

Rent.com.au Limited
ABN 25 062 063 692

Interim Financial Report
for the half-year ended
31 December 2020



Rent.com.au Limited
Contents
31 December 2020

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Rent.com.au Limited
Director's Report
31 December 2020

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'the Group') consisting of Rent.com.au Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2020.

Directors

The following persons were directors of Rent.com.au Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Dr. Garry Garside	(Non-Executive Chairman)
Mr. John Wood	(Non-Executive Director)
Mr. Sam McDonagh	(Non-Executive Director)
Mr. Philip Warren	(Non-Executive Director)

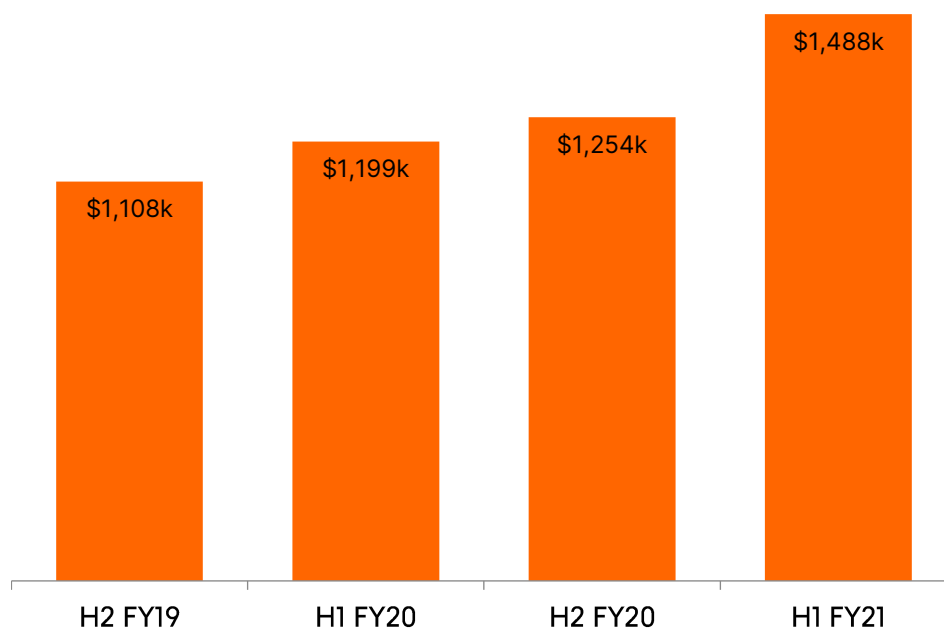
Principal Activities

The Group operates real estate websites focusing on the rental property market. The primary website operated by the Group is www.rent.com.au.

Review of Operations

The Consolidated Statement of Profit or Loss and Other Comprehensive Income shows a net operating loss after tax of \$389,306 (31 December 2019: \$931,289). The net operating loss for the half-year ended 31 December 2020 included non-cash share-based payments expenses of \$203,417 (31 December 2019: share-based payments write-back of expenses of \$42,796) associated with performance based convertible securities issued to staff. Earnings Before Interest, Tax, Depreciation, and Amortisation (and excluding non-cash share-based payments or sundry income such as JobKeeper payments) ("EBITDA") for the half-year ended 31 December 2020 was a loss of \$ 284,284 (31 December 2019: \$671,011).

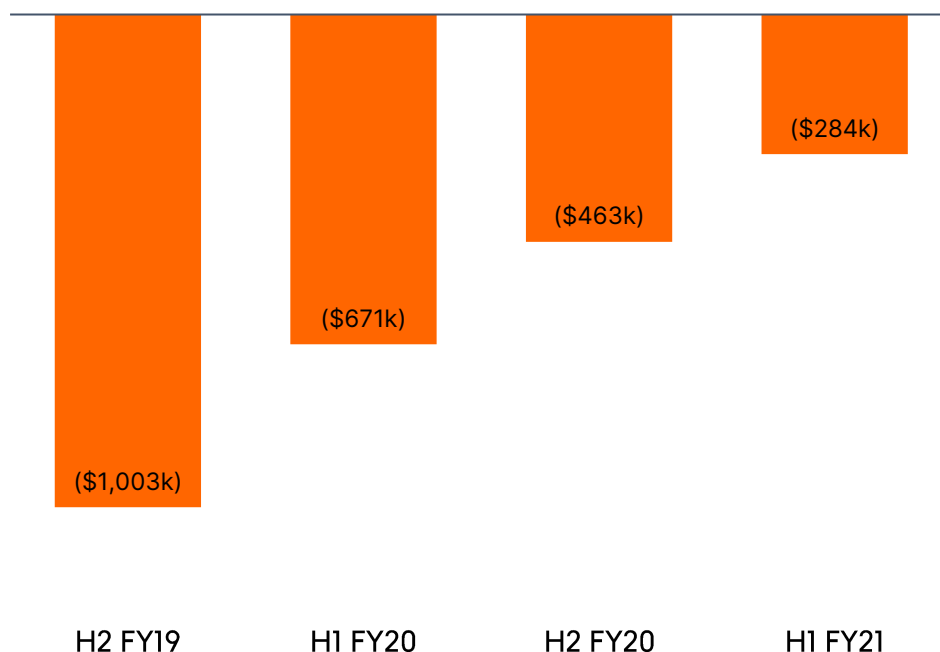
RNT Group Revenue



The Group's revenue increased by 24% compared to the prior comparative period (the half-year ended 31 December 2019) driven mainly by renter products sales which increased 43% compared to the prior comparative period. The Group's advertising revenue also increased compared to the prior comparative period, up 7%.

Ongoing growth in organic traffic volumes as a result of search engine optimisation and growing readership of the rent.com.au advice pages (blog) have allowed the Group to continue scaling back general marketing spend, focusing only on immediately profitable marketing spend. As a result, overall marketing spend was 34% lower than in the prior comparative period and both revenue and site traffic have increased. The Group continued to be disciplined in its approach to overhead and labour costs with these reducing by 11% compared to the half year ended 31 December 2019, however labour costs did increase towards the end of the half as investment in the new RentPay system increased. The combination of revenue growth and cost reduction allowed the Group to improve its EBITDA result by 58% relative to the half-year ended 31 December 2019.

RNT Group EBITDA



Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Group during the financial half-year.

Events since the end of the financial reporting period

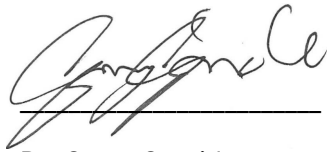
On 5 February 2021, the Company issued 55 million new fully paid ordinary shares ("Placement Shares") at an issue price of \$0.05 per Share ("the Placement") to sophisticated, professional and other exempt investors pursuant to section 708 of the Corporations Act 2001 (Cth) to raise \$2,750,000 (before costs). The funds will be applied towards the upcoming RentPay launch and to provide additional working capital for marketing and product development.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in black ink, appearing to read 'Garry Garside', written over a horizontal line.

Dr. Garry Garside
Non-executive Chairman
Perth, 25 February 2021



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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Rent.com.au Limited for the half-year ended 31 December 2020, 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 review; and
- (ii) any applicable code of professional conduct in relation to the review.

RSM

RSM AUSTRALIA PARTNERS

ALASDAIR WHYTE
Partner

Perth, WA
Dated: 25 February 2021

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Rent.com.au Limited
General Information
31 December 2020

General information

The financial statements cover Rent.com.au Limited as a Group, consisting of Rent.com.au Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Rent.com.au Limited's functional and presentation currency.

Rent.com.au Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office	Principal place of business
945 Wellington Street West Perth WA 6005	3 Craig Street Burswood WA 6100

A description of the nature of the Group's operations and its principal activities are included in the director's report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 25 February 2021.

Rent.com.au Limited
Statement of Profit or Loss and Other Comprehensive Income
For the half-year ended 31 December 2020

	Note	Consolidated	
		31 Dec 2020 \$	31 Dec 2019 \$
Revenue	3	1,487,773	1,198,826
Other income	4	567,348	194,814
		2,055,121	1,393,640
Administration charges		(242,170)	(204,739)
Consulting costs		(46,750)	(3,000)
Depreciation and amortisation expense		(450,210)	(491,911)
Employee benefit expenses		(794,365)	(991,100)
Finance costs		(5,543)	(5,976)
Information technology costs		(158,842)	(202,192)
Share based payment expenses		(203,417)	42,796
Sales and marketing expenses		(157,182)	(238,670)
Other cost of sales		(372,748)	(230,137)
Loss before income tax expense		(376,106)	(931,289)
Income tax expense		(13,200)	-
Loss after income tax expense for the half-year		(389,306)	(931,289)
Other comprehensive income		-	-
Total comprehensive loss for the half-year		(389,306)	(931,289)
Total comprehensive (loss) attributable to:			
Non-controlling interest		(1,419)	-
Owners of Rent.com.au Limited		(387,887)	(931,289)
Total comprehensive loss for the half-year		(389,306)	(931,289)
Earnings Per Share		Cents	Cents
Basic and diluted (loss) per share		(0.12)	(0.33)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Rent.com.au Limited
Statement of Financial Position
As at 31 December 2020

	Note	Consolidated	
Assets		31 Dec 2020	30 Jun 2020
		\$	\$
Current assets			
Cash and cash equivalents		1,811,567	631,771
Trade and other receivables		431,148	381,542
Total current assets		<u>2,242,715</u>	<u>1,013,313</u>
Non-current assets			
Plant and equipment		37,822	19,400
Right of use asset		58,182	96,970
Intangible assets		1,540,135	1,523,357
Total non-current assets		<u>1,636,139</u>	<u>1,639,727</u>
Total assets		<u>3,878,854</u>	<u>2,653,040</u>
Liabilities			
Current liabilities			
Trade and other payables		598,811	556,823
Borrowings		13,735	8,602
Lease liability		62,926	80,988
Employee benefits		158,538	184,403
Total current liabilities		<u>834,010</u>	<u>830,816</u>
Non-current liabilities			
Borrowings		16,282	5,734
Lease liability		-	21,365
Total non-current liabilities		<u>16,282</u>	<u>27,099</u>
Total liabilities		<u>850,292</u>	<u>857,915</u>
Net Assets		<u>3,028,562</u>	<u>1,795,125</u>
Equity			
Issued capital	5	38,757,284	37,114,067
Share based payments reserve		6,294,382	6,314,856
Other reserve		243,726	243,726
Accumulated losses		(42,271,421)	(41,883,534)
Equity attributable to the owners		<u>3,023,971</u>	<u>1,789,115</u>
Non-controlling interest		4,591	6,010
Total equity		<u>3,028,562</u>	<u>1,795,125</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Rent.com.au Limited
Statement of Changes in Equity
For the half-year ended 31 December 2020

	Issued Capital	Share Based payments Reserves	Other Reserve	Accumulated losses	Non- Controlling Interest	Total equity
Consolidated	\$	\$	\$	\$	\$	\$
Balance at 1 July 2020	37,114,067	6,314,856	243,726	(41,883,534)	6,010	1,795,125
Loss after income tax expense or the year	-	-	-	(387,887)	(1,419)	(389,306)
Total comprehensive loss for the half-year	-	-	-	(387,887)	(1,419)	(389,306)
<i>Transactions with owners in their capacity as owners:</i>						
Share Issues	1,753,054	-	-	-	-	1,753,054
Share issue costs	(109,837)	-	-	-	-	(109,837)
Share based payments	-	(20,474)	-	-	-	(20,474)
Balance at 31 December 2020	38,757,284	6,294,382	243,726	(42,271,421)	4,591	3,028,562

	Issued Capital	Share Based payments Reserves	Other Reserve	Accumulated losses	Non- Controlling Interest	Total equity
Consolidated	\$	\$	\$	\$	\$	\$
Balance at 1 July 2019	35,313,752	6,319,226	-	(40,217,335)	-	1,415,643
Adjustment for Impact of AASB 16	-	-	-	(1,214)	-	(1,214)
Restated Balance	35,313,752	6,319,226	-	(40,218,549)	-	1,414,429
Loss after income tax expense or the year	-	-	-	(931,289)	-	(931,289)
Total comprehensive loss for the half-year	-	-	-	(931,289)	-	(931,289)
<i>Transactions with owners in their capacity as owners:</i>						
Share Issues	1,496,984	-	-	-	-	1,496,984
Share issue costs	(118,677)	-	-	-	-	(118,677)
Share based payments	-	(42,796)	-	-	-	(42,796)
Balance at 31 December 2019	36,692,059	6,276,430	-	(41,149,838)	-	1,818,651

The above statement of changes in equity should be read in conjunction with the accompanying notes

Rent.com.au Limited
Statement of Cashflows
For the half-year ended 31 December 2020

	Note	Consolidated	
		31 Dec 2020	31 Dec 2019
Cash flows from operating activities		\$	\$
Receipts from customers (inclusive of GST)		1,611,911	1,328,373
Payments to suppliers and employees (inclusive of GST)		(1,921,615)	(2,147,289)
		(309,704)	(818,916)
Other income		567,052	193,437
Interest received		296	1,377
Interest and other finance costs paid		(5,543)	(5,976)
Income tax paid		(13,200)	-
Net cash from/(used in) operating activities		238,901	(630,078)
Cash flows from investing activities			
Payments for plant and equipment		(29,649)	(3,354)
Payments for intangible assets		(371,473)	(111,616)
Net cash used in investing activities		(401,122)	(114,970)
Cash flows from financing activities			
Proceeds from issue of share capital (net)		1,390,163	1,378,304
Proceeds from borrowings		26,510	2,850
Repayment of borrowings		(74,656)	(40,535)
Net cash provided by financing activities		1,342,017	1,340,619
Net increase in cash and cash equivalents		1,179,796	595,571
Cash and cash equivalents at the beginning of the financial half-year		631,771	151,534
Cash and cash equivalents at the end of the financial half-year		1,811,567	747,105

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant Accounting Policies

These general-purpose financial statements for the interim half-year reporting period ended 31 December 2020 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general-purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2020 and any public announcements made by the Group during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Note 2. Operating Segments

Identification of reportable operating segments

The Group operates as a single operating segment with different revenue streams. The Board (the Chief Operating Decision Makers ('CODM') of the business) reviews performance of the Group as a whole.

The Board evaluates Group performance by reference to revenue and profit and loss which are measured consistently with these consolidated financial statements. In addition, the Board evaluates EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the Board are consistent with those adopted in the financial statements. The information is reported to the Board monthly.

Rent.com.au Limited
Notes to the Financial Statements
31 December 2020

Note 3. Revenue

	Consolidated 31 Dec 2020			Consolidated 31 Dec 2019		
	Timing of revenue recognition		Total	Timing of revenue recognition		Total
	Goods transferred at a point in time	Services transferred over a period of time		Goods transferred at a point in time	Services transferred over a period of time	
	\$	\$	\$	\$	\$	\$
Fees from agents and landlords	10,897	56,999	67,896	13,696	63,632	77,328
Renter Products Revenue	794,929	76,893	871,822	500,792	108,038	608,830
Advertising Sales	121,819	426,236	548,055	146,556	366,112	512,668
Total	927,645	560,128	1,487,773	661,044	537,782	1,198,826

Note 4. Other Income

	Consolidated	
	31 Dec 2020	31 Dec 2019
	\$	\$
Interest Revenue	296	1,377
R&D Incentive recognised in income	263,052	193,437
Government Grants	304,000	-
Total Other Income	567,348	194,814

Note 5. Issued Capital

	Consolidated	
	31 Dec 2020	30 Jun 2020
	\$	\$
Ordinary shares fully paid	38,757,284	37,114,067
	Shares	Shares
Ordinary shares fully paid	342,654,226	302,635,759

Note 5. Issued Capital (continued)

Movements in ordinary share capital:

Ordinary Shares	31 Dec 2020		30 Jun 2020	
	Shares	\$	Shares	\$
At the beginning of the reporting period:	302,635,759	37,114,067	249,497,272	35,313,752
Capital raising	33,333,333	1,500,000	53,138,418	2,016,983
Cancel performance shares on 31 Jan 2019	-	-	69	3
Conversion of performance shares on 22 Oct 2020	3,768,467	113,054	-	-
Conversion of performance shares on 3 Dec 2020	2,916,667	140,000	-	-
Transaction costs relating to share issues	-	(109,837)	-	(216,670)
At the end of the reporting period	342,654,226	38,757,284	302,635,759	37,114,067

Note 6. Contingent assets and liabilities

There were no material changes to contingent liabilities or assets since 30 June 2020.

Note 7. Commitments

There are no changes to operating lease commitments since 30 June 2020.

Note 8. Events after the reporting period

On 5 February 2021 the Company issued 55 million new fully paid ordinary shares (“Placement Shares”) at an issue price of \$0.05 per Share (“the Placement”) to sophisticated, professional and other exempt investors pursuant to section 708 of the Corporations Act 2001 (Cth) to raise \$2,750,000 (before costs). The funds will be applied towards the upcoming RentPay launch and to provide additional working capital for marketing and product development.

Apart from share issue noted above, no other matter or circumstance has been arisen since 31 December 2020 that has significantly affected, or maybe significantly affect the Group’s operations, the results of those operations or the Group’s state of affairs in future financial years.

Note 9. Dividends

The directors do not recommend the payment of a dividend in respect of the half-year ended 31 December 2020.

Rent.com.au Limited
Director's Declaration
31 December 2020

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in black ink, appearing to read 'Garry Garside', written over a horizontal line.

Dr. Garry Garside
Non-executive Chairman
Perth, 25 February 2021



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**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
RENT.COM.AU LIMITED**

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Rent.com.au Limited which comprises the statement of financial position as at 31 December 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Rent.com.au Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Rent.com.au Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Rent.com.au Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

RSM

RSM AUSTRALIA PARTNERS



ALASDAIR WHYTE
Partner

Perth, WA
Dated: 25 February 2021