

ASX Announcement

Quarterly business update and Appendix 4C

RMA Global Limited

ABN 69 169 102 523

Level 1, 112-114 Balmain Street
Cremorne, VIC, 3121

29 April 2024

Reset under new CEO, CFO and Board.

Highlights

- 3Q FY24 marked the start of a reset for the company:
 - Restructured Board, Senior Leadership, Product, Marketing and Sales teams to commence a new operating model for the future.
 - Welcomed new CEO, Jim Crisera to the business.
- Net cash burn was \$0.8m (which included \$0.4m for restructure costs):
 - Operating cash burn (excluding restructure costs) reduced by 11% vs 3Q FY23.
 - Cash on hand at 31 March 2024 was \$3.2 million.
- Group revenues were up 5% vs 3Q FY23:
 - Group subscription revenues were up 6% vs 3Q FY23.
 - Total Promoter Revenues were up 2% vs 3Q FY23.

Quarterly Performance

This quarter marked the start of a reset for RMA Global Limited (ASX: RMY) (“the Company” or “RMA”).

Following a detailed assessment of the financial performance and market dynamics, the company took action to restructure its Product, Marketing, and Sales teams in January followed by a reset of the senior leadership team. The reset is expected to quickly reposition the company’s go-to-market operations to efficiently drive partnership growth in the US market while continuing its focus on capital efficiency.

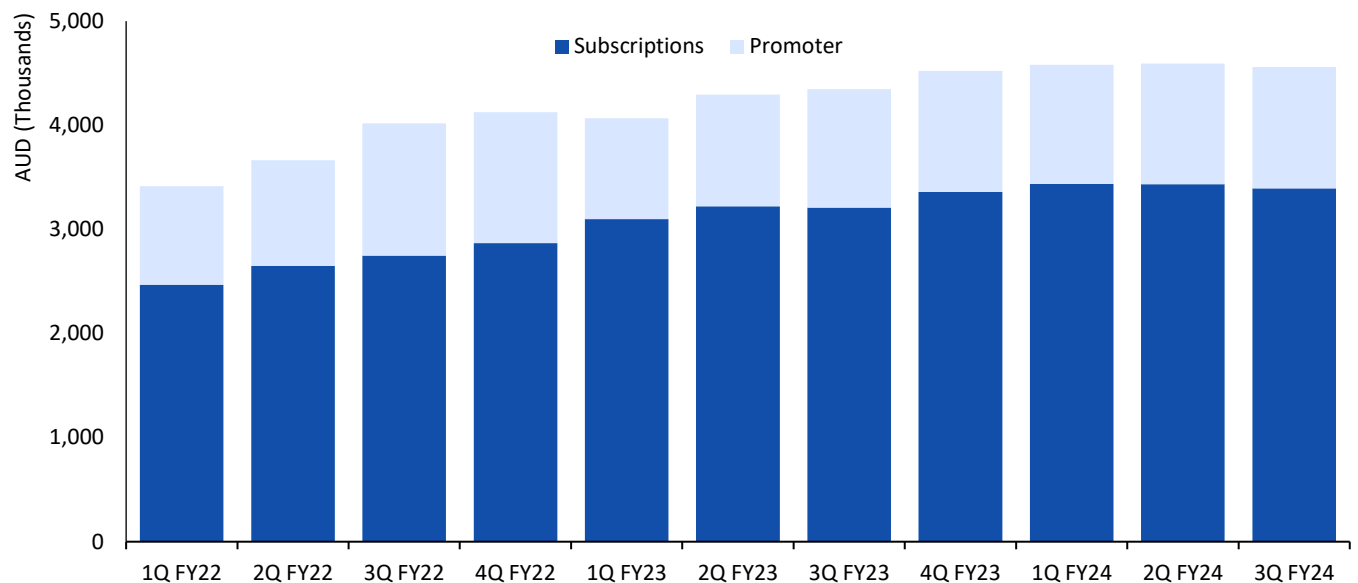
As part of these changes, the company welcomed new CFO Prateek Munjal in December 2023, and more recently, the new CEO Jim Crisera on April 11th 2024, who becomes the company’s first US based leader.

Group Results Summary

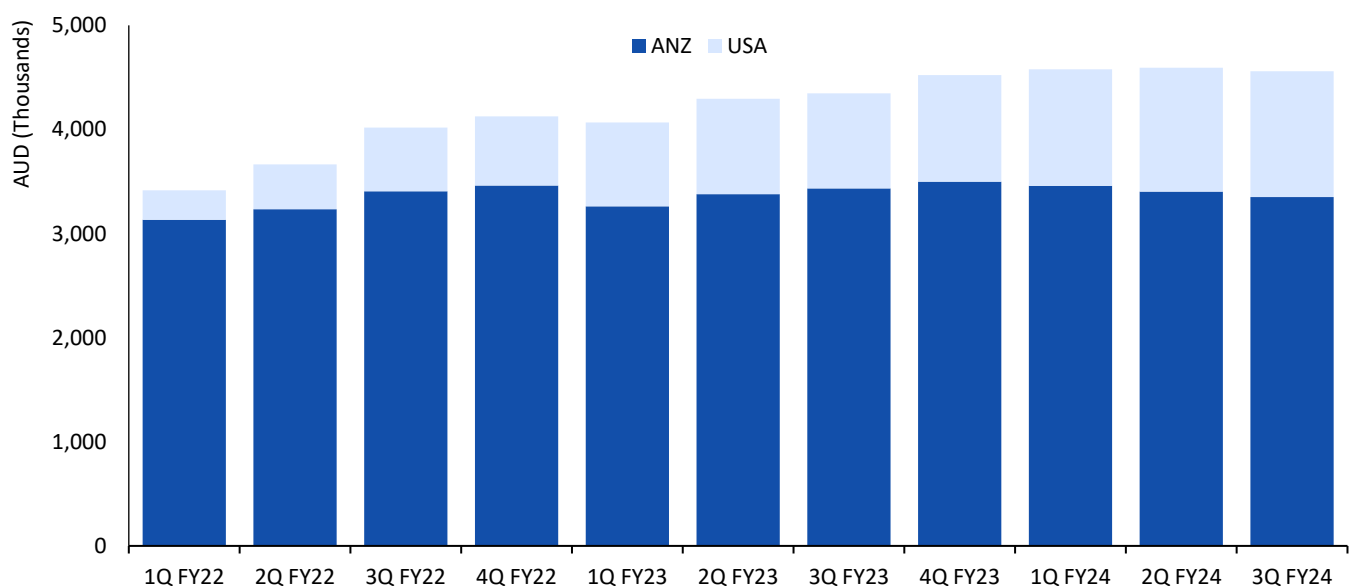
The company delivered small YoY revenue growth. The expectation of this was the catalyst to reshape the board and management team to better and more quickly monetise the US business.

Total Quarterly subscription revenues were at \$3.4m, up 6% compared with 3Q FY23. Total quarterly promoter revenues were at \$1.2m, up 2% compared with 3Q FY23. This led to a 5% increase in total recurring revenue from 3Q FY23 to 3Q FY24.

Group revenues by product



Group revenues by geography



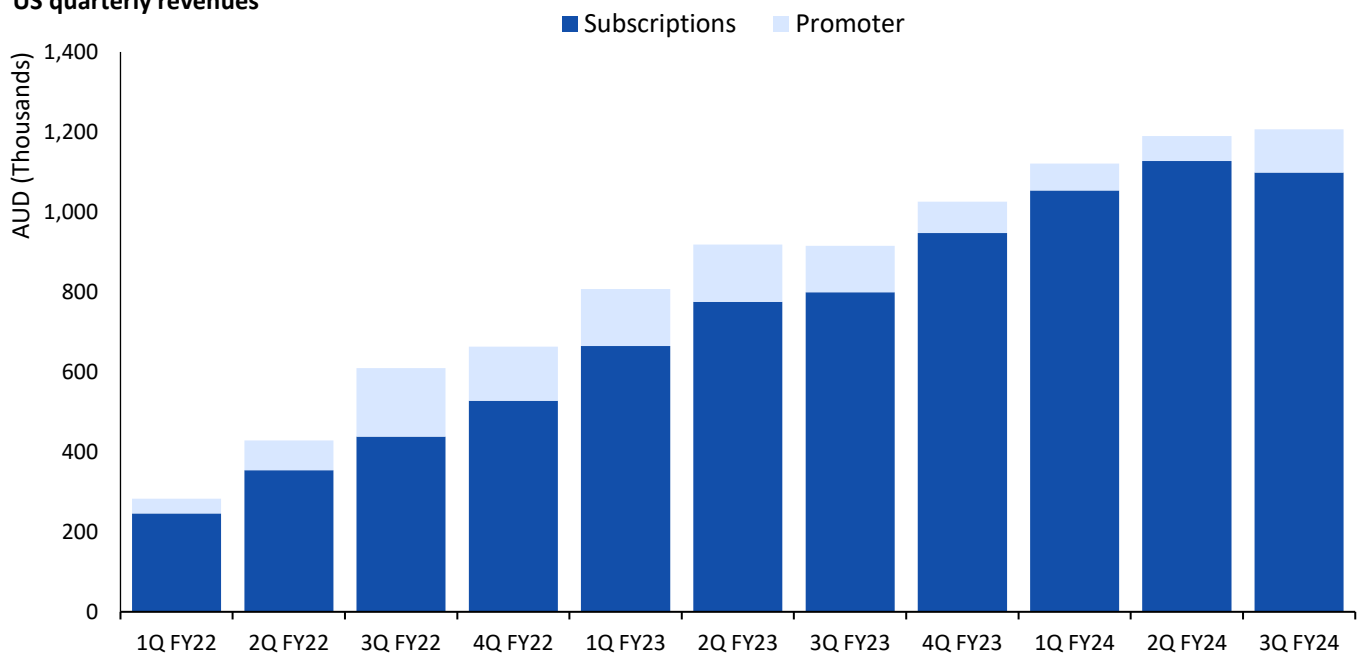
USA

Reviews and platform usage are leading indicators for paid subscriptions. As of 31 March 2024, c.280,000 agents on the platform had collected over 820,000 reviews, up 20% on 31 March 2023.

US Subscription revenues in 3Q FY24 were up 37% on 3Q FY23 and US total revenues were up 32% on 3Q FY23.

The real estate environment in the US was challenging, as home sales dropped to a near 28-year lows in 2023. However, RMA's target market is the top 30% of agents, who are responsible for over 80% of transactions. These agents are more resilient in market downturns because they hold the lion's share of the market and continue to promote their profiles and business throughout. Looking forward, the business aims to monetise the US agent base via an expanded strategy through partnering with large brokerages and technology companies.

US quarterly revenues



ANZ

ANZ Market is an established market holding steady and profitable in a competitive environment dominated by an incumbent. ANZ revenues in 3Q FY24 were down slightly by 2% compared with 3Q FY23.

Subscription revenues were down 5% compared with 3Q FY23. Promoter, which enables agents to showcase their reviews and profiles across social media platforms and Google generated just under \$1.1m in ANZ, up 3% compared with 3Q FY23.

Future Outlook

On one level, the company's penetration and profitability in ANZ has been a success. While increasing paying agents in ANZ remains a priority, the near-term focus is on the US. The US penetration of agents on the platform is extremely impressive, with 280,000 agents. However, these agents are not paying at the rate that the Australian agents are paying. The table below shows that if US agents were to pay at the same rate as they do in Australia, there is a huge opportunity for RMA to become a large and profitable company (~\$310m).

Large US addressable market



Amongst other things, the company's conclusion as to how it can replicate or better the Australian success in the US is by resetting its go-to-market approach. The company intends to increase penetration and monetization by focusing its efforts on wholesale deals with brokerages and other technology platforms. RMA will no longer focus on trying to attract individual agents, and instead go after enterprise and wholesale deals. This change of approach has been immediate and early signs of feedback are positive and exciting.

To effectively execute this plan, the company needed senior leaders who had experience in executing in the US property technology sector and who could hit the ground running. This led the company to first appoint Ashley Farrugia and Shane Greenan to the Board, who were the former CEO and CFO of Activepipe, a successful Australian property technology startup that successfully scaled in the US market. This was followed by the appointment of Jim Crisera as CEO. He joined the company from MoxiWorks in Seattle, where under his leadership as Chief Operating Officer, Moxiworks was recognized as one of the fastest growing property technology companies in the US over several years.

Notes

1. Based on RMA's H1 FY24 Promoter and Subscription revenue in Australia, divided by number of agents with paid subscription in Australia. Australia is a more established market which is reflective of the long-term opportunity.

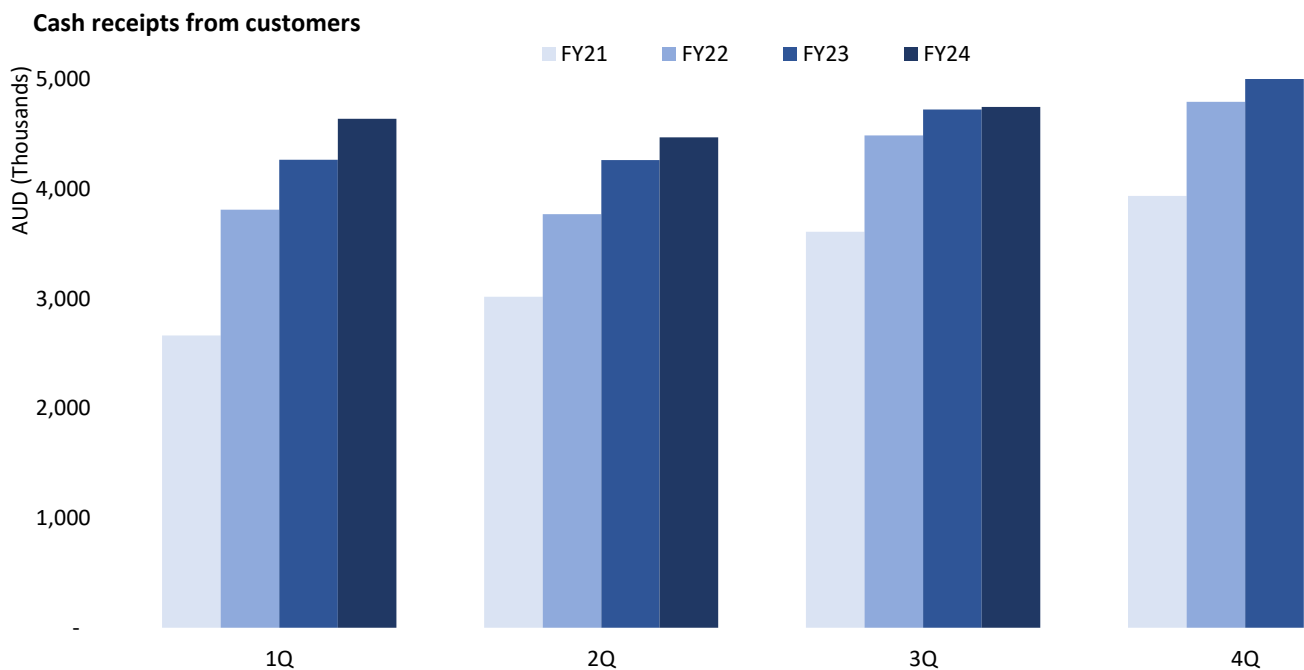
2. Based on ~10.5k agents with paid subscription in Australia divided by 33k total active agents in Australia

Chairman David Williams noted, “We have put the 4C behind us and are excited to welcome Jim as we usher in a new era of growth for the company. He has already hit the ground in meeting with our key customers and shareholders, and has quickly come up to speed with what the business needs to scale in the US.”

CEO Jim Crisera said, “I am thrilled to have joined the company during such an exciting period. Our strong foundation in the US, boasting 280,000 agents on our platform, provides a solid basis for our future endeavors. I am eager to collaborate with the team to implement an expanded strategy aimed at driving monetization. This strategy will necessitate investments in enterprise sales and customer success capabilities over the upcoming months, focusing on establishing new partnerships with brokerages and innovative property technology firms. Ultimately, these strategic changes, which will take some time to implement, are designed to deliver significant value to real estate professionals, propelling us towards sustainable long-term growth and success.”

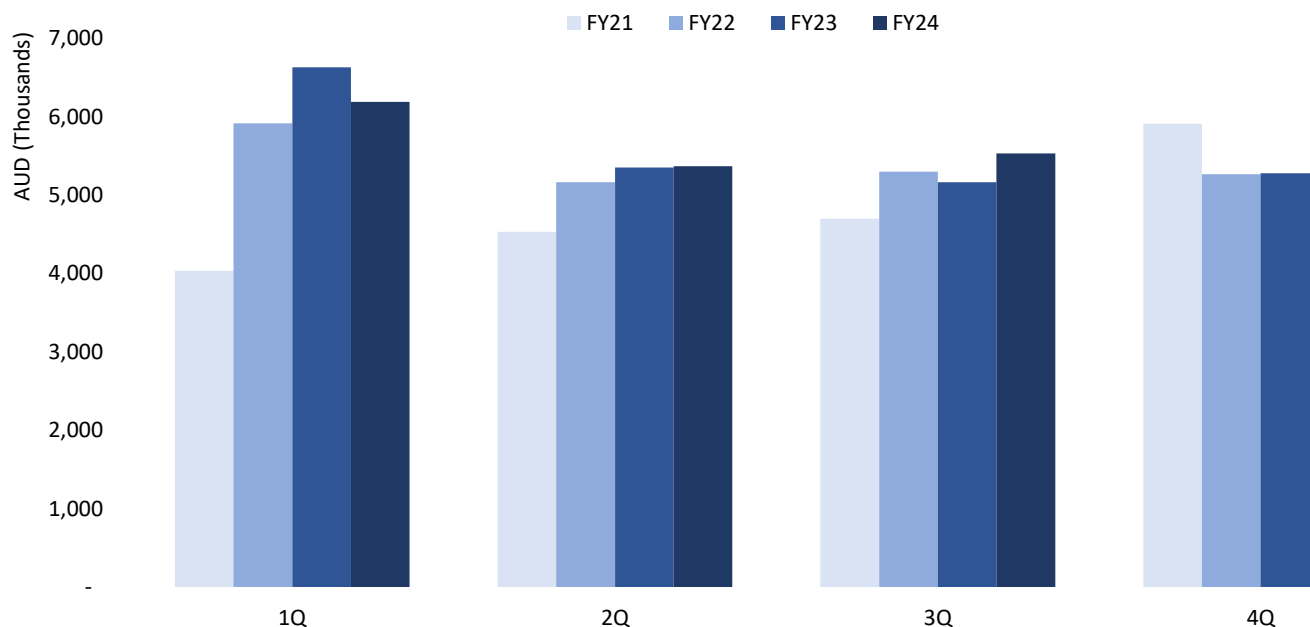
Cashflow and Net Cash Position

Cash receipts from customers for 3Q FY24 were c.\$4.8m, up 1% on 3Q FY23.



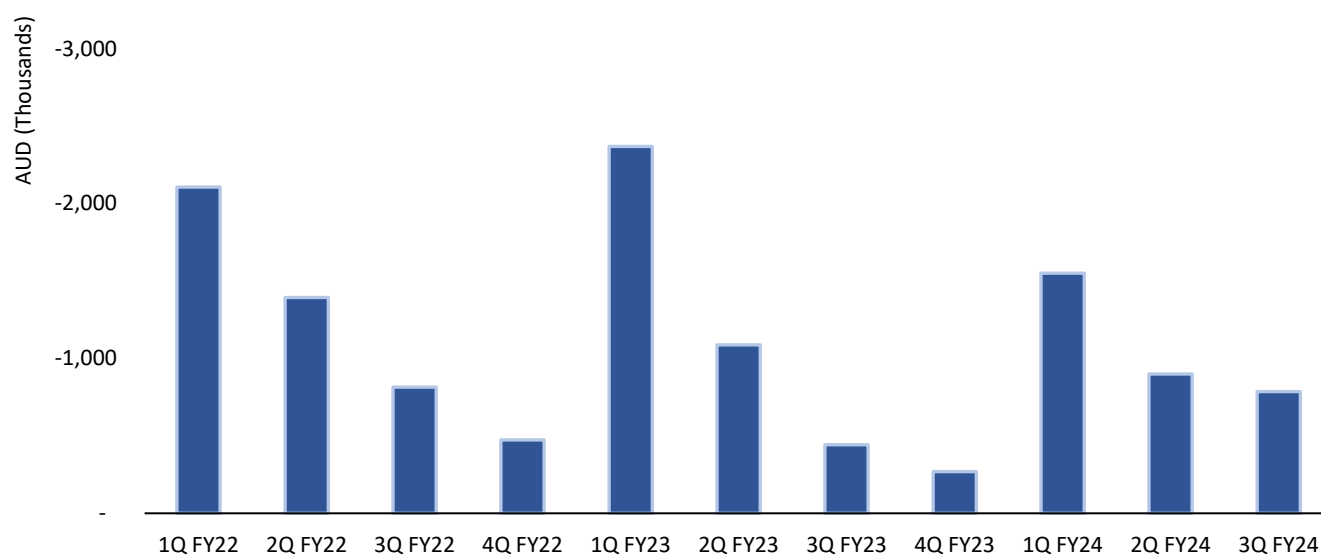
Operational cash payments for 3Q FY24 were c.\$5.5m, higher by 7% compared with 3Q FY23, but lower by 1% compared when excluding the impact of \$0.4m for restructuring costs. The company expects further improvements in cash payments over the coming quarters after the restructure program.

Operational cash payments



Net cash burn of \$0.8m in 3Q FY24, was prima facie higher by 77% compared with 3Q FY23, but **lower by 11%** when excluding the impact \$0.4m of one-off restructuring costs incurred to reset the business for the future.

Appendix 4C quarterly net operating cash flows



Cash payments to related parties of \$143k per 6.1 of the Appendix 4C included both director fees as well as consulting fees for interim CEO and COO roles.

Authorised for release by the Board of RMA Global Limited.

Further information:

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Chairman

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Appendix 4C

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

Name of entity

RMA Global Ltd

ABN

69 169 102 523

Quarter ended ("current quarter")

31 March 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	4,750	13,864
1.2 Payments for		
(a) research and development	(478)	(1,412)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing (mainly Promoter costs)	(994)	(2,719)
(d) leased assets	(70)	(211)
(e) staff costs	(3,202)	(10,513)
(f) administration and corporate costs	(406)	(1,816)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	7	37
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	25
1.8 Other (termination costs)	(392)	(490)
1.9 Net cash from / (used in) operating activities	(785)	(3,235)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(5)	(34)
(d) investments	-	-
(e) intellectual property	(4)	(4)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
	(f) other non-current assets	-	-
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	(9)	(38)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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	-	-
3.6	Repayment of borrowings	-	-
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	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,998	6,518
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(785)	(3,235)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(9)	(38)

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)	-	-
4.5	Effect of movement in exchange rates on cash held	(5)	(46)
4.6	Cash and cash equivalents at end of period	3,199	3,199

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	3,199	3,998
5.2	Call deposits	-	-
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)	3,199	3,998

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	(143)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
<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>		

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

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(785)
8.2 Cash and cash equivalents at quarter end (item 4.6)	3,199
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	3,199
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	4.1
<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: 29/04/2024

Authorised by: the Board of RMA Global Ltd

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.