

## ASX Announcement

31 July 2024

## RENT.COM.AU QUARTERLY ACTIVITIES REPORT FOR Q4 FY24

Rent.com.au Limited (ASX:RNT) ('Rent.com.au' or 'the Group'), Australia's website made for renters, presents its quarterly activities report for the quarter ended 30<sup>th</sup> June 2024.

### KEY POINTS

- › \$300 million in payments have now been made via RentPay since relaunch.
- › Quarterly group revenue of \$764k, 8% improvement on same quarter last year.
- › Fully underwritten rights issue to raise \$2.5 million (before costs) completing August 2024.
- › RentPay agent sales pipeline still strong with 3,000 tenants awaiting onboarding.
- › New RentPay features driving increased ARPU.

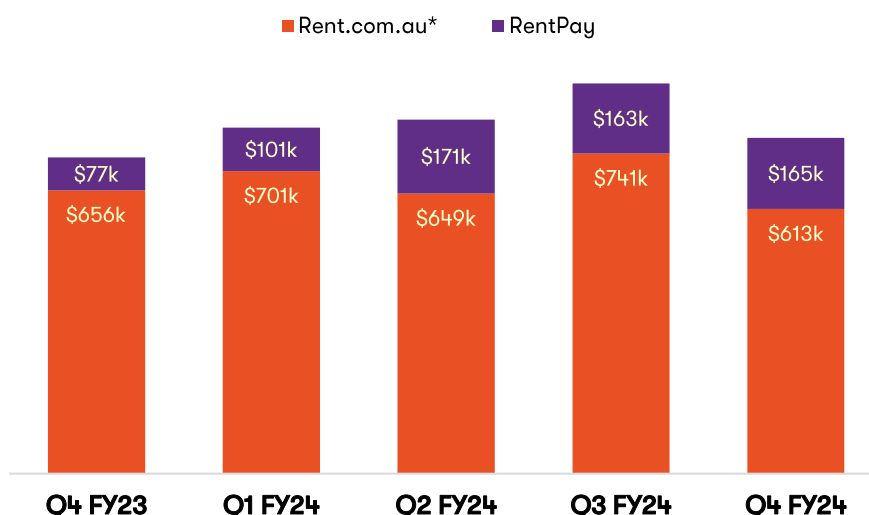
### OVERVIEW

"As is typical for the June quarter, less renters move house therefore demand for our Renter Products slows compared with the March 2024 quarter, before picking up again from late July through to end November. Nevertheless, we still posted an 8% increase in revenue compared to the same quarter in 2023," said Rent.com.au CEO Greg Bader.

"This seasonality also presents opportunities for us. As we referred to in our previous quarterly, property management teams had paused RentPay migrations during the peak moving period. We re-engaged those agencies to start onboarding their rent rolls, adding more than 600 net RentPay customers, with 3,000 more still in the process of onboarding at quarter's end.

"Disappointingly, as we announced on 3 June, a large agency that was one of the early RentPay adopters has undergone a significant restructure that included a change in its property management software. While RentPay is compatible with their new system, the agency has transferred its rent roll leading to a loss of around 1,400 RentPay customers by 30 June".

### QUARTERLY REVENUE



\* Includes inter-segment revenue of \$26k in Q4 FY23, \$16k in Q1 FY24, \$12k in Q2 FY24, \$13k in Q3 FY24 and \$14k in Q4 FY24

## RENT.COM.AU / SEARCH PORTAL

“Our search portal continues to perform well. Our iOS and Android apps remain the best rated real estate apps and our site continues to rank highly behind only REA and Domain. The portal also continues to be profitable, albeit without the significant upside potential of RentPay,” said Mr Bader.

“The seasonality of the rental real estate industry affects our search portal because when there are less people moving, there is less demand for our products whose appeal lies in how they address specific renter pain points in the moving process. Similarly, audiences that advertisers target are smaller during this period.

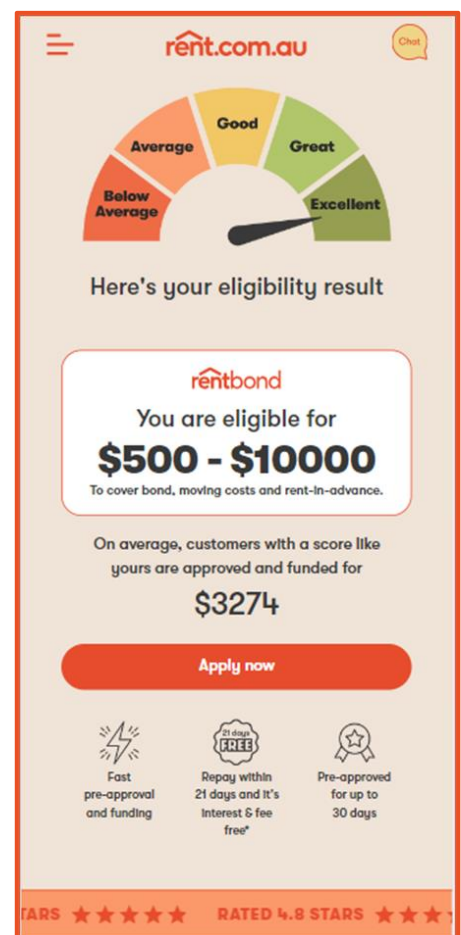
“Overall, we are starting to see the rental market starting to come off its crazy levels of low vacancies and big rental increases. The market is still very tight and year over year rental prices are around 10% higher but the national average weekly rent has not changed significantly in several months now and slightly more rental properties are on the market,” explained Mr Bader.

“Cost of living pressures continue to affect renters, particularly with regards to energy costs. Our RentConnect product is aimed at helping renters get a good deal on energy when they move home. For the last two years we have partnered exclusively with Origin to deliver this product, however, together we have not been able to generate the volume of new customer connections that we had hoped given the high volume of interest we have from our customers. Around 5,000 customers per month opt in to receiving energy offers, so to better serve these customers we will be broadening the offering to include other energy providers as well as internet offers. These changes are expected to be in effect from Q2 FY25.

“Our RentBond product also continues to experience high demand which we’re leveraging to further improve the product. During the quarter we introduced an ‘eligibility checker’ which allows a customer to check their credit score and assess their eligibility for a loan. This does not affect their credit score and speeds up the application process. Bringing this aspect of the credit decision forward to the Rent.com.au site allows us to better serve our customers and could allow us the opportunity to offer alternatives to customers who may not be a fit for our current provider.

“Alongside the improvements to the application process, part of our success has been in being able to work with referral partners to offer their customers access to RentBond too. These partnerships include real estate agencies who seek to improve their service offering as well as passively earning fees from the referral.

“Other partners include two software providers to the property management sector who have thousands of renters on their platforms to whom they can introduce the RentBond offer to. We intend to continue expanding our range of referral partners within the real estate industry and to look for other opportunities to grow RentBond,” said Mr Bader.



## RENTPAY

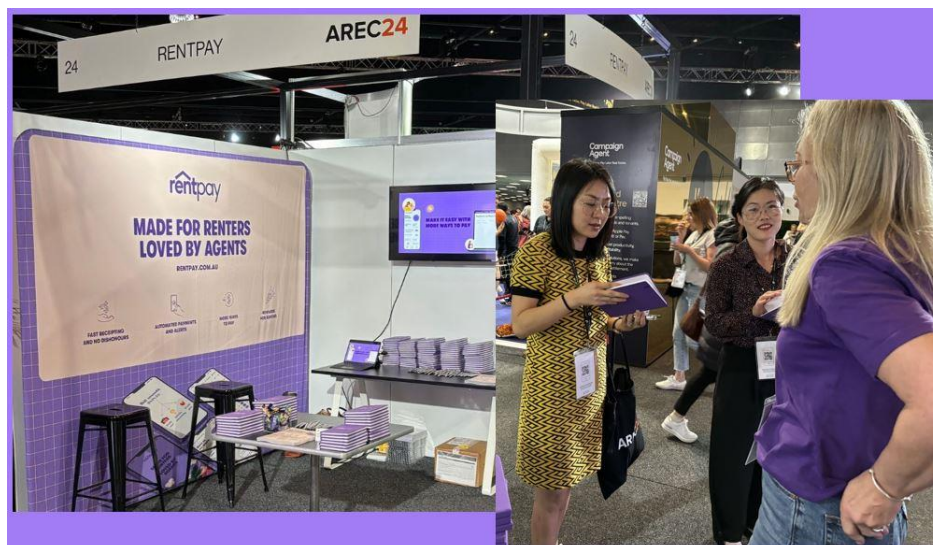
- › 8,133 active customers transacting payments as of 30 June 2024 (up 34% on Q4 FY23).
- › \$300m in rent paid via RentPay since relaunch.
- › Strong pipeline of agencies who have commenced onboarding of rent rolls.
- › New payment methods, features help drive ARPU increases.

## CUSTOMER NUMBERS

“We entered the quarter with a strong pipeline of agencies representing more than 4,000 tenancies who had signed agreements with RentPay but were yet to onboard their rent rolls.

“With the peak moving period behind us, we were able to re-engage these agencies property management teams to schedule the onboarding of their rent rolls. While we have not been able to transition all of them yet, we added more than 600 net new tenant customers from the pipeline during the quarter and still have around 3,000 tenants to onboard.

“Alongside onboarding tenants from our agent sales pipeline, we’ve continued to promote RentPay to the real estate industry via one-on-one sales activity as well as exhibiting at major industry conferences such as AREC24 which had more than 5,000 attendees from real estate agencies across the country. These conferences are a good source for new and follow up sales conversations. Already since AREC24 in late May we have completed demos and are finalising agreements for agencies representing more than 4,000 tenants, in addition to the 3,000 we already have agreements for,” explained Mr Bader.

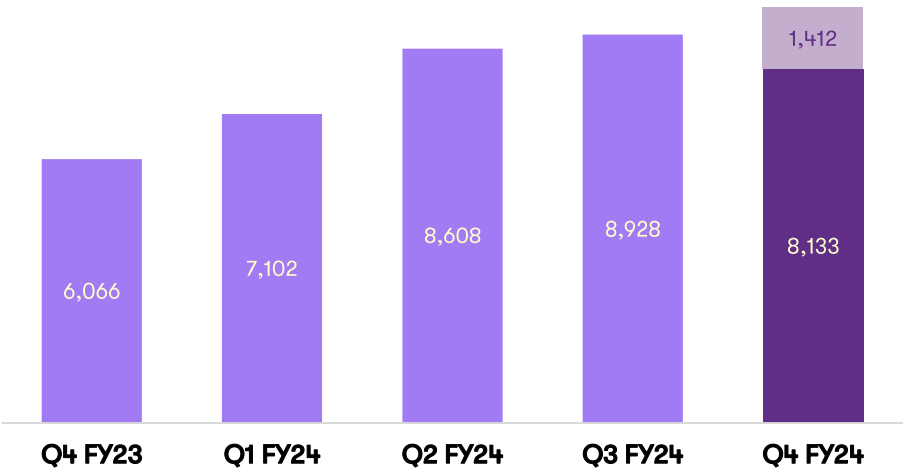


“We also have about 20% of new customers coming via our consumer marketing channels. These customers typically are not renting through an agency with which we have an agreement, but the customer is looking to use one or more of RentPay’s features such as choice in payment method or Scorebuilder, bill smoothing etc. Where we see several tenants from a single agency using RentPay it provides an opportunity for us to have a sales conversation with that agency about the benefits to the agency such as improved productivity and lower arrears.

“During the quarter we also experienced a significant churn event for the first time. An agency that we have been working closely with over the past 18 months undertook a major restructuring which included management team changes, divestment of rent rolls and transition onto a new property management software platform which incorporates a limited payments function. While the new management team remained complimentary towards RentPay, they saw retaining us as

a payments option being a potential barrier to adoption of the new system and therefore instructed all their tenants to close their RentPay accounts. This resulted in the loss of 1,412 RentPay customers during the quarter”.

**ACTIVE RENTPAY CUSTOMERS**

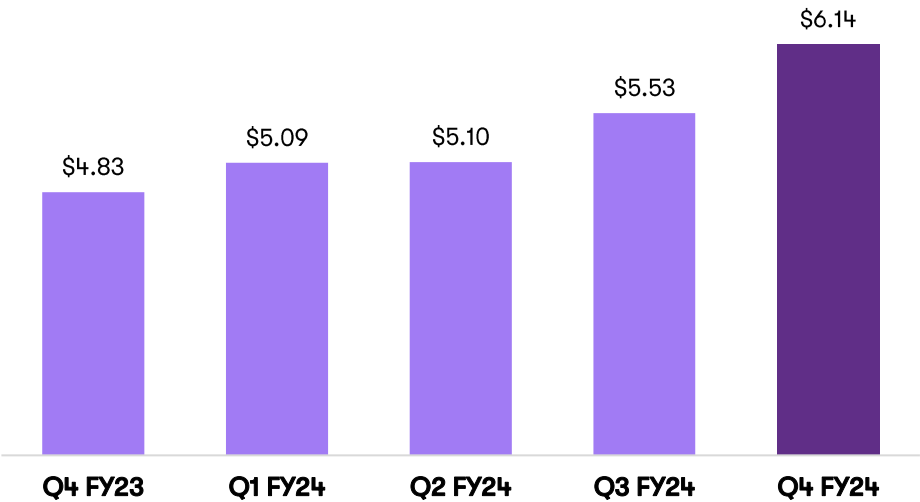


“This loss was disappointing, especially since it came amidst the backdrop of RentPay customer numbers growing more strongly again, and because RentPay had delivered significant benefits to the agency involved with arrears having been reduced to less than half of what they were prior to that agency using RentPay. We must remember however, that many of the agencies who are signing up to use RentPay migrating from another solution too”.

**AVERAGE REVENUE PER USER (‘ARPU’)**

“During the previous quarter we launched several features aimed at both making RentPay more attractive for renters and providing opportunities to increase profitability. These included a cashback rewards partnership, adding Alipay, WeChat Pay and UnionPay as payment options and new Click to Pay functionality which makes it easier to add a credit card to the user’s RentPay wallet. Coinciding with the Click to Pay release we also reduced our credit card fees to be the lowest in market, making it easier and cheaper to pay rent with a credit card. Rather than reduce the ARPU, this has increased use of credit cards as a payment method and actually increased ARPU,” explained Mr Bader.

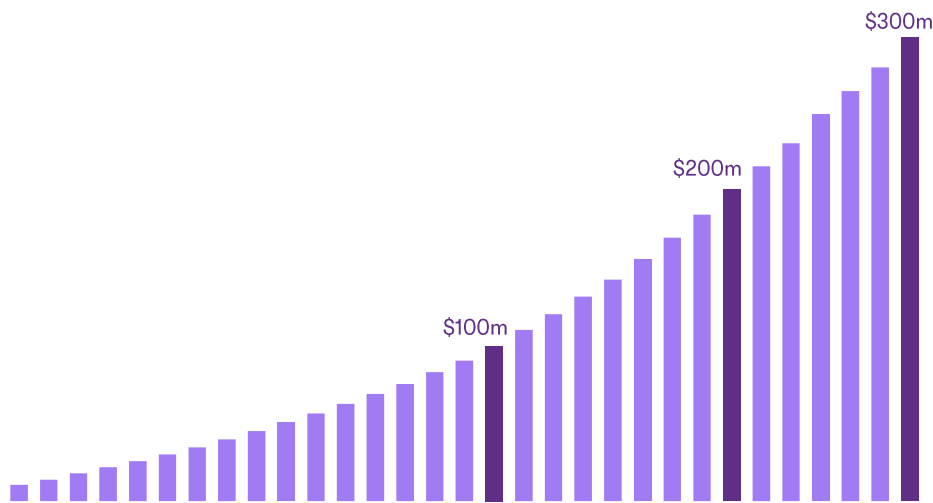
**RENTPAY ARPU**



“While we do not currently earn a margin on credit card use, we are exploring ways in which we can so within the regulatory environment governing credit cards. Payment methods such as Alipay, WeChat Pay and UnionPay are not governed by the same regulations and RentPay is able to earn a small margin from facilitating payments via these methods.

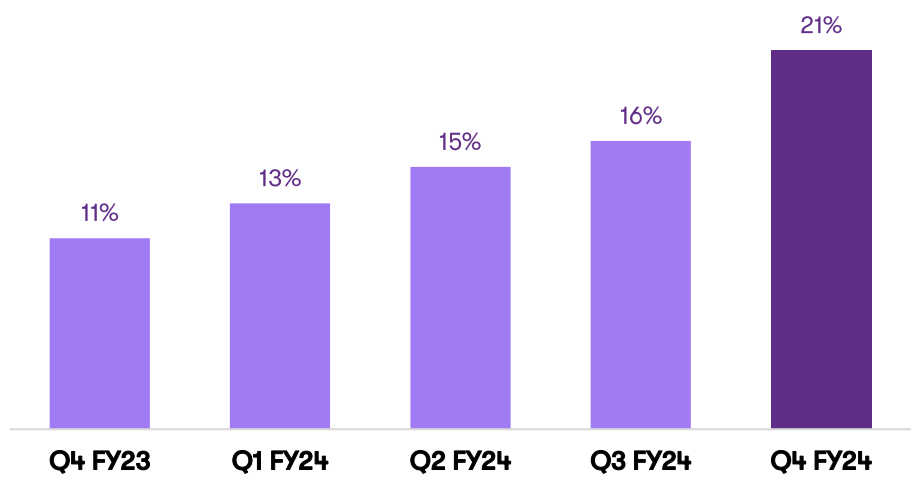
“Usage of RentPay by existing customers has increased with the 18% growth in average payment value being double the 9% national rental price growth, indicating that with the various payment methods we offer there are now more customers who fall within the higher rent demographic. This, along with overall customer growth has driven the total payments made via RentPay to more than \$300 million since launch. The most recent \$100 million has come in just six months, two months quicker than the previous \$100 million”.

**CUMULATIVE RENT PAID VIA RENTPAY**



“The continued growth of RentPay is also driving a shift in our business’s revenue profile towards a more stable, annuity-style income that is not as exposed to seasonal and market variations like the search portal is. 21% of group revenues now come from RentPay’s subscription revenue rather than one off transactions”.

**% ANNUITY REVENUE**



RentPay's EBITDA loss for the quarter was \$611k which included \$91k of marketing spend, and investment in software development was \$173k. Collectively, this expenditure on RentPay was \$34k greater than the previous quarter.

## OUTLOOK

“The churn from a single large agency overshadows our result for the quarter. Aside from that event, which was largely outside of our control, the June 2024 quarter has been a positive one. We added new RentPay customers at a faster rate than we had in the previous quarter, and we have made good progress on several initiatives across both Rent.com.au and RentPay,” said Mr Bader.

“We have continued to promote RentPay strongly across agent-focussed platforms and events which has contributed to us maintaining a strong sales pipeline in addition to those agencies who have already signed on to RentPay but have not yet completed onboarding. We have made key changes to our biggest Renter Product and started on several other important initiatives for the future.

“As ever there is still much for us to do in order to grow our business and set it up to continue growing sustainably. We have just closed our Entitlement Issue to raise approximately \$2.5 million before costs which will provide funding for us to continue this work and we look forward to a positive September 2024 quarter,” 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 \$77k, 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.*

*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")**

30 June 2024

<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		900	3,590
1.2 Payments for			
(a) research and development		-	-
(b) product manufacturing and operating costs		(494)	(1,774)
(c) advertising and marketing		(216)	(899)
(d) leased assets		(20)	(86)
(e) staff costs		(485)	(2,158)
(f) administration and corporate costs		(109)	(602)
1.3 Dividends received (see note 3)		-	-
1.4 Interest received		20	80
1.5 Interest and other costs of finance paid		(4)	(43)
1.6 Income taxes paid		-	-
1.7 Government grants and tax incentives		-	611
1.8 Other (provide details if material)		-	-
<b>1.9 Net cash from / (used in) operating activities</b>		<b>(408)</b>	<b>(1,281)</b>
<b>2. Cash flows from investing activities</b>			
2.1 Payments to acquire or for:			
(a) entities		(1)	(1)
- (b) businesses		-	-
(c) property, plant and equipment		-	-
(d) investments		-	-
(e) intellectual property		-	-
(f) other non-current assets (software development)		(432)	(1,645)



Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(433)</b>	<b>(1,646)</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	1,990
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	(17)	(269)
3.5	Proceeds from borrowings	-	691
3.6	Repayment of borrowings	(68)	(780)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(85)</b>	<b>1,632</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	1,139	1,508
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(408)	(1,281)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(433)	(1,646)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(85)	1,632

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	<b>Cash and cash equivalents at end of period</b>	<b>213</b>	<b>213</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	193	1,119
5.2	Call deposits	20	20
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>213</b>	<b>1,139</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	77
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>		

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

<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)	(408)
8.2	Cash and cash equivalents at quarter end (item 4.6)	213
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	213
8.5	<b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	0.53
	<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: No. The Company has announced a fully-underwritten Entitlement Issue to raise \$2.52m (before costs) which will be completed by 5 August 2024 (announced on ASX on 9 July 2024).	
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: Yes. The Company has announced a fully-underwritten Entitlement Issue to raise \$2.52m (before costs) which will be completed by 5 August 2024 (announced on ASX on 9 July 2024).	

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:

Yes, the Company expects to be able to continue its operations and to meet its business objectives on the basis of the improving operating cash outlook, with the capital raising that is to be announced expected to cover any shortfalls that occur.

*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.*

## 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 July 2024 .....

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.