

RENT.COM.AU QUARTERLY ACTIVITIES REPORT FOR Q1 FY20

Rent.com.au Limited (ASX: **RNT**) ("**RENT**" or "**the Company**"), Australia's Number 1 website dedicated to renting, presents its quarterly activities report for the quarter ended 30th September 2019.

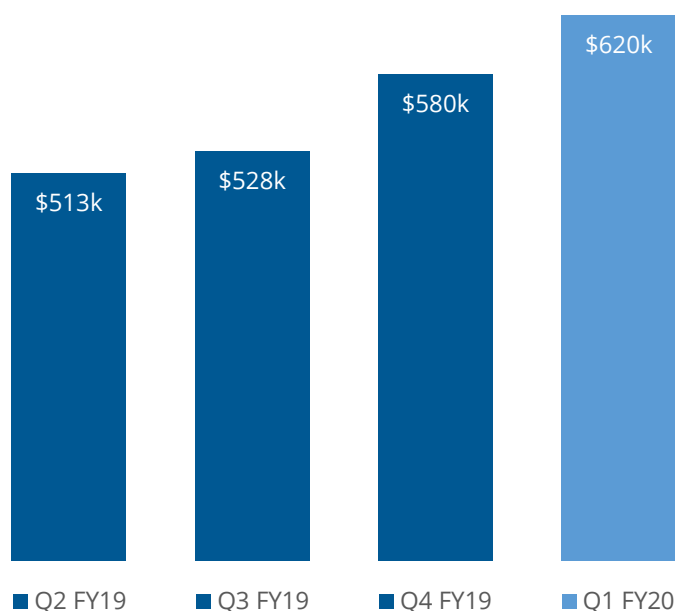
Key Points:

- › 7% Revenue improvement over previous quarter to \$620k (up 14% on prior year)
- › Best ever EBITDA quarter, improving 8% on previous quarter and 16% on previous year
- › Advertising Revenue recovers, up 19% on prior quarter and 46% on prior year
- › New "move now pay later" interest and fee free feature added to RentBond
- › \$505k R&D Tax Offset received during the quarter
- › \$1.3m cash on hand at 30 September 2019

Operating Overview

"I am delighted that the initiatives that we put in place late last year are delivering. Revenue has increased again, up 7% to \$620k driven by growth in revenue from Advertising Products which was up 19% on the previous quarter and 46% up on the same quarter last year, while Renter Products revenue has remained strong in line with the prior quarter," said RENT CEO Mr Greg Bader.

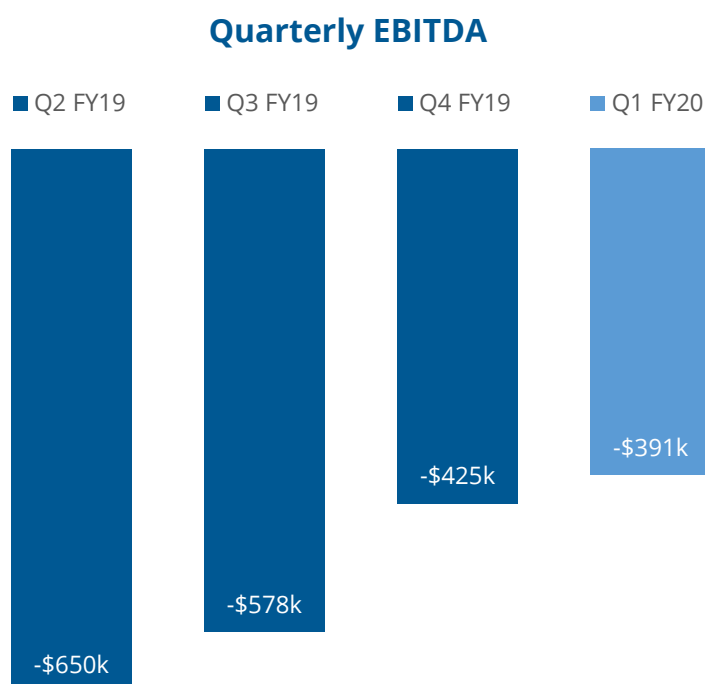
Quarterly Revenue



"This great result is reflective of the strength in our portfolio of products", said Mr Bader. "Last quarter the key driver of growth was our refreshed RentBond product which remained strong this quarter, while this quarter we saw strong growth in RentCheck sales".

"Advertising Product sales was a challenge over the past year, not only for our business but right across the industry, however the strategies and resources we put in place have borne fruit and we've achieved growth of 19% this quarter coming on top of the 18% we achieved in the previous quarter.

"We have also delivered our best ever EBITDA quarter, with the month of September being our best ever month and the first month with an EBITDA loss less than \$100k".



"Outside of growing our revenue base, our secondary focus on efficiency continues to deliver. At the start of the quarter we insourced our marketing software and now drive this more directly, allowing us to channel marketing dollars directly into media spend rather than software while continuing to improve our marketing effectiveness. Over the past quarter we delivered 8% more users than in the previous quarter and increased our revenue all while spending 23% less. We are further improving our marketing technology structure which we believe will not only start delivering cost savings from Q3 and allow us far greater scalability as we grow in the future, but also allow us to be more effective in terms of customer engagement and data".

"Being able to balance the growth of RENT with a focus on efficiency is particularly pleasing, even more so when you consider that a growing proportion of our current costs and resources are invested in developing our next generation of products like RentPay," Mr Bader continued.

"In addition to our development of RentPay, we continue to build out our portfolio of products aimed at movers. Today we will release two new product initiatives which we believe will have broad appeal and drive further revenue growth:

- A 21-day interest free period at the start of a RentBond agreement introduces a "move now pay later" element allowing renters to pay back the loan in full within 21 days and incur no charges whatsoever; and
- The "Endorsement" feature enhances the RentCheck offer by allowing renters to electronically seek references or endorsements from property managers who they've previously rented from and add them to their Renter Resume.

Customer engagement also continues to go from strength to strength. Fully two-thirds of RENT's users now come to the site or App from organic (non-paid) sources and user numbers are up 46%

on the same quarter last year. While on site they are also engaging more with what RENT has to offer (in large part the Advertising Product success has been driven by repeat business as RENT delivers results through better and more targeted offers), and offsite RENT's App remains one of the highest rated property sector apps across both Apple and Android stores.

"Operationally we've never been in better shape. We're constantly innovating to deliver value to our customers and partners and have significantly optimised our core business. Now, while we have several core commercialisation opportunities that we will keep progressing, we will focus development on a significantly enhanced RentPay to unlock the tenancy period opportunity for us," said Mr Bader.

RentPay Update

"As we've said before, the size of opportunity throughout the tenancy period is significant and RentPay is the key to our evolution into a fully-fledged renting solution for renters, landlords and agents," commented Mr Bader.

"There are many regulatory and technical considerations involved in developing the right solution for our customers based on their feedback. For example, RentPay currently processes approximately \$10 million of rent per month with only 0.25% of renters using the service. Should that scale to just 5% market share for example (+/-115,000 renters), RentPay would be processing in the region of \$200 million of rent per month and earning a recurring annuity income stream rather than the one off product revenues associated with the moving period.

"We believe we've solved the regulatory considerations and are in advanced discussions with a shortlist of potential fintech partners to co-develop the technical solution with us," said Mr Bader.

Outlook

"Each quarter we get closer to our goal of profitability and I am encouraged by the dedication and hard work of the team who share that goal and keep innovating to achieve it in the near term. We are a small and diverse team with "making renting easier" being our mantra. The new changes to RentBond are a great example of this – it solves one of the major timing challenges of moving and at the same time, will open up RentBond to a new and more diverse audience.

"The December quarter has typically been a slower quarter for us as renters put their moves on hold until the new year. This breathing space allows us to optimise and refine the new products in market so that we are sure to capitalise on them in the busy March quarter.

"The main focus of our innovation has shifted to developing the next generation of our RentPay proposition in order to position RENT as the default platform for the millions of renters across the country to use throughout their renting journey from search through to the tenancy period," concluded Mr Bader.

ENDS

About rent.com.au

rent.com.au (ASX: RNT) is Australia's #1 website dedicated to rental property. Our rental only positioning allows RNT to legitimately advocate for renting and renters.

Our Rules



Renters in Suits

Our renters will always be presented in such a fashion as to maximise their chances of getting the home they want



Properties on Pedestals

We present our properties with additional and relevant information



Flick the Forms

Let's automate where we can. We can't remove the need for you to eyeball the property before signing (yet!), but we can remove most of the paperwork

Our Products



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](#)

A convenience product that helps renters bridge the gap from one rental to another by financing their bond online.

[Learn More](#)

A free and easy to use utility connection service to make moving hassle free – ensuring the lights are on and the water is hot when a renter moves into their new place.

[Learn More](#)

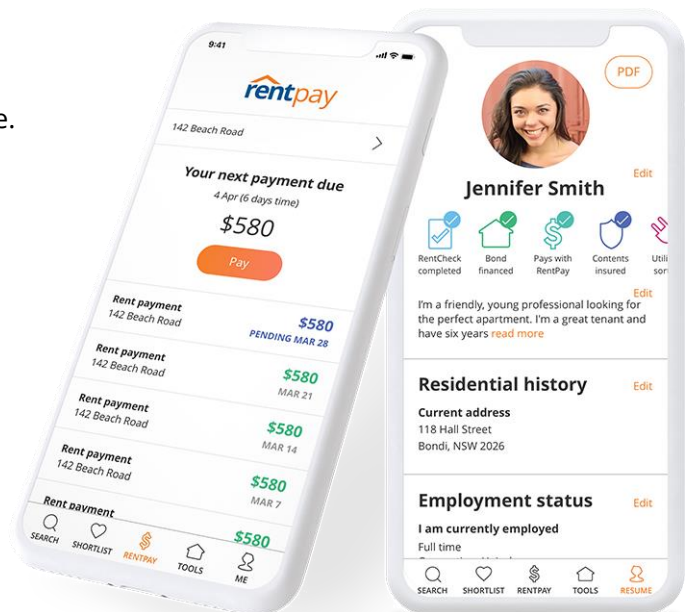
Renter (and Pet) Resume

Streamline your rental search with Renter Resume. Create it once and use it to apply for as many properties as you like.

[Learn More](#)

RentPay

Your rental payments in the palm of your hand. Make payments, track payments, view your rental history, and set-up reminders.

[Learn More](#)

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

RENT.COM.AU LIMITED

ABN

25 062 063 692

Quarter ended ("current quarter")

30 SEPTEMBER 2019

Consolidated statement of cash flows		Current quarter	Year to date
		\$A'000	(3 months) \$A'000
1. Cash flows from operating activities			
1.1 Receipts from customers		659	659
1.2 Payments for			
(a) research and development		-	-
(b) product manufacturing and operating costs		(307)	(307)
(c) advertising and marketing		(183)	(183)
(d) leased assets		(54)	(54)
(e) staff costs		(511)	(511)
(f) administration and corporate costs		(141)	(141)
1.3 Dividends received (see note 3)		-	-
1.4 Interest received		1	1
1.5 Interest and other costs of finance paid		-	-
1.6 Income taxes paid		-	-
1.7 Government grants and tax incentives		480	480
1.8 Other (provide details if material)		-	-
1.9 Net cash from / (used in) operating activities		(56)	(56)
2. Cash flows from investing activities			
2.1 Payments to acquire:			
(a) property, plant and equipment		(3)	(3)
(b) businesses (see item 10)		-	-
(c) investments		-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
	(d) intellectual property	-	-
	(e) other non-current assets	(186)	(186)
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (Disposal of Assets)	-	-
2.6	Net cash from / (used in) investing activities	(189)	(189)
3. Cash flows from financing activities			
3.1	Proceeds from issues of shares	1,497	1,497
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(119)	(119)
3.5	Proceeds from borrowings	29	29
3.6	Repayment of borrowings	(29)	(29)
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	1,378	1,378
4. Net increase / (decrease) in cash and cash equivalents for the period			
4.1	Cash and cash equivalents at beginning of quarter/year to date	152	152
4.2	Net cash from / (used in) operating activities (item 1.9 above)	-	-
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	1,284	1,284

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	1,214	82
5.2	Call deposits	70	70
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)	1,284	152

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter
\$A'000

77

-

The amount includes director fees paid to each of the directors, and also office rental and outgoings paid to an entity related to Dr. Garry Garside.

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter
\$A'000

-

-

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	
9.2 Product manufacturing and operating costs	(100)
9.3 Advertising and marketing	(112)
9.4 Leased assets	(49)
9.5 Staff costs	(530)
9.6 Administration and corporate costs	(89)
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	(880)

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	-	-
10.2 Place of incorporation or registration	-	-
10.3 Consideration for acquisition or disposal	-	-
10.4 Total net assets	-	-
10.5 Nature of business	-	-

Compliance statement

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

[lodged electronically without signature]
 Sign here: Date: 30 October 2019
 Company Secretary

 Print name: Jan Ferreira

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.

Further Disclosure Required by ASX in respect of Performance Shares

The Company confirms the following in respect of Performance Shares on issue as of the date of this notice:

Class	Date Granted	Expiry Date	Number
C	17 June 2015	14 days after the release of the audited financial reports for period ended 31 December 2019	8,160,771

The vesting conditions of the performance shares on issue are outlined below:

- Class C – each Performance Share will convert into 1 ordinary share on achievement of greater than \$3,000,000 EBITDA by the Group in any 12 month period on or before 31 December 2019.