



## RENT.COM.AU QUARTERLY ACTIVITIES REPORT FOR Q1 FY21

Rent.com.au Limited (ASX: **RNT**) ("**Rent.com.au**" or "**the Company**"), Australia's website made for renters, presents its quarterly activities report for the quarter ended 31<sup>st</sup> December 2020.

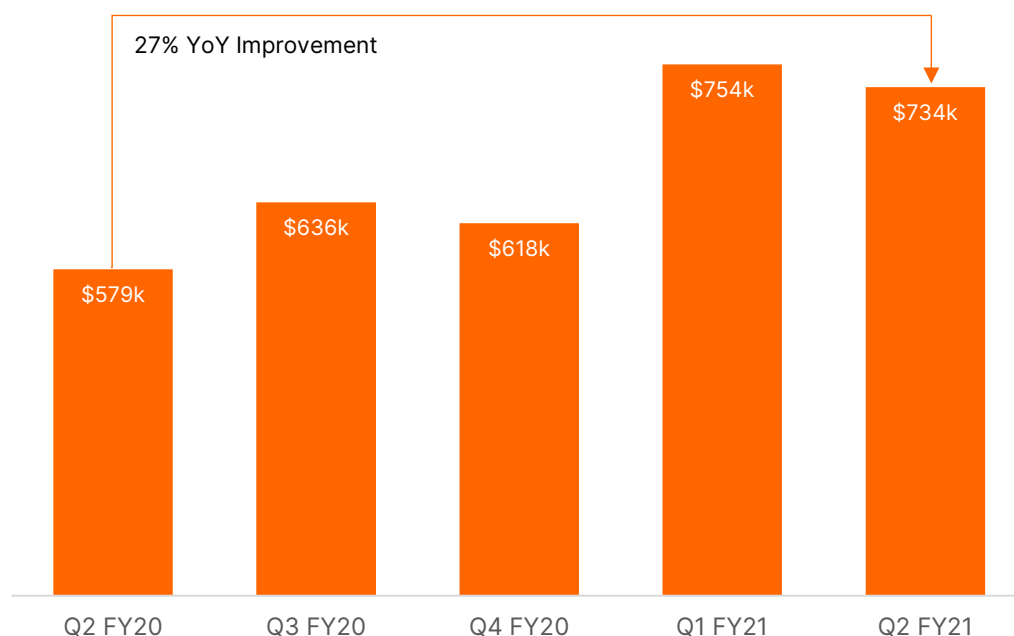
### Key Points:

- › Record quarterly EBITDA despite ongoing RentPay investment, 55% YoY improvement
- › Revenue of \$734k up 27% YoY (seasonality affected vs Q1 FY21)
- › 2nd consecutive quarter of positive EBITDA for core rent.com.au portal business
- › RentPay redevelopment progressing well, readying for launch
- › \$1.8m cash on hand at end of quarter, sufficient for launching/operating RentPay

### Operating Overview

"We know revenue drops off during the December quarter due to seasonality (no one wants to move house over Christmas) and this year has been no different. When we compare our result against the same quarter last year we improved revenue by a significant 27%," said Rent.com.au CEO, Greg Bader.

### Quarterly Revenue



A record month in October and a strong advertising sales pipeline have contributed to this strong result for the quarter given the normal slowing of renter activity in December, amplified by ongoing COVID restrictions making interstate and international movements problematic. Whilst this impacted Renter Resume volumes and the various Renter Products in the month, product revenue for the quarter was up 53% when compared to the previous year (Q2 FY20) but down 22% on the previous quarter (Q1 FY21).

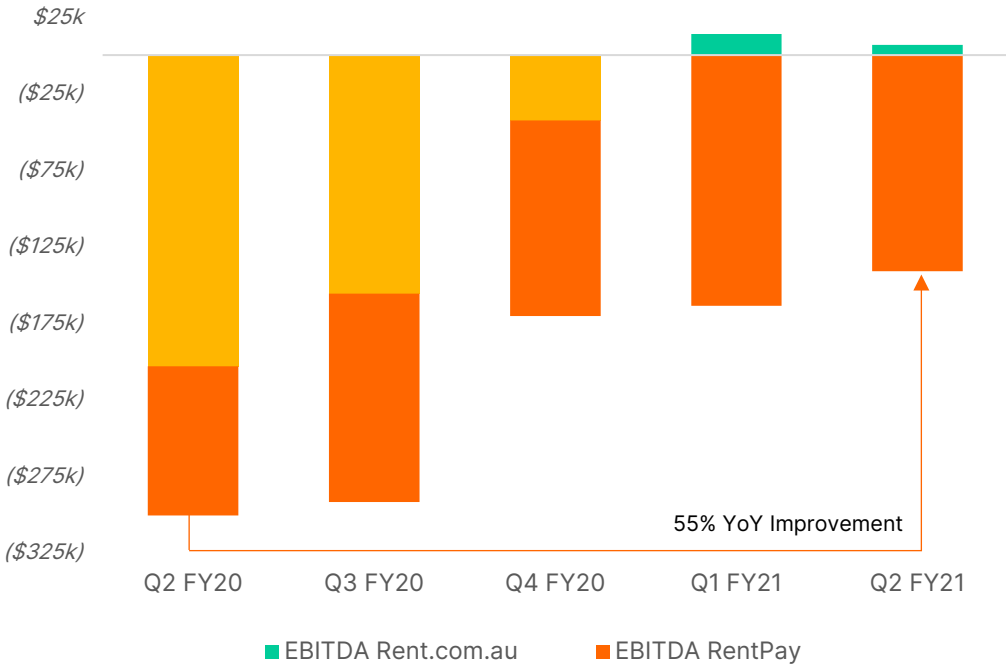
“The rate with which visitors to our site buy RentCheck, which helps renters stand out from the pack by highlighting that they have been ID verified and cleared against the national tenancy database, has remained strong and reflects the underlying strength in the rental market. Landlords may have reduced asking rents slightly but at the same time are being more choosy about who they’re letting into their property – particularly as eviction moratoriums remain in place in several states.

“Our RentConnect product, offered in partnership with AGL, continues to perform very well resulting in us renewing our exclusive agreement with AGL for another 12 months. We believe there is appetite to drive this product further and continue to explore options to do so.

“Our bond finance product, RentBond, has continued to perform lower than it has previously, as we understand has the entire sector. We are working with our financing partner to improve the appeal and pricing of this product reflective of the good credit standing of the average RNT customer.

“Advertising revenue has improved significantly as the increase in advertising enquiries we saw towards the end of Q1 converted to sales, with October 2020 being a record month for advertising revenue and the quarterly revenue being 31% up on Q1 and 20% higher than Q2 in FY20. Our focus has been on extending advertising agreements beyond single monthly campaigns to quarterly or even annual “always on” agreements. While we have a long way to go on advertising revenue, over 70% of Q2 FY21 revenue was from contracts of at least 3 months in duration. We will continue a push to build resilience into this significant source of our revenue.”

**Quarterly EBITDA**



“Profitability in our core business has been a long held goal that we’re delighted to have achieved and we believe there is much growth to come despite our primary near term focus being on getting RentPay to market. This focus on RentPay positions us to take greater advantage of the opportunity and the anticipated annuity style revenue streams we believe we can generate.

“We have continued our investment into the development of RentPay, incurring non-capital costs of \$141k and capital costs of \$240k in Q2 FY21 on this initiative as we completed the bulk of app development and moved into user testing of the system. We’ve also put in place many of the compliance structures needed for RentPay given that we expect to handle large amounts of client money as we build a market share in the almost \$60 billion<sup>1</sup> per year tenancy market.

<sup>1</sup> RNT estimate ~\$60bn based on 2.5million rental households (source ABS) paying average rent of \$450/week (source rent.com.au)

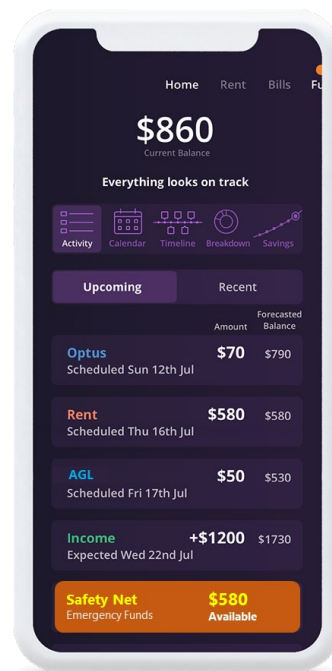
## RentPay Update

"Development of RentPay has continued in line with our anticipated timeline and we're confident we will meet our launch timing in the next quarter.

"We have successfully user tested the core payments and wallet functionality of RentPay and have largely completed the development of the app with a near final version having been submitted to the Apple App Store in late January 2021.

"We're aiming to give renters in Australia (and beyond) more control and flexibility over their payments and managing their housing expenses. At the same time, we believe this can be done while still delivering value to our agent and landlord customers," explained Mr Bader.

"We're still locking in our marketing plans for the launch of RentPay and are already in advanced discussions with partners to bring further innovations to future versions of RentPay to make renting even better."



## Outlook

"The RENT team has done an amazing job over the past quarter (and more) to deliver good financial results while building a potentially game changing new product.

"We're just 22 staff and everyone manages different responsibilities all the time, but we share a commitment to making renting a rewarding experience and thereby making a difference to renter's lives.

"In terms of the coming quarter, our focus remains on getting RentPay launched to the wider market while maximising the opportunity from what is typically a busy quarter for renting.

"Many renters view the beginning of the new year as the ideal time to find a home, and with high rental demand comes an influx of new rental listings and vacant properties for rent," he said. "Many leases will also expire in early 2021, as well as moratoriums on evictions ending in TAS and ACT, so I expect we'll see some heightened rental demand in the coming months," concluded Mr Bader.

### ***Disclosures required under ASX Listing Rules:***

*Payments to related parties of the entity during the quarter totalled \$64k, comprising directors fees and office rent and outgoings paid to entities associated with Dr Garside. Office rent is on favourable, market standard terms negotiated independently of Dr Garside.*

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

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

## About rent.com.au

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

## Our Mission

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

## Our Products

### rent check

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

[Learn More](#)

### rent bond

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

[Learn More](#)

### rent connect

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

[Learn More](#)

## Renter (and Pet) Resume

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

[Learn More](#)

### rent pay

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

[Learn More](#)

## Appendix 4C

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

**Name of entity**

RENT.COM.AU LIMITED

**ABN**

25 062 063 692

**Quarter ended ("current quarter")**

31 DECEMBER 2020

| <b>Consolidated statement of cash flows</b>               | <b>Current quarter</b> | <b>Year to date</b> |
|---|------------------------|---------------------|
|   | <b>\$A'000</b>         | <b>(6 months)</b>   |
|   |                        | <b>\$A'000</b>      |
| <b>1. Cash flows from operating activities</b>            |                        |                     |
| 1.1 Receipts from customers                               | 821                    | 1,612               |
| 1.2 Payments for  |                        |                     |
| (a) research and development                              | -                      | -                   |
| (b) product manufacturing and operating costs             | (388)                  | (667)               |
| (c) advertising and marketing                             | (71)                   | (130)               |
| (d) leased assets   | (22)                   | (92)                |
| (e) staff costs   | (455)                  | (813)               |
| (f) administration and corporate costs                    | (78)                   | (220)               |
| 1.3 Dividends received (see note 3)                       | -                      | -                   |
| 1.4 Interest received                                     | -                      | -                   |
| 1.5 Interest and other costs of finance paid              | (3)                    | (6)                 |
| 1.6 Income taxes paid                                     | -                      | (13)                |
| 1.7 Government grants and tax incentives                  | 63                     | 747                 |
| 1.8 Other (provide details if material)                   |                        |                     |
| <b>1.9 Net cash from / (used in) operating activities</b> | <b>(133)</b>           | <b>418</b>          |
| <b>2. Cash flows from investing activities</b>            |                        |                     |
| 2.1 Payments to acquire:                                  |                        |                     |
| (a) entities  | -                      | -                   |
| (b) businesses  | -                      | -                   |
| (c) property, plant and equipment                         | (22)                   | (30)                |
| (d) investments   | -                      | -                   |
| (e) intellectual property                                 | -                      | -                   |
| (f) other non-current assets                              | (292)                  | (552)               |

| <b>Consolidated statement of cash flows</b> |   | <b>Current quarter</b> | <b>Year to date</b> |
|---|---|------------------------|---------------------|
|   |   | <b>\$A'000</b>         | <b>(6 months)</b>   |
|   |   |                        | <b>\$A'000</b>      |
| 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)                   | -                      | -                   |
| <b>2.6</b>                                  | <b>Net cash from / (used in) investing activities</b> | <b>(314)</b>           | <b>(582)</b>        |

|             |   |            |              |
|-------------|---|------------|--------------|
| <b>3.</b>   | <b>Cash flows from financing activities</b>   |            |              |
| 3.1         | Proceeds from issues of equity securities (excluding convertible debt securities)       | -          | 1,500        |
| 3.2         | Proceeds from issue of convertible debt securities                                      | -          | -            |
| 3.3         | Proceeds from exercise of options   | -          | -            |
| 3.4         | Transaction costs related to issues of equity securities or convertible debt securities | -          | -            |
| 3.5         | Proceeds from borrowings  | 24         | 27           |
| 3.6         | Repayment of borrowings   | (28)       | (75)         |
| 3.7         | Transaction costs related to loans and borrowings                                       | -          | -            |
| 3.8         | Dividends paid  | -          | -            |
| 3.9         | Other (provide details if material)   | (4)        | (109)        |
| <b>3.10</b> | <b>Net cash from / (used in) financing activities</b>                                   | <b>(8)</b> | <b>1,343</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                             | 2,267 | 633   |
| 4.2       | Net cash from / (used in) operating activities (item 1.9 above)              | (133) | 418   |
| 4.3       | Net cash from / (used in) investing activities (item 2.6 above)              | (314) | (582) |
| 4.4       | Net cash from / (used in) financing activities (item 3.10 above)             | (8)   | 1,343 |

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

| <b>Consolidated statement of cash flows</b> |   | <b>Current quarter<br/>\$A'000</b> | <b>Year to date<br/>(6 months)<br/>\$A'000</b> |
|---|---|------------------------------------|--|
| 4.5   | Effect of movement in exchange rates on cash held | -                                  | -  |
| <b>4.6</b>                                  | <b>Cash and cash equivalents at end of period</b> | <b>1,812</b>                       | <b>1,812</b>                                   |

| <b>5.</b>  | <b>Reconciliation of cash and cash equivalents</b><br>at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | <b>Current quarter<br/>\$A'000</b> | <b>Previous quarter<br/>\$A'000</b> |
|------------|---|------------------------------------|-------------------------------------|
| 5.1        | Bank balances   | 1,741                              | 2,197                               |
| 5.2        | Call deposits   | 70                                 | 70                                  |
| 5.3        | Bank overdrafts   | -                                  | -                                   |
| 5.4        | Other (provide details)   | -                                  | -                                   |
| <b>5.5</b> | <b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>  | <b>1,812</b>                       | <b>2,267</b>                        |

**6. Payments to related parties of the entity and their associates**

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

| <b>Current quarter<br/>\$A'000</b> |
|------------------------------------|
| 64                                 |
| -                                  |

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

NB: The amount at item 6.1 includes director fees paid to each of the directors, as well as office rental and outgoings paid to an entity related to Dr. Garry Garside

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

**7. Financing facilities**

*Note: the term "facility" includes all forms of financing arrangements available to the entity.*

*Add notes as necessary for an understanding of the sources of finance available to the entity.*

|                                       | <b>Total facility amount at quarter end<br/>\$A'000</b> | <b>Amount drawn at quarter end<br/>\$A'000</b> |
|---------------------------------------|---|--|
| 7.1 Loan facilities                   | -   | -  |
| 7.2 Credit standby arrangements       | -   | -  |
| 7.3 Other (please specify)            | -   | -  |
| <b>7.4 Total financing facilities</b> | -   | -  |

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

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

n/a

| <b>8. Estimated cash available for future operating activities</b>                | <b>\$A'000</b> |
|---|----------------|
| 8.1 Net cash from / (used in) operating activities (Item 1.9)                     | (133)          |
| 8.2 Cash and cash equivalents at quarter end (Item 4.6)                           | 1,812          |
| 8.3 Unused finance facilities available at quarter end (Item 7.5)                 | -              |
| 8.4 Total available funding (Item 8.2 + Item 8.3)                                 | 1,812          |
| <b>8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)</b> | <b>13.6</b>    |

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

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

Answer:

n/a

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

Answer:

n/a

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

Answer:

n/a



**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: 29 January 2021  
 .....

By the Board

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

**Notes**

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