

ASX Announcement

2 November 2023

RENT.COM.AU LAUNCHES FULLY UNDERWRITTEN ENTITLEMENT ISSUE TO COMMERCIALISE RENTPAY

KEY HIGHLIGHTS

- › Fully Underwritten Entitlements Issue to raise \$1.95 million at \$0.017 per Share (before costs).
- › Price represents a 15.0% discount to the last closing price of \$0.020 per share.
- › Strong sub-underwriting support from key stakeholders:
 - › RNT's largest shareholder, Australian technology entrepreneur Bevan Slattery has agreed to priority sub-underwrite \$650,000.
 - › Directors and management have entered into general sub-underwriting agreements for approximately \$583,000.
- › Funds raised will fund continued commercialisation of RentPay, capitalising on strong recent growth and improving awareness.

Rent.com.au Limited (ASX:RNT) ('Rent.com.au' or 'the Company'), Australia's website made for renters, is pleased to announce that it has launched a fully underwritten Entitlements Issue ('Entitlements Issue') to raise approximately \$1.95 million (before costs), with gross proceeds to be applied primarily towards sales and marketing of RentPay.

OVERVIEW

"We've had a couple of strong quarters of RentPay customer growth following expansion of our sales and marketing efforts earlier in the year. We've recently scaled back our consumer marketing, concentrating primarily on social media to support customer acquisition while focussing on our B2B (agent) sales activity which contributed around half of all sales in the September 2023 quarter. The funds raised via the Entitlements Issue will enable us to capitalise on the strong pipeline of sales opportunities before us and maintain our product leadership in terms of features and functionality," said Rent.com.au CEO Mr Greg Bader.

The Entitlements Issue will be a non-renounceable, pro-rata offer on the basis of 1 new Share for every 4.5 Shares held at the record date for the offer of up to 114,482,080 new fully paid ordinary shares ("Shares") at an issue price of \$0.017 per Share together with one free Attaching Option (exercise price \$0.04 and expiry date of 31 December 2025) for every two (2) Shares subscribed for. The Company intends to seek quotation of the Attaching Options subject to compliance with ASX Listing Rule requirements. It is expected that the Entitlements Issue will raise approximately \$1.95 million before costs.

Eligible Shareholders will be entitled to apply for Shortfall Shares up to a maximum of 2 times their Entitlement. For example, if a shareholder has an Entitlement of 1,000 shares, then they can apply for a further 2,000 Shortfall Shares in from the Entitlement Issue.

The Entitlements Issue has been fully underwritten by RM Corporate Finance Pty Ltd ('RM Corporate Finance' or 'the Underwriter'), with a priority sub-underwriting commitment from the Company's largest shareholder Mr Bevan Slattery (\$650,000), and general sub-underwriting commitments from directors and key management personnel for a further approximately \$583,000. The sub-underwriting arrangements are on standard terms and conditions for agreements of this nature.

Further details of the Underwriting Agreement, sub-underwriting agreements and the Entitlements Issue will be provided in the Prospectus released on ASX today and despatched to shareholders in accordance with ASX requirements.

"This strong level of support from the Board and management reflects the excellent position we find ourselves in, with regards to being able to accelerate RentPay growth further by capitalising on our strong sales opportunities. The Entitlements Issue will provide us the capital capability to do so through maintaining our leadership in the product space and increasing our capability on the sales side via consumer, agent and partnership channels," concluded Mr Bader.

This announcement is authorised by the Board the Company.

INDICATIVE TIMETABLE

The indicative timetable for the Rights Issue is as follows:

Lodgement of Prospectus with ASIC	1 November 2023
Announce the Offer and Prospectus and Appendix 3B given to ASX	2 November 2023
Existing Shares quoted on an "ex" basis	7 November 2023
Record Date	8 November 2023
Prospectus and Entitlement and Acceptance Form sent to Eligible Shareholders	10 November 2023
Last Day to extend offer closing date	29 November 2023
Closing Date*	4 December 2023
Shares quoted on a deferred basis	5 December 2023
ASX notified of under subscriptions	7 December 2023
Anticipated date for the issue of the Shares**	11 December 2023
Anticipated date for the issue of the Shortfall Shares to Underwriter (or nominees)	14 December 2023

* Subject to the ASX Listing Rules, the Directors reserve the right to extend the Closing Date. Any extension of the Closing Date will have a consequential effect on the anticipated date for issue of the Shares.

** indicative date only.

UNDERWRITING AGREEMENT

The material terms of the underwriting agreement between the Company and RM Capital are as follows:

- Underwriting commitment: Reduced to the extent of allocations to eligible shareholders that subscribe for their entitlements, shortfall allocations and sub-underwriting commitments.
- Conditions precedent:
 - The Company lodges the Prospectus with ASIC on the Lodgement Date;
 - the Company furnishes an entitlement offer certificate by the time specified and no statement in the entitlement offer certificate is untrue, inaccurate, incomplete or misleading or deceptive in any material respect; and

- the Company provides the Underwriter with an entitlement offer shortfall certificate by the time specified.
- Fees – 3% underwriting fee and 3% management fee on the full Rights Issue amount (with all fees and commissions due to sub-underwriters to be paid by the underwriter). The Company must also pay the other reasonable costs and expenses of the underwriter for the Rights Issue.

Termination events – The Underwriter may terminate its obligations under the Underwriting Agreement if:

- (a) **entitlement offer certificate:** the Company fails to furnish an entitlement offer certificate by the time specified or if any statement in the entitlement offer certificate is untrue, inaccurate, incomplete or misleading or deceptive in any material respect;
- (b) **unable to issue Offer Shares:** the Company is prevented from issuing the Shares pursuant to the Offer within the time required by the Listing Rules, applicable Laws, an order of a court of competent jurisdiction or a Government Agency;
- (c) **ASX announcement:** the Company fails to lodge the announcement of the Offer by the date specified in the Underwriting Agreement;
- (d) **Prospectus:** any of the following occurs:
 - (i) there is a material omission from this Prospectus;
 - (ii) this Prospectus contains a misleading or deceptive statement;
 - (iii) a statement in this Prospectus becomes misleading or deceptive;
 - (iv) a forecast in this Prospectus becomes incapable of being met or unlikely to be met in the projected time;
 - (v) this Prospectus does not comply with section 713 of the Corporations Act; or
 - (vi) any other matter (not covered in (i) to (v) above) occurs in respect of this Prospectus that is referred to in section 719 of the Corporations Act;
- (e) **breach of significant contracts:** the Company (or a related body corporate) breaches, terminates, alters, amends or voids any significant or material contracts referred to in this Prospectus without the prior consent of the Underwriter;
- (f) **corporations act:** any of the following occur:
 - (i) ASIC applies for an order under section 1324B of the Corporations Act in relation to this Prospectus and the application is not dismissed or withdrawn before the Closing Date;
 - (ii) ASIC gives notice of intention to hold a hearing in relation to this Prospectus under section 739(2) of the Corporations Act or makes an interim order under section 739(3) of the Corporations Act; or
 - (iii) any person other than the Underwriter who consented to being named in this Prospectus withdraws that consent;
- (g) **supplementary prospectus:** the Underwriter, having elected not to execute its right to terminate its obligations under the Underwriting Agreement as a result of an occurrence described in paragraph (d), reasonably forms the view that a supplementary or replacement document must be lodged with ASIC under section 719 of the Corporations Act and the Company does not lodge a supplementary or replacement document in the form, with the content and within the time reasonably required by the Underwriter;
- (h) **withdrawal:** the Company withdraws the Offer;
- (i) **market fall:** the S&P/ASX 200 Index on any two business days in the period from announcement of the Offer to settlement of the Offer is 5% or more below the level of that index as at the close of trading on the Business Day before the date of the Underwriting Agreement;

- (j) **ASIC action:**
 - (i) *an application is made by ASIC for an order under Part 9.5 of the Corporations Act in relation to the Offer or this Prospectus and such application becomes public or is not withdrawn within 1 Business Day after it is made or where it is made less than 1 Business Day before the date specified in the Underwriting Agreement, it has not been withdrawn by the that date; or*
 - (ii) *ASIC commences any investigation or hearing under Part 3 of the Australian Shares and Investments Commission Act 2001 (Cth) in relation to the Offer or the Prospectus and such investigation or hearing becomes public or is not withdrawn within 1 Business Day after it is commenced or where it is commenced within 1 Business Day before the date specified in the Underwriting Agreement, it has not been withdrawn by the that date.*
- (k) **regulatory action:** there is an application to a Government Agency (including, without limitation, the Takeovers Panel) for an order, declaration or other remedy, or a Government Agency commences any investigation or hearing or announces its intention to do so, in each case in connection with the Offer (or any part of it) or any agreement entered into in respect of the Offer (or any part of it);
- (l) **listing and quotation:** approval is refused or not granted, or approval is granted subject to conditions other than customary conditions, to the quotation of any Shares by ASX or if granted, the approval is subsequently withdrawn, qualified (other than by customary conditions) or withheld;
- (m) **offences by Directors:** any of the following occurs:
 - (i) *a Director is charged with an indictable offence;*
 - (ii) *any Government Agency commences any public action against a Director or announces that it intends to take any such action;*
 - (iii) *any Director is disqualified from managing a corporation under the Corporations Act;*
- (n) **Insolvency:** the Company or a group member is Insolvent (as defined in the Underwriting Agreement) or there is an act or omission which may result in the Company or a group member becoming Insolvent;
- (o) **Timetable** any event specified in the Timetable is delayed for more than 2 Business Days without the prior written consent of the Underwriter.
- (p) **other termination events:** any of the following events occur which, in the reasonable opinion of the Underwriter: has, or is likely to have, a material adverse effect on the success, marketing or settlement of the Offer, the value of the Shares or the willingness of investors to subscribe for Shares pursuant to the Offer or the performance of the secondary trading market of the Shares at any time during the 30 day period following the issue of the Shares pursuant to the Offer; or leads or is likely to lead to: (a) a contravention by the Underwriter of, or the Underwriter being involved in the contravention of, the Corporations Act or any other applicable law; or (b) a liability of the Underwriter under the Corporations Act or any other applicable law:
 - (i) **(disclosures in Public Information)** *the Public Information (as defined in the Underwriting Agreement) includes:*
 - (A) *a statement which is or becomes misleading or deceptive or likely to mislead or deceive; or*
 - (B) *any forecasts, expressions of opinion, intention or expectation which are not based on reasonable assumptions;*
 - (ii) **(disclosures)** *any information supplied by or on behalf of the Company to the Underwriter is or becomes misleading or deceptive in a material respect, including by way of omission;*

- (iii) **(hostilities)** hostilities not presently existing commence (whether war has been declared or not) or a major escalation in existing hostilities occurs (whether war has been declared or not) involving any one or more of the United States, Australia, New Zealand, the United Kingdom, France, Germany, Russia, North Korea, South Korea, China, Japan or a member state of the European Union or the declaration by any of these countries of a national emergency or war or a major terrorist act is perpetrated anywhere in the world;
- (iv) **(change of law)** there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any State of Australia, or any Federal or State authority of Australia adopts or announces a proposal to adopt a new policy (other than a law or policy which has been announced before the date of this Agreement), any of which does or is likely to prohibit or regulate the Offer, capital issues or stock markets or adversely affects the Company or investors in it;
- (v) **(compliance and regulatory requirements)** a contravention by the Company or any entity in the group of the Corporations Act, the Company's Constitution or any of the Listing Rules, or if the Company commits a fraudulent act;
- (vi) **(breach)** The Company fails to perform or observe any of its obligations under the Underwriting Agreement;
- (vii) **(misrepresentation)** a representation or warranty made or given by the Company under the Underwriting Agreement proves to be, or has been, or becomes, untrue or incorrect;
- (viii) **(market or trading disruption)** there is:
 - (A) a suspension or material limitation in trading in securities generally or any adverse change or disruption to the existing financial markets, political or economic conditions of Australia, Japan, Hong Kong, the Republic of China, the United Kingdom, the United States of America, a member state of the European Union, or the international financial markets or any change in national or international political, financial or economic conditions;
 - (B) a general moratorium on commercial banking activities is declared by the relevant central banking authority in any of those countries; or
 - (C) any adverse change or disruption to the existing financial markets, political or economic conditions of Australia, Japan, Hong Kong, the Republic of China, the United Kingdom, the United States of America, a member state of the European Union or the international financial markets or any change in national or international political, financial or economic conditions;
- (ix) **(change in management)** a change in the senior management of the Company or in the board of directors of the Company is announced or occurs;
- (x) **(adverse change)** there is an adverse change, or an event occurs which is likely to give rise to an adverse change, in the financial position, results, operations or prospects of the Company;
- (xi) **(new circumstances)** in the reasonable opinion of the Underwriter, a new circumstance arises that would have been required to be disclosed in this Prospectus had it arisen before this Prospectus were lodged with ASX;
- (xii) **(forecasts)** there:
 - (A) are not reasonable grounds, in the reasonable opinion of the Underwriter, for any statement by the Company in this Prospectus which relates to future matters (including financial forecasts);
 - (B) ceases to be reasonable grounds, in the reasonable opinion of the Underwriter, for any statement by the Company in this Prospectus which relates to future matters (including financial forecasts) and the Company does not issue a supplementary prospectus;

(xiii) (**constitution**) the Company varies any term of its constitution without the prior written consent of the Underwriter to the terms of the variation, such consent not to be unreasonably withheld;

(xiv) (**change to company**) the Company:

- (A) alters the issued capital of the Company;
- (B) disposes or attempts to dispose of a substantial part of the business or property of the Company,

without the prior written consent of the Underwriter (which must not be unreasonably withheld or delayed); or

(xv) (**charges**) the Company or any of its related bodies charges, or agrees to charge, the whole or a substantial part of the business or property of the Company other than:

- (A) a charge over any fees or commissions to which the Company is or will be entitled;
- (B) as disclosed in this Prospectus; or
- (C) as agreed with the Underwriter (acting reasonably).

The Underwriting Agreement also contains a number of undertakings, indemnities, representations and warranties from the Company to the Underwriter that are considered standard for an agreement of this type.