

# ASX Announcement

21 July 2022

## Quarterly business update and Appendix 4C

### FIRST GROUP CASHFLOW POSITIVE MONTH, STRONG US REVENUE GROWTH

#### Highlights

- June 22 first month of positive operating cashflows
- US reviews up 206% YOY
- US ARR up 207% YoY
- FY22 recurring revenue up 38% on FY21
- 4Q FY22 net operating cash flows improved 76% on 4Q FY21
- Significant uplift in consumer traffic

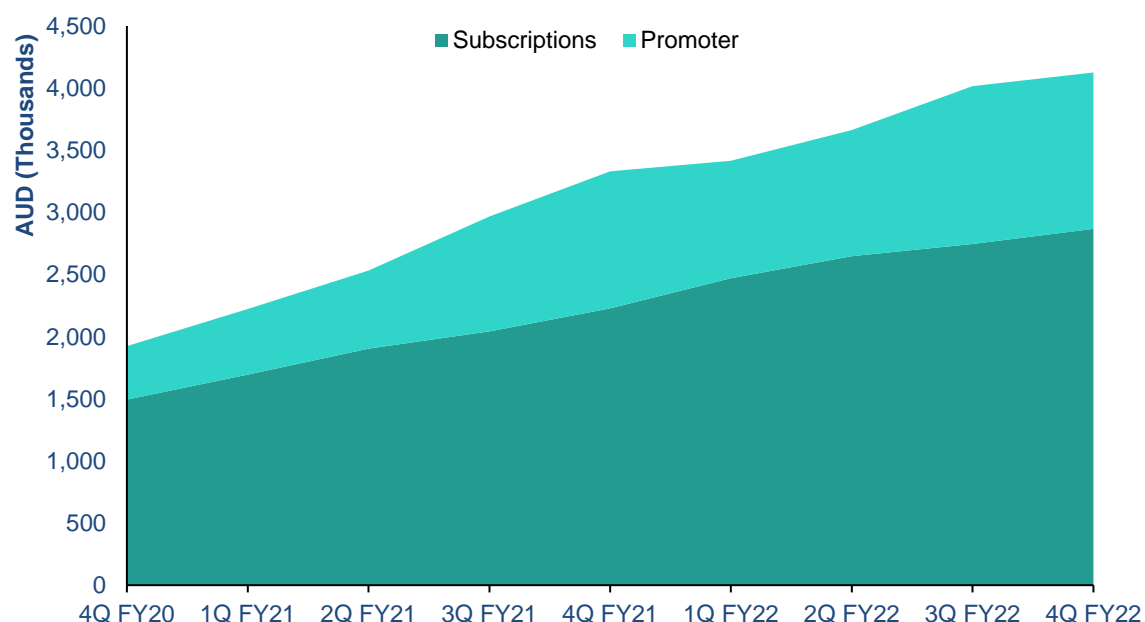
#### Quarterly performance

RMA Global Limited (ASX: RMY) ("the Company" or "RMA") has delivered strong revenue growth, with 4Q FY22 up 24% from 4Q FY21 driven mainly by subscription revenues.

Subscription revenue in 4Q FY22 increased 30% on 4Q FY21, with US subscription revenues increasing by c.215% over the same period, off a low base.

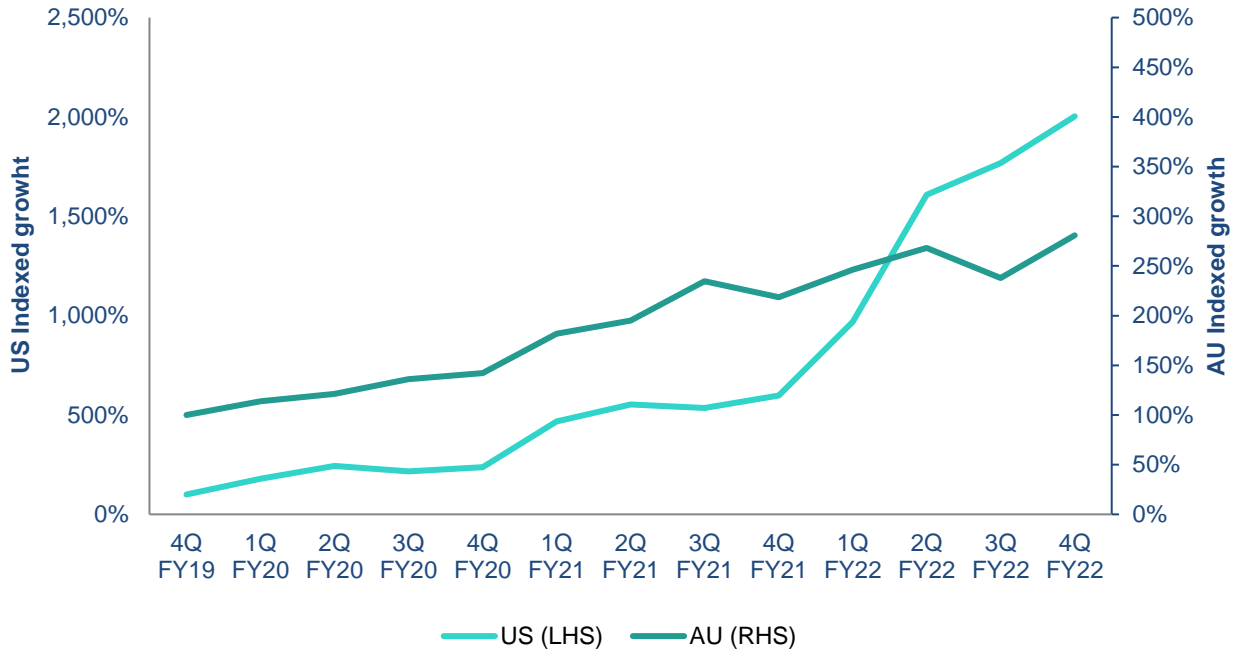
Promoter revenues, which are more seasonal than subscriptions, continue to perform with 4Q FY22 revenues up 14% from 4Q FY21.

Group revenues by product



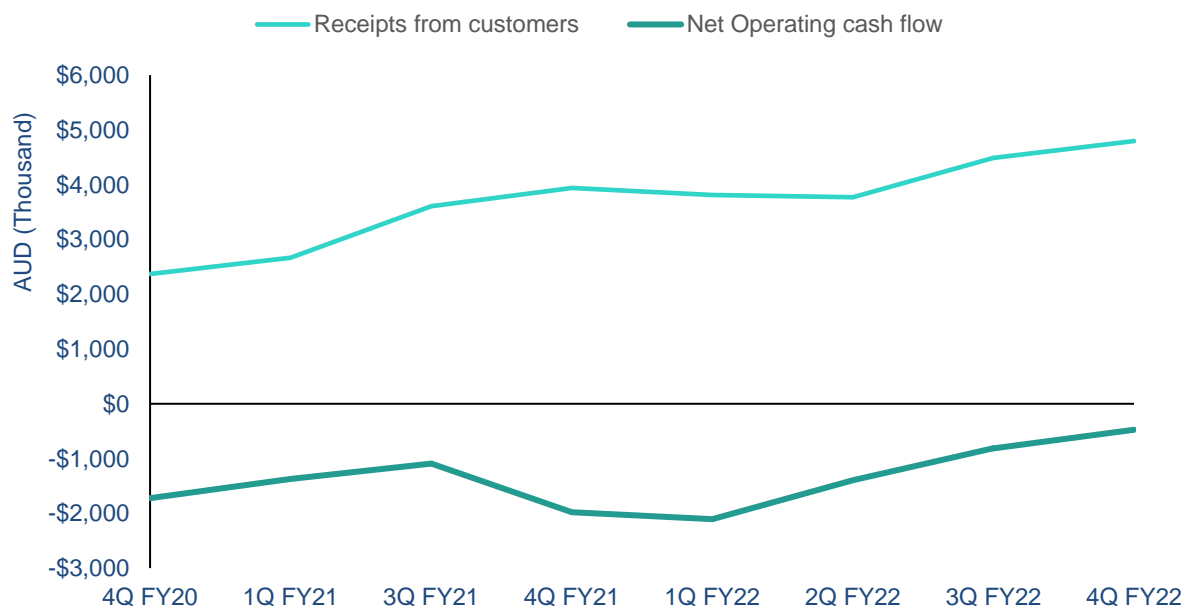
RMA Global's CEO, Mr. Michael Davey, said "FY22 was an exciting year for RMA. More consumers and agents have benefitted from using our products and services than ever. Consumer traffic in the US has more than trebled in the last year and agent engagement globally remains high with over 540,000 reviews being collected on the platform in the last 12 months."

Unique users on the RMA platform (indexed to 100%)



Mr. Davey said, "Our investment in building a solid foundation to grow agents on the platform and increase usage metrics is driving financial outcomes with YoY quarterly cash revenues increasing by more than 22% for the eighth consecutive quarter. Net operating cash flows in June were also positive for the first time since listing. We expect to see regular positive cash flows later in the new financial year."

Quarterly cash flows



## USA

### *Agents on the platform and reviews*

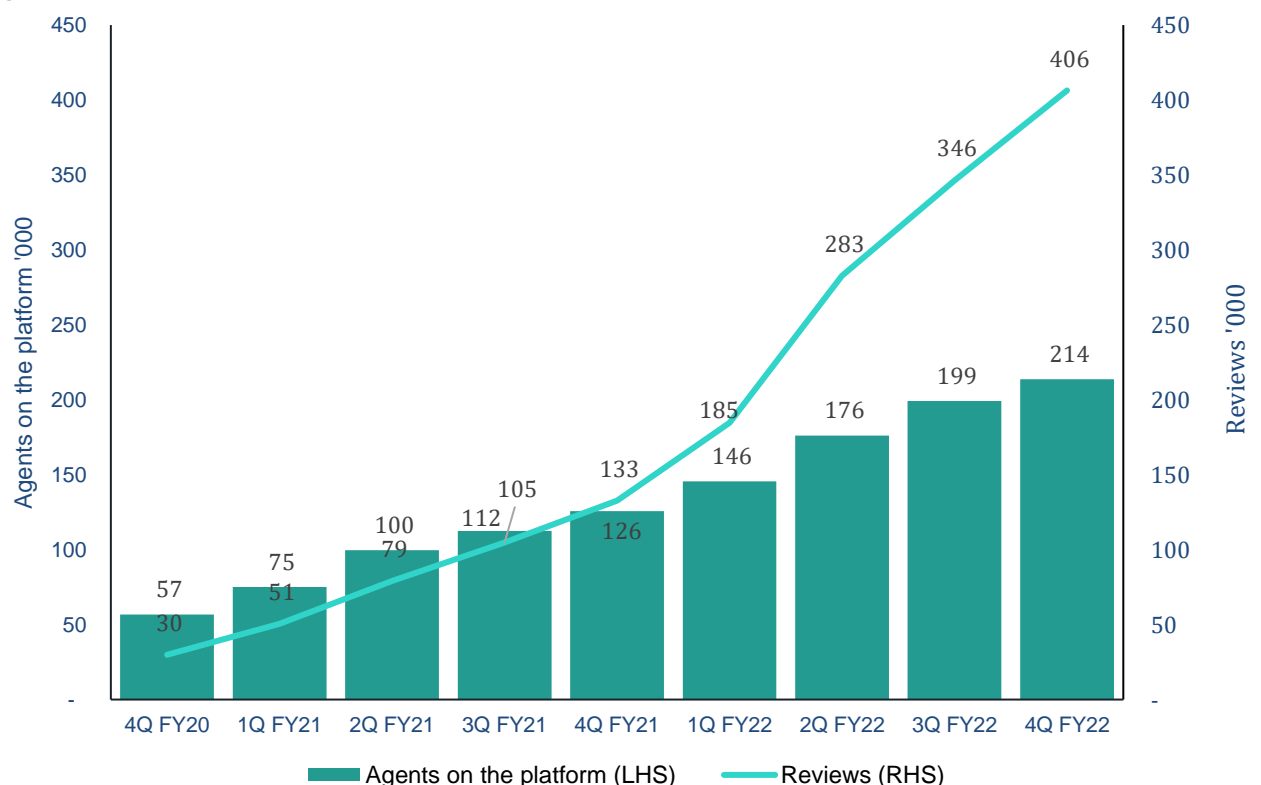
The US focus for FY22 was to drive growth in agents and platform usage. As of 30 June 2022 there were 214,000 agents on the US platform with c.406,000 reviews, up 88,000 (70%) and 274,000 (206%) respectively compared with June 2021.

Once on the platform, agents collect reviews to attach to, and improve, their profile. This engages agents with the platform and encourages them to collect more reviews and ultimately to take up a subscription and benefit from the additional features RMA offers. Agent reviews are a leading indicator of paid subscriptions.

RMA has implemented several initiatives to accelerate review growth which have helped to increase reviews by 206% in the 12 months to 30 June 2022. These included:

- Agent leaderboard, which provides a comparable analytics dashboard of reviews collected vs properties sold for all agents in the agents' area. This is also a core driver of the Ratemyagent Awards;
- Extrapolating the agent leaderboard into a Company leaderboard to facilitate comparisons across teams and offices whereby real estate businesses may use RMA reviews for internal performance and customer satisfaction analysis;
- Continued automation of agent workflow systems, making review collection a seamless, automated part of an agent's regular processes;
- Introduction of Agent Recognition Badges. These badges recognise agents who request and receive reviews for a high proportion of their property transactions, promoting transparency and trust with consumers. Badges differentiate agents from their peers and encourage agents to continue to engage on the platform to achieve and maintain a "trusted agent" status.

**Agents on the platform vs reviews (cumulative)**



## US Revenue

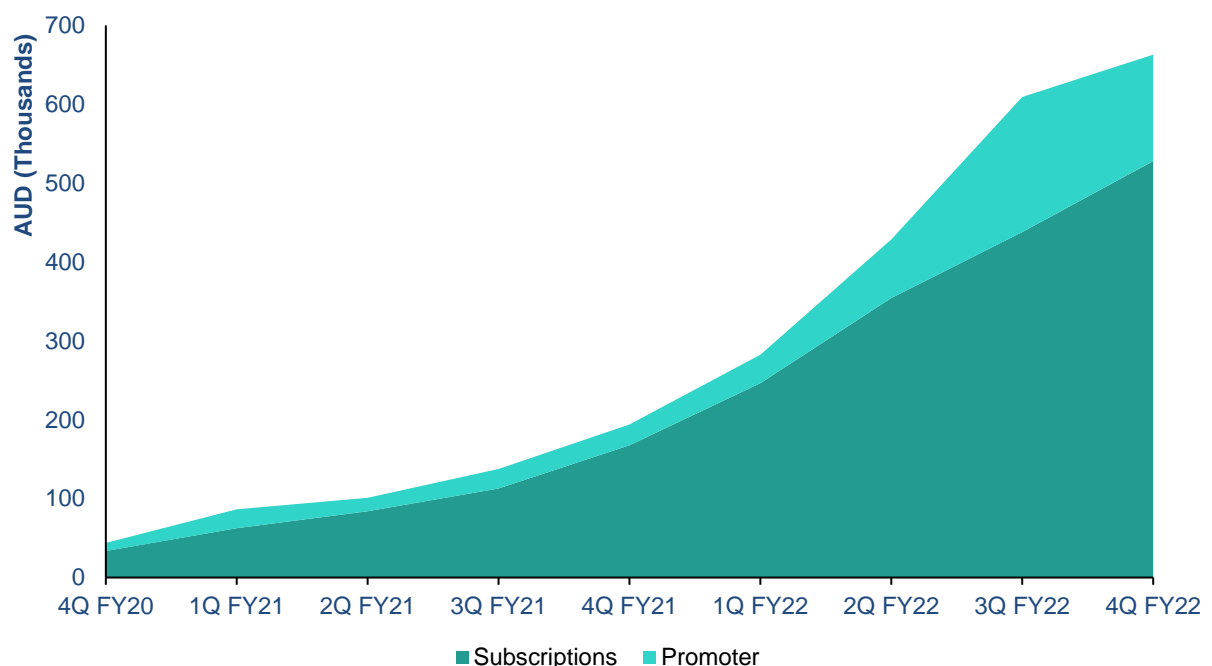
Monetisation initiatives delivered in the 2H FY22 expanded the subscription product offering and made it easier for an agent to start a paid subscription.

- The 2-week trial period for all US subscriptions introduced last quarter continues to be a major contributor to organic subscription growth;
- The “lite” tier continues to prove an easy product entry-point to cater for the core group of c.300,000 agents that we believe sell c.80% of properties; and
- A number of minor process flow and customer experience improvements focusing on agent onboarding and review collection which is translating into increased subscription conversion with c.80% organic trial subscriptions converting to paid subscriptions.

In 4Q FY22, c.AU\$528k in subscription revenue was earned, up 21% over 3Q FY22 and 215% over 4Q FY21.

The first US Awards were held in January, which had a large seasonal impact on Promoter revenues. Promoter continued to do well through the subsequent seasonal downturn in 4Q FY22 with revenues up 408% on 4Q FY21, albeit off a low base.

US quarterly revenues



## Australia and New Zealand

### Agents on the platform and reviews

RMA continues to be the platform of choice for real estate agents in Australia with c.78% of the c.33,100 active agents in Australia having claimed their profile. RMA defines an active agent as an agent with at least one property sale in the last 12 months.

Over RMA's history, 47,800 agents have claimed their profiles as of 14 June 2022 and collected over 1.28 million reviews. These review numbers are behind our confidence that the US reviews are likely to grow substantially and very quickly

In New Zealand 6,400 agents have claimed their profiles and collected 58,000 reviews.

The Australian and New Zealand experience of a large number of reviews per agent is strong evidence of agent engagement with the platform and what we expect to see in the US.

## ANZ Revenue

### Subscriptions

Subscriptions in Australia, a mature market, reflect solid YoY growth with 4Q FY22 subscription revenues of \$2.1m, up c.10% on 4Q FY21. Interest rate hikes and inflationary pressures are starting to have an impact on the market with the number of active agents in the market decreasing by c.1.2% since February.

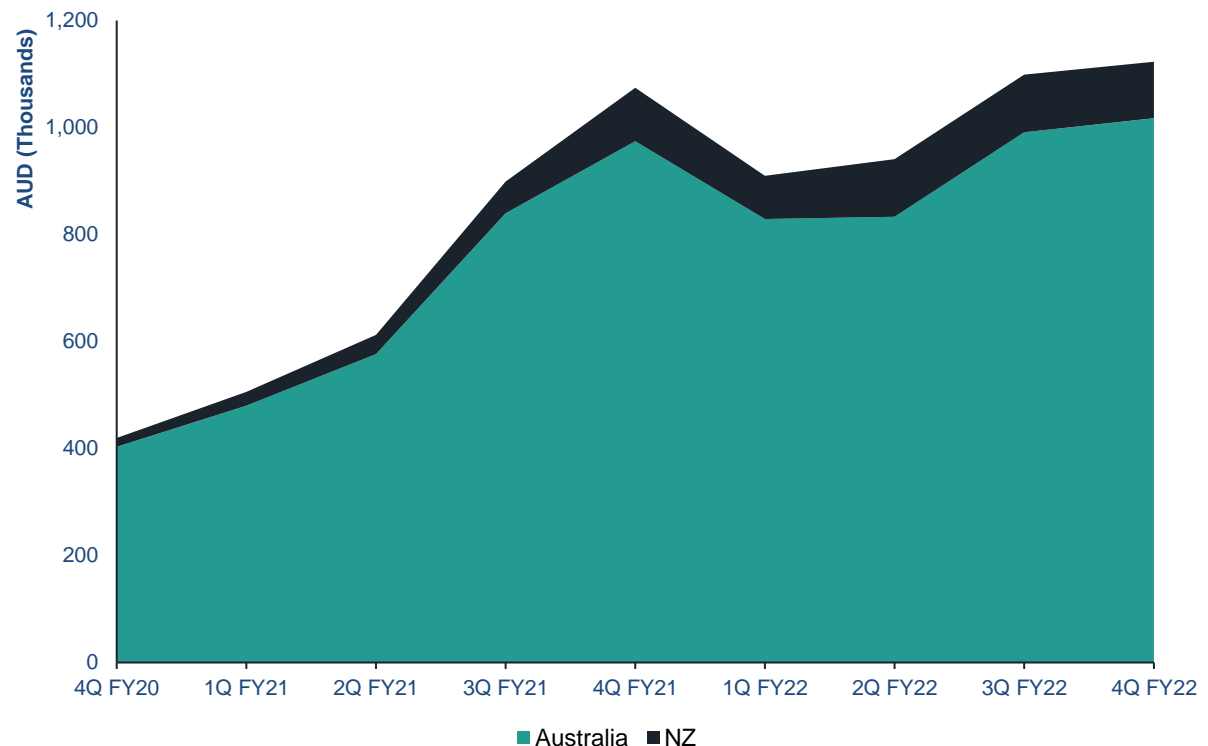
New Zealand, influenced by similar market forces to Australia, remains a growth market and subscription revenues in 4Q FY22 increased by c.80% on 4Q FY21 and by c.18% on 3Q FY22.

### Promoter

Promoter is a digital advertising product that enables agents and agencies to showcase their reviews and profile across social media platforms and Google. Revenues are more seasonal than subscriptions with the RMA Awards in February providing a seasonal uplift in the third quarter.

ANZ Promoter revenues increased to \$1.1m in 4Q FY22, up 5% on 4Q FY21.

Promoter revenue

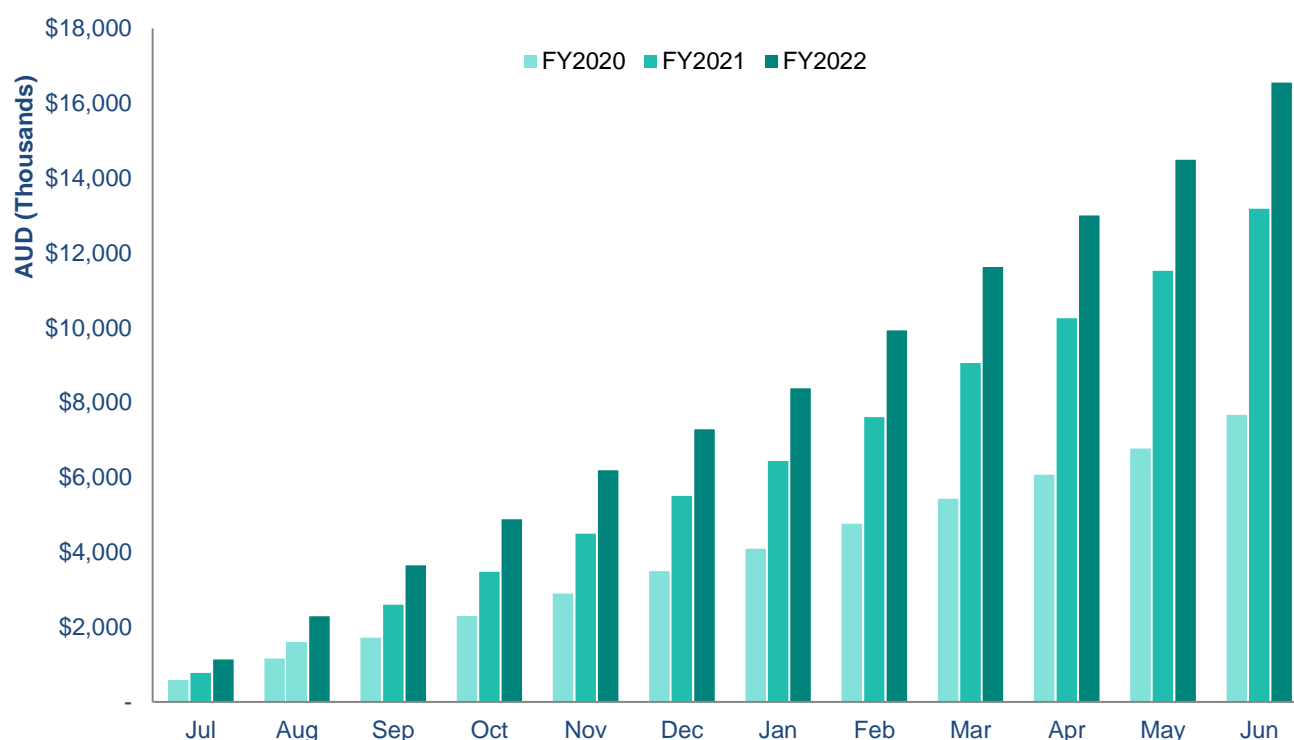


Mr. Davey said, "In the US, Australia and New Zealand we continue to focus on building a solid foundation for our platform, to consistently deliver value to our agents and grow a quality recurring revenue business."

## Cash flow and net cash position

- **Cash receipts from customers** in 4Q FY22 of \$4.8m, up 22% from 4Q FY21 and up 7% on 3Q FY22.
- **Operating cash outflow** for the quarter was c.\$474k, an improvement of c.\$340k (42%) from 3Q FY22 driven by increased revenues and timing on administration costs. YoY operating cash flows for 4Q FY22 improved by \$1.5m (76%) over 4Q FY21, with the increase in cash income bolstered by reduced staff costs and timing on annual administration expenses.
- **Cash on hand** as of 30 June 2022 was \$5.8m.

### Cumulative cash receipts from customers by financial year



Authorised for release by the Company Secretary, Scott Farndell

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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")**

30 June 2022

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	4,796	16,868
1.2 Payments for		
(a) research and development	(501)	(2,087)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing (mainly Promoter costs)	(931)	(3,677)
(d) leased assets	(87)	(350)
(e) staff costs	(3,280)	(13,280)
(f) administration and corporate costs	(482)	(2,308)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	6
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	10	40
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(474)</b>	<b>(4,788)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(48)	(116)
(d) investments	-	-
(e) intellectual property	(46)	(46)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 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	<b>Net cash from / (used in) investing activities</b>	<b>(94)</b>	<b>(162)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
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	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>-</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	6,309	10,700
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(474)	(4,788)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(94)	(162)



Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 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	21	12
4.6	<b>Cash and cash equivalents at end of period</b>	<b>5,762</b>	<b>5,762</b>

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	5,762	6,309
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>5,762</b>	<b>6,309</b>

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	(168)
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>		

<b>7.</b>	<b>Financing facilities</b> <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>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
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	<b>Total financing facilities</b>	N/A	N/A
7.5	<b>Unused financing facilities available at quarter end</b>		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.		

<b>8.</b>	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	(474)
8.2	Cash and cash equivalents at quarter end (item 4.6)	5,762
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	5,762
8.5	<b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	12.2
<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: 21/07/2022

Authorised by: the Board  
(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.