

ASX Announcement

30 January 2023

RENT.COM.AU QUARTERLY ACTIVITIES REPORT FOR Q2 FY23

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 31st December 2022.

KEY POINTS

- › \$3.8m cash on hand at 31st December 2022 following Rights Issue (\$2.9 million before costs)
- › Quarterly group revenue of \$607k, seasonality and Advertising Sales impacts
- › Rent.com.au search portal remains EBITDA positive, significant site upgrade now live
- › Marketing agency engaged, RentPay marketing campaign well advanced
- › 13% growth in active RentPay customers since September 2022 quarter

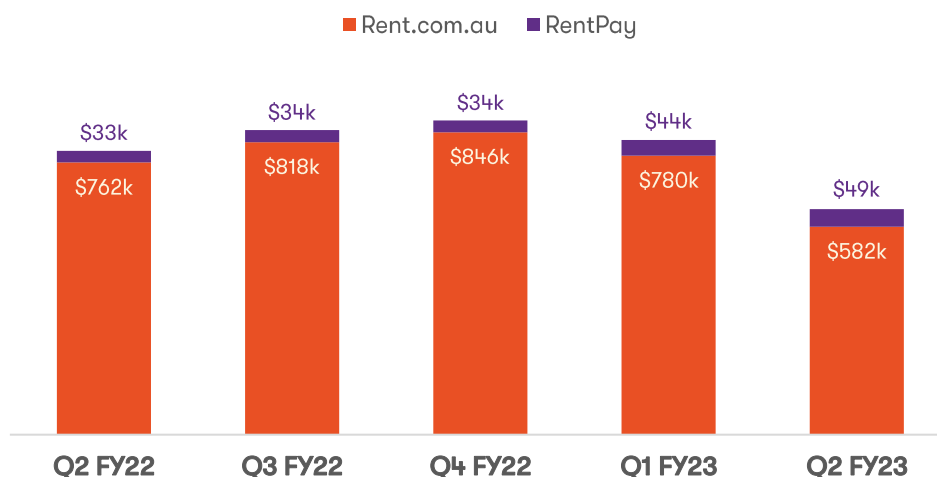
OVERVIEW

"With our Rights Issue now completed we have the funds needed to complete the transformation of our business and progress is well underway", said Rent.com.au CEO, Mr Greg Bader.

"We have refreshed our core search portal to align our brand styles and have commenced lifting consumer marketing spend across both Rent.com.au and RentPay. We have also engaged specialist agency, Group M as we finalise a more in-depth campaign across both traditional and social media.

"While our original Rent.com.au search portal continues to be one of the top portals and the highest rated real-estate app in the country, the impact of seasonality within the renting sector has an impact on our financial performance given the transactional nature of our revenue streams. At a more macro level, the adverse economic conditions experienced by the home building sector has impacted our Advertising Sales revenue".

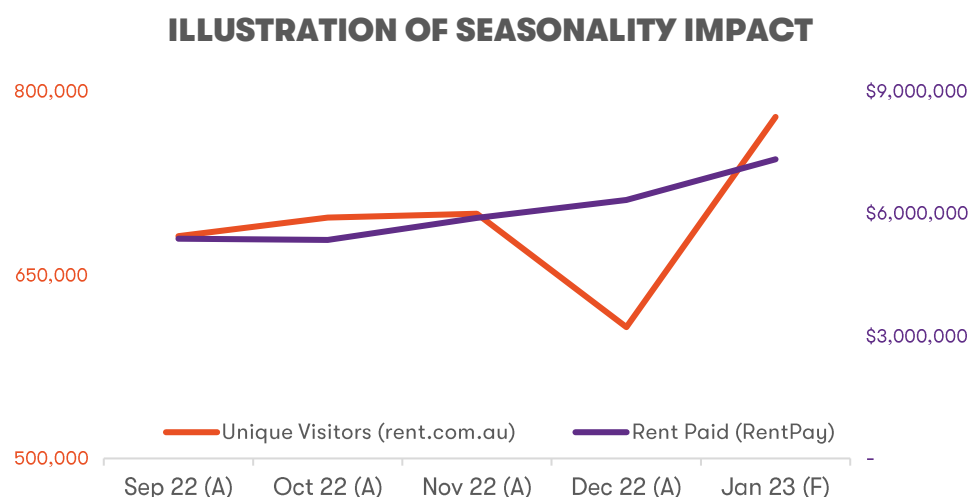
QUARTERLY REVENUE*



* includes inter-segment revenue of \$24k in Q2 FY23

“This seasonality impact to earnings illustrates why RentPay is important to us. Not only is the addressable customer base far greater than just the search phase of renting, but the revenue streams it generates are recurring or annuity in nature meaning our financial performance becomes far less susceptible to short-term conditions.

“The chart below illustrates this effect by comparing activity levels across our two platforms over the last quarter, with rent paid via RentPay increasing even as search volume on Rent.com.au falls away over the Christmas period”.



“Overall, our group’s quarterly revenue was \$607k, down 24% compared to the same quarter last year. Or 21% if we consider that \$24k of Advertising Sales revenue was foregone in favour of using the available advertising to promote RentPay to Rent.com.au customers. Revenue was affected by both the usual seasonality impact on Rent.com.au as well as the Advertising Sales decline,” said Mr Bader.

RENT.COM.AU / SEARCH PORTAL

“Our search portal narrowly recorded its 10th successive positive quarterly EBITDA result, as the decline in Advertising Sales impacted results”, said Mr Bader.

“As we flagged in the previous quarter, economic conditions in the new build homes sector have impacted advertising demand as staff and materials shortages mean that builders are focussing on satisfying orders they already have and are reducing or pausing marketing campaigns. We have made some progress on diversifying our advertising partners and have added to our sales team. These changes position us well to take advantage when economic conditions improve as we expect them to.

“During the quarter we completed a significant site upgrade for Rent.com.au, moving the site onto new infrastructure while also updating the customer experience and visual design. We expect that these enhancements will drive further traffic growth and improve product conversions,” explained Mr Bader.

“Renter Products revenue was in line with the previous year, despite the continuing low levels of rental properties available across most states. This competitive renting market continues to drive adoption of RentCheck, our ID and database check product, and we are working on further enhancements, including bringing in data from RentPay to enhance the value to both tenants and agents.

“We have fully transitioned our RentConnect product to Origin and are working with them to optimise the curation process across both the Rent.com.au and RentPay platforms. A customer that signs up to Origin can either receive a one-off \$100 gift card via Rent.com.au or if Bill Smoothing via RentPay, can receive up to \$5 per week (\$260 per year) in cash back if they have both electricity and gas through Origin.

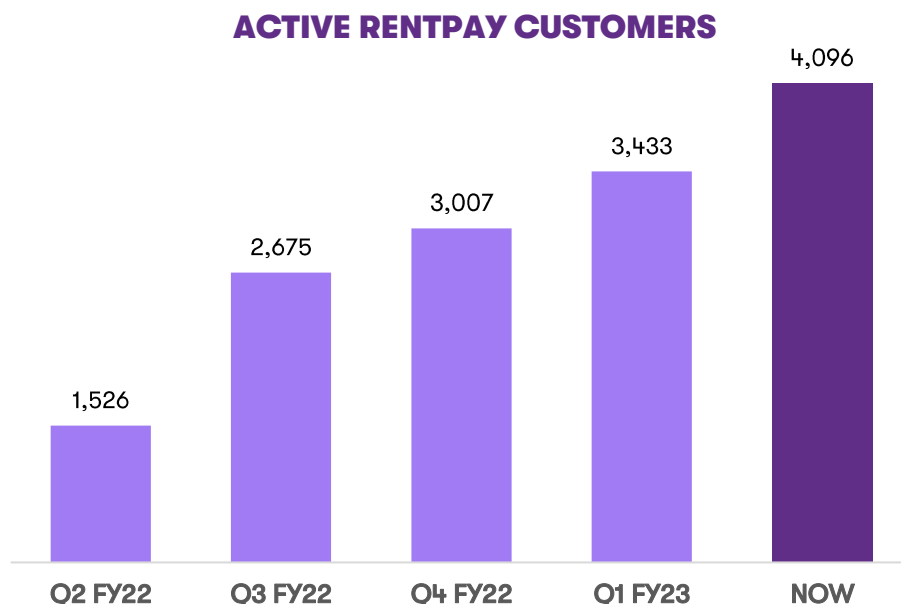
“Finally, our loan product, RentBond, continues to offer leading features and convenience, such as being totally cost free if repaid back within 21 days. While we continue to derive consistent revenue from this product, we are exploring opportunities to expand the product and also to play a greater role in its funding.”

RENTPAY

- › 4,096 active customers currently transacting payments
- › >\$1.5m in rent per week being paid via RentPay (trust account balance >\$1.4m)
- › Several new agents have signed on to use RentPay as their default payment option
- › Currently finalising marketing campaign, appointed Group M as lead agency
- › RentPay granted an Australian Credit Licence by ASIC

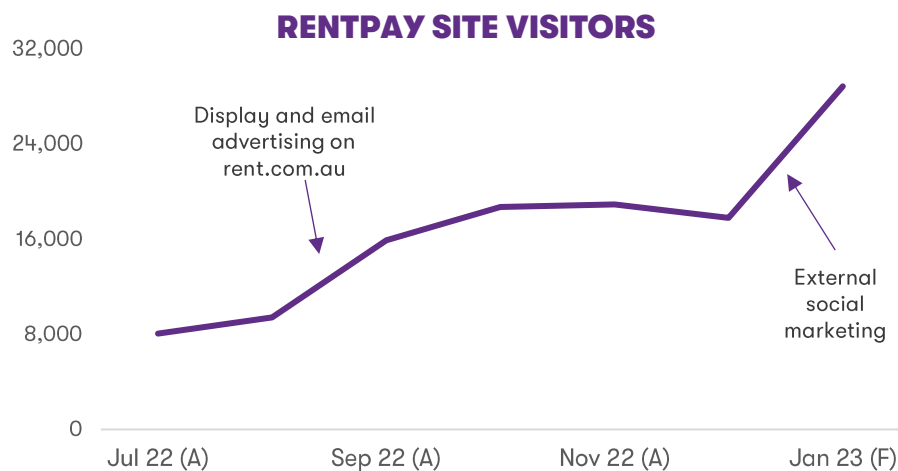
“With its annuity style revenue streams and far greater addressable market, RentPay is key to establishing the Rent.com.au group as a material and sustainable business. In simplistic terms, there are two primary vectors for RentPay growth – the number of customers and the money we generate from those customers – and we’re targeting growth in both”, explained Mr Bader.

CUSTOMER NUMBERS



“We have two channels to grow RentPay customers. The first is focussing on the end user, the renter, and marketing directly to them. There is no need for the property manager to be signed up for a renter to use RentPay because our platform is flexible enough to pay rent in the manner the agent specifies, in practical terms we are transparent. When setting up their RentPay account the tenant merely has to enter the payment details they’ve been provided by the agent, and we take care of the rest”.

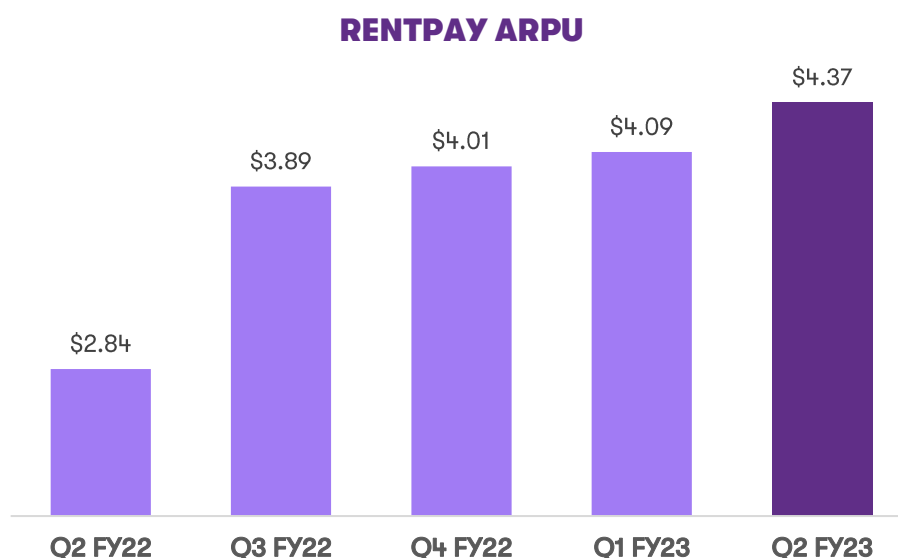
“From September 2022 we started expanding our marketing efforts via social media (Facebook/Instagram/TikTok), display ads and email marketing. We’ve been encouraged by these small campaigns and are now working with Group M to finalise our main campaign.”



“The second channel is via real estate agencies that wish to access the significant benefits available to property managers in terms of time and cost savings from more efficient trust account reconciliations, lower rent arrears and lower fees. We are continuing discussions with a number of larger agency groups but in the meantime we have secured a number of smaller agency groups and are in the process of transitioning them onto RentPay”.

AVERAGE REVENUE PER USER (‘ARPU’)

“As we add new features and services to the RentPay platform we not only enhance the customer value proposition (attractiveness) but we also create new revenue generation opportunities. An example of this is our Bill Smoothing product which we offer as a partner of Origin. By offering customers the ability to earn cashback of up to \$5 per week if they pay both their Origin electricity and gas bills via RentPay we enhance the customer proposition, but we also earn fees on top of that, improving our ARPU”.



“Our primary focus in respect of ARPU is currently to optimise the adoption of Bill Smoothing amongst RentPay customers, but we do have several other ARPU generating initiatives in our development pipeline. These include further utility payments (internet etc) as well as credit and

financial products. With this in mind, we applied for and have been granted an Australian Credit Licence ('ACL') by ASIC. This will enable us to not only better service our current credit products like Scorebuilder which is offered with our partner One Card Credit, but it also allows us to expand our range of products to include different loan types and ultimately, we're working towards being able to act as broker to assist renters when they're ready to give up their renting lifestyle for a mortgage," continued Mr Bader.

During the quarter the Company invested a net \$561k into the operating and marketing of RentPay to go along with \$223k of software development costs.

OUTLOOK

"While the revenue result for the quarter is disappointing, we see it as temporary and are working hard to mitigate this sort of impact. It does however validate our decision to pursue growth via RentPay. With our capital raising now complete, our core website upgraded and the finalisation of our marketing campaign well advanced, the outlook for our business is very robust," said Mr Bader.

"Our search portal has proven to be resilient in the face of economic headwinds and we're starting to see traction in RentPay, so I am bullish on our future and commend our small team on their hard work in transforming our business," concluded Mr Bader.

Approved for release to the ASX by the Board of Directors

Disclosures required under ASX Listing Rules:

Payments to related parties of the entity during the quarter totalled \$72k, comprising directors fees and office rent and outgoings paid to entities associated with Dr Garside. Office rent is on more favourable than market standard terms and 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

RENTCHECK

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](#)

RENTBOND

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

[Learn More](#)

RENTCONNECT

A free and connection service that makes moving hassle free AND provides the renter with a \$100 gift card to help them turn a house into a home.

[Learn More](#)

RENTER 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](#)

RENTPAY

Making rent money work for renters. Flexibility to choose how and when to pay, access emergency funds, build credit score and save.

[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 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	764	1,683
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(254)	(608)
(c) advertising and marketing	(174)	(357)
(d) leased assets	(21)	(45)
(e) staff costs	(493)	(1,147)
(f) administration and corporate costs	(117)	(237)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	9	13
1.5 Interest and other costs of finance paid	(6)	(12)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	677	677
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	385	(33)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	(3)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	(447)	(942)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
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	(447)	(945)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	2,918	2,918
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	(253)	(253)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(63)	(104)
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	2,602	2,561

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,273	2,230
4.2	Net cash from / (used in) operating activities (item 1.9 above)	385	(33)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(447)	(945)

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)	2,602	2,561
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	3,813	3,813

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	3,793	1,253
5.2	Call deposits	20	20
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)	3,813	1,273

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	72
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<p><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></p> <p>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</p>		

7.	Financing facilities <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>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		0
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		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	385
8.2	Cash and cash equivalents at quarter end (item 4.6)	3,813
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	4,198
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	n/a
	<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: 30 January 2023
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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 – 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.