 78% of the c.33k active agents in the market on our platform and approximately 12k (36%) of these have a paid subscription. Subscriptions and revenue from Promoter are increasing, so we still have a long runway for growth in Australia."

Mr. Williams went on to say, "If we superimpose our Australian experience, as it is today without any further growth, on the US market of approximately 865k active agents, then the US is a \$360m revenue opportunity. I see no reason why we can't replicate the Australian experience in the US. On the contrary, I can make a case that the business for the US can grow more quickly and be bigger than it is in Australia."

"We currently have approximately 230,000 US agents on the platform who have c.645,000 reviews. US agents, reviews and subscriptions are all growing quickly, albeit off a low base. We have a number of recent initiatives in the US which will increase the pace of that growth."

# ASX Announcement

25 January 2023

## Quarterly business update and Appendix 4C

### Highlights

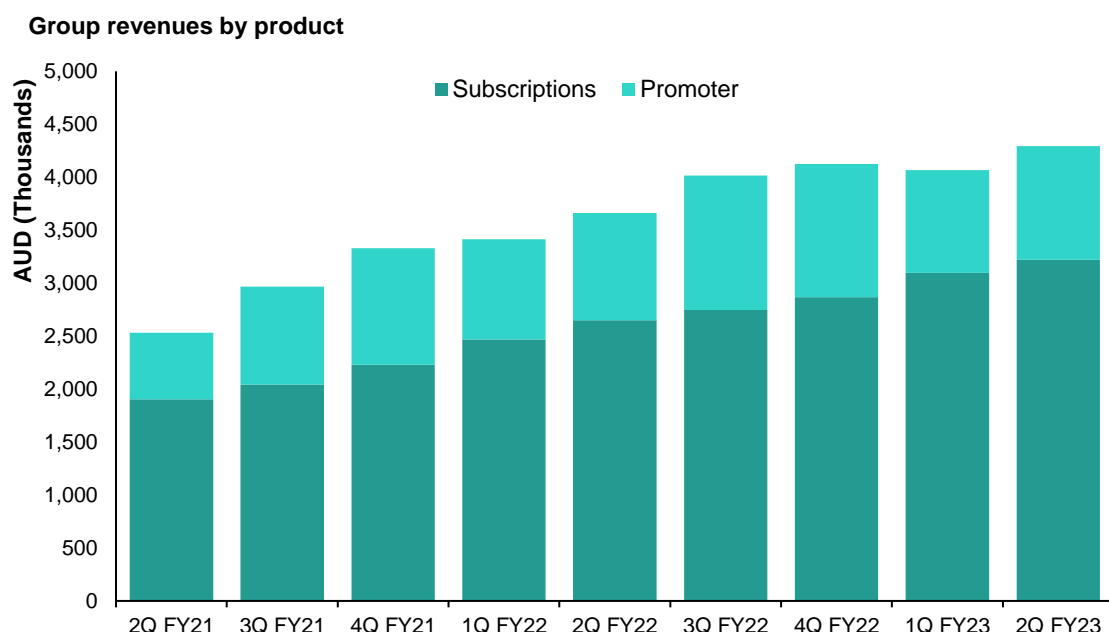
- Strong US growth continuing with revenues up 119% 2Q FY23 vs 2Q FY22, reviews up 118% YOY
- Group subscription revenue up 22% 2Q FY23 vs 2Q FY22
- Cash receipts up 13% 2Q FY23 vs 2Q FY22
- Funded to accelerate monetisation in the US and deliver positive cash flow following a \$5.5m capital raising

### Quarterly performance

RMA Global Limited (ASX: RMY) (“the Company” or “RMA”) has delivered revenue growth of \$4.3m in 2QFY23, up 17% from 2Q FY22, in an environment where Real Estate transactions have been trending down.

This was primarily driven by subscription revenues, up 22% YoY to \$3.2m over the same period.

A significant market penetration opportunity still exists in the US, including the ability to monetise the already 230,000 agents on the platform.



## USA

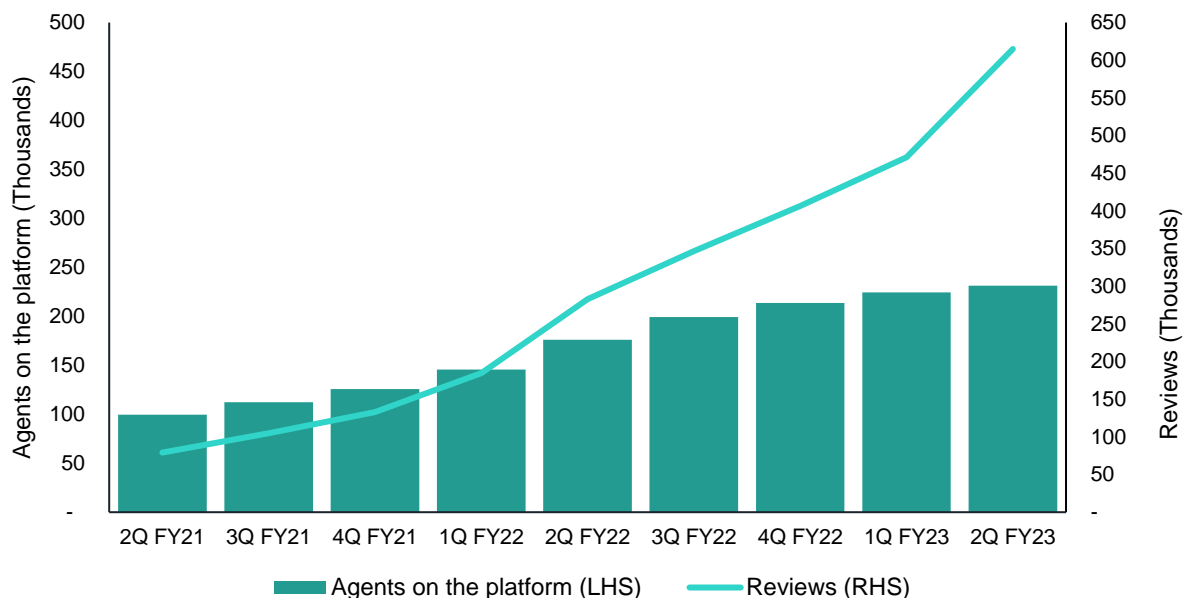
### *Agents on the platform and reviews*

The real estate environment in the US declined further in this quarter, with total property sales in the market down c.35.4% YoY<sup>1</sup>. Despite this, over 4 million homes were sold in US over the 12 months to November 2022<sup>1</sup>. RMA's target market is the top 30% of agents who participate in over 80% of transactions, are more resilient over market downturns and continue to drive growth to the company.

A key feature facilitating review collection is EasyReviews, which simplifies and automate review requests through integration with agents' workflow. This brings us closer to the transaction and is increasing the rate of review collection.

Agents on the platform have now collected c.645,000 reviews. As of 31 December 2022 agents had collected c.615,000 reviews, up 118% on December 2021. This is excellent news because reviews and platform usage are the leading indicators for paid subscriptions.

**Agents on the platform vs reviews (cumulative)**



<sup>1</sup>National Association of Realtors: <https://cdn.nar.realtor/sites/default/files/documents/ehs-11-2022-summary-2022-12>

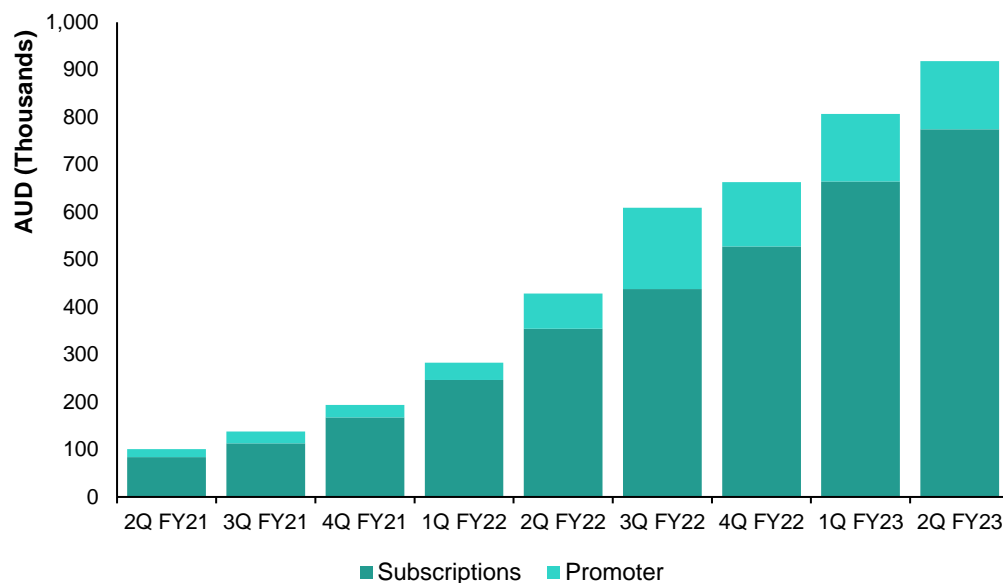
## US Revenue

The focus in the last quarter was to improve on the monetisation initiatives delivered during 2022. A major initiative was to make it easier for an agent to start a paid subscription, as well as improving on and expanding our subscription product offerings.

Our trial subscriptions are a major success, converting to paid subscriptions at c.75% following improvements to our organic sales channel.

As a result, the Company earned c.A\$775k in subscription revenues in 2Q FY23, up 19% on 2Q FY22 and up 17% on 1Q FY23. Promoter revenues, which are more seasonal, were up 93% on 2Q FY22.

US quarterly revenues



## ANZ Revenue

Interest rate increases and inflation continue to impact the real estate industry, particularly in Australia where YoY housing sales volumes are down c.13% YoY<sup>2</sup>. The number of active agents in the market has also decreased by c.2% since January 2022.

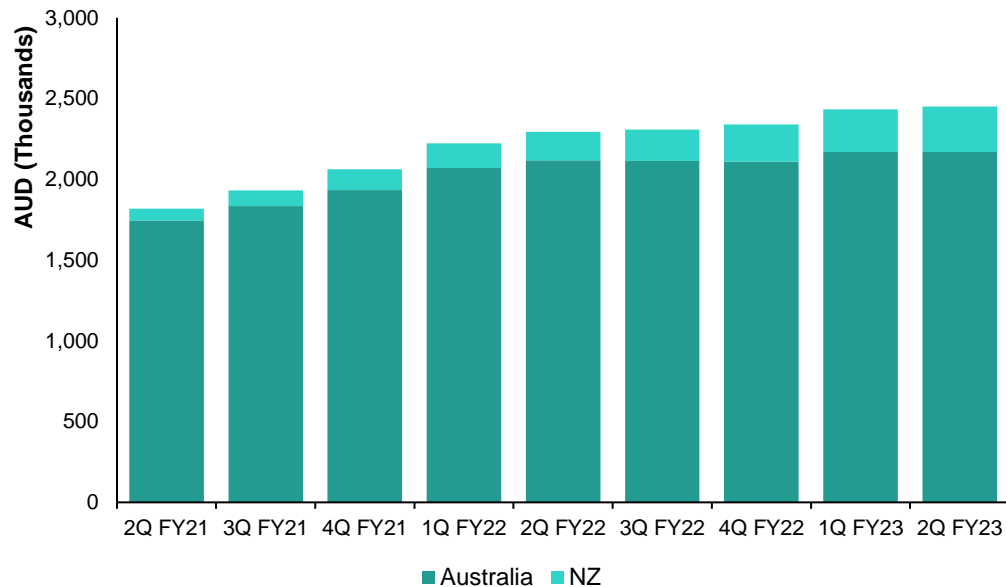
### Subscriptions

The majority of highly successful agents in Australia are under an Agency subscription with RMA, making the subscriber base less volatile to changes in the overall real estate market. As a result, subscription revenues in 2Q FY23 are up c.3% on 2Q FY22.

New Zealand remains a growth market and subscription revenues in 2Q FY23 increased by c.59% on 2Q FY22 and by 7% on 1Q FY22.

<sup>2</sup> CoreLogic monthly housing chart pack December 2022

### ANZ quaterly subscription revenues



The Company believes that the ANZ experience could be a good indicator of the growth possibilities in the US.

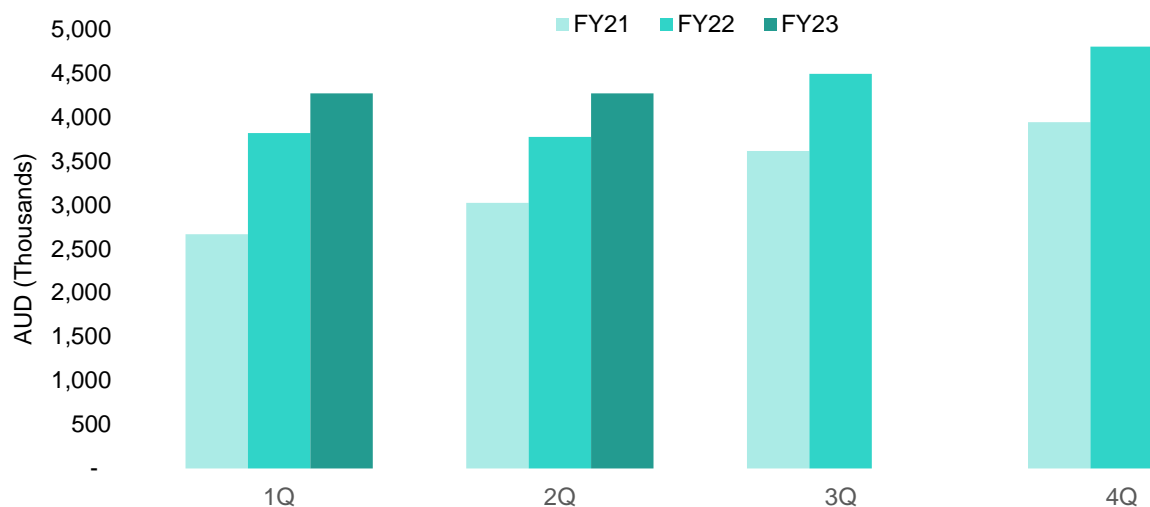
### Promoter

Promoter is a digital advertising product that enables agents and agencies to easily 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.

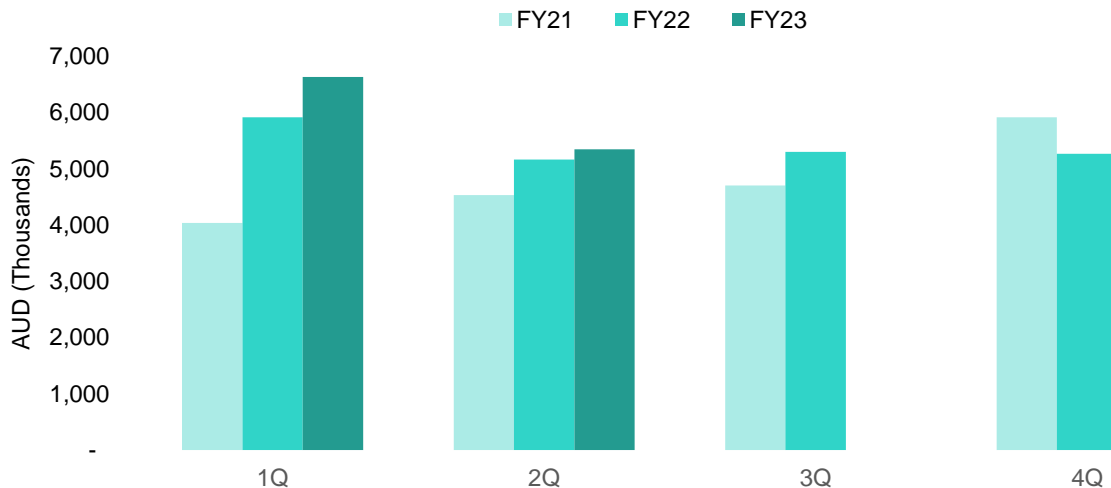
ANZ Promoter revenues increased to \$0.9m in 2Q FY23, up 13% on 1Q FY23

### Cash flow and net cash position

- **Cash receipts from customers** in 2Q FY23 were \$4.3m, up 13% from 2Q FY22, reflecting continuing YoY growth, despite a significantly depressed real estate environment.



- **Operating cash payments** for 2Q FY23 were c.\$5.4m. This is down \$1.3m 1Q FY23 due to timing of certain operating costs paid annually at the start of the financial year. Operating cost outflows for 2Q FY23 included c.\$300k relating to restructuring in November. Excluding these restructuring costs, YoY operating costs were down c.100k (2%) compared to 2Q FY22.



- **Cash on hand** as of 31 December 2022 was \$5.8m.

In December 2022 the Company announced an accelerated rights offer to raise additional funds to extend existing headroom. The accelerated portion of the offer raised c.\$3.8m, excluding costs, settled in December 2022, with a further \$1.7m received in January 2023 from the retail portion.

CEO, Mr. Michael Davey, said, “We’ve continued to grow subscribers and revenue, especially in the US market. Our push for monetization of our US base continues as we focus on the best agents in the market. In the near term we are being successful at getting a critical mass of subscribers in Florida and California and we are seeing encouraging take up in key Florida markets.”

Authorised for release by the Board of RMA Global Limited

Further information:

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## 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")**

31 December 2022

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	4,265	8,531
1.2 Payments for		
(a) research and development	(474)	(1,101)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing (mainly Promoter costs)	(717)	(1,687)
(d) leased assets	(86)	(172)
(e) staff costs	(3,721)	(7,415)
(f) administration and corporate costs	(382)	(1,641)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	4	7
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	25	25
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,086)</b>	<b>(3,454)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(3)	(74)
(d) investments	-	-
(e) intellectual property	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 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	<b>Net cash from / (used in) investing activities</b>	<b>(3)</b>	<b>(77)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	3,753	3,753
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	(207)	(207)
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	<b>Net cash from / (used in) financing activities</b>	<b>3,546</b>	<b>3,546</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	3,349	5,762
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,086)	(3,454)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(3)	(77)



Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	3,546	3,546
4.5	Effect of movement in exchange rates on cash held	(21)	8
4.6	<b>Cash and cash equivalents at end of period</b>	<b>5,785</b>	<b>5,785</b>

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	5,785	3,349
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>5,785</b>	<b>3,349</b>

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	(105)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
<i>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.</i>		

<b>7.</b>	<b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
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	<b>Total financing facilities</b>	N/A	N/A
7.5	<b>Unused financing facilities available at quarter end</b>		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.		

<b>8.</b>	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,086)
8.2	Cash and cash equivalents at quarter end (item 4.6)	5,785
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	5,785
8.5	<b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	5.3
<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?	
	Answer: N/A	
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: N/A	
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: N/A	
<i>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.</i>		

## 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: 25/01/2023

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.