



Rent.com.au Limited
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ASX Announcement

28 April 2022

RENT.COM.AU QUARTERLY ACTIVITIES REPORT FOR Q3 FY22

Rent.com.au Limited (ASX: **RNT**) ("**Rent.com.au**" or "**the Company**"), Australia's website made for renters, presents its quarterly activities report for the quarter ended 31st March 2022.

Key Points:

- > Record quarterly revenue of \$853k, 7% improvement on the same quarter last year.
- > Record Renter Resume creation and search platform usage metrics.
- > Core rent.com.au search portal records 7th consecutive positive EBITDA quarter.
- > RentPay product offering expands, new agent onboarding commences.
- > \$3.1m cash on hand at end of quarter.

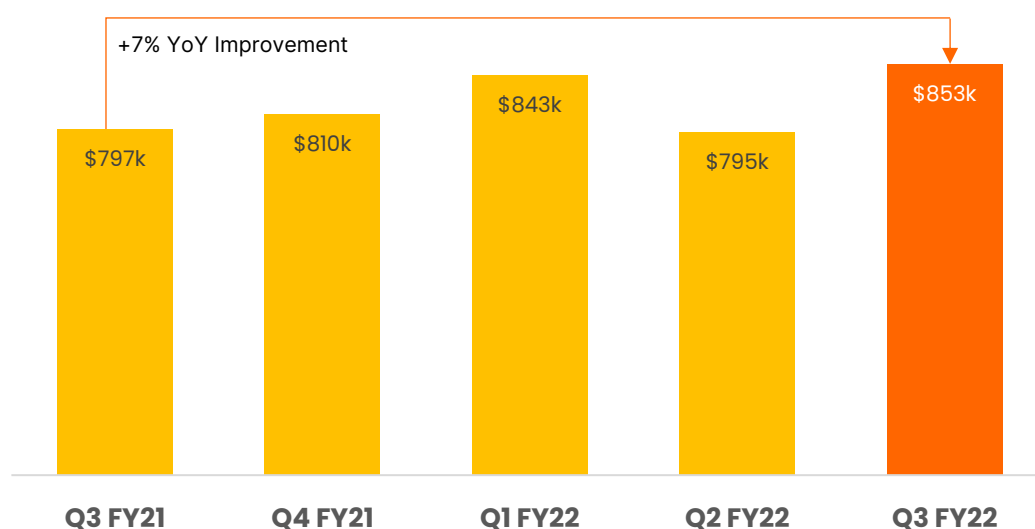
Overview

"I am really pleased that we've been able to grow across all key metrics and post a record quarterly revenue result," said RENT CEO Mr Greg Bader.

"The March quarter is typically our strongest quarter of the year, however we are still seeing a very tight rental market with vacancy rates are all time lows and listing volumes down over 30% from last year, so our results are all the more impressive given that context.

"Achieving record revenue in the quarter and a 7th consecutive positive EBITDA quarter for our rent.com.au search portal, confirms that we have a consistent, solid position in the market, one which we intend to grow even further. RentPay remains a key focus of course and during the quarter we made excellent progress in developing the revamped onboarding flow which incorporates some intuitive, market-leading customer experience features. This will halve the onboarding effort for customers, and we anticipate this will lead to a much greater conversion rate from download to become a paying tenant".

QUARTERLY REVENUE - GROUP



Rent.com.au Update

"Our best ever quarterly revenue result and 7th successive quarter of positive EBITDA reflects the strength of our core rental platform and our product offering. The rental market remains extremely tight across all states, with far fewer properties being advertised as available to rent.

"We see this reflected in the lower take up of our bond finance and utility connection products, both of which were improved on previous quarters but not at the same level as in the previous year. The numbers of renters looking has recently improved. In March alone we saw a record of just over 170,000 applications and enquiries for rentals. This mismatch between demand and supply has helped drive the record uptake of both our Renter Resume product (which allows people to present their application or enquiry in the best light) and the related RentCheck product (verifies the renter's ID and checks they've not been reported on the National Tenancy Database) through January and February, driving an increase in overall Renter Products revenue over previous quarters and in line with the previous year.

"Our RentConnect product continues to deliver thousands of customer leads, and we're working closely with our partners management team to expand the product and increase customer take up further. We are similarly working with our finance partner to expand and improve the RentBond product, improved pricing and application flows are live, and we are starting to see gains in terms of customer take up.

"Despite some softening in the market for new build homes, Advertising Sales revenue continued its growth trajectory, up 19% on the same quarter in 2021 underpinned by longer term agreements but with some exciting new opportunities emerging in the home loan lead generation space. We know from our renter audience that many (~20%) are 'rentvestors' in that they own residential property but choose to rent elsewhere for lifestyle reasons. Many other renters have plans to transition into owning a home that they live in. Advertisers who are prepared to invest in helping and nurturing renters to the point where they're ready to take out a mortgage or buy a home benefit from advertising on rent.com.au because it puts them and their brand at the front of the queue when the renter reaches that decision point," said Mr Bader.

RentPay Update

- > 2,649 active customers transacting payments, 29% increase since previous quarterly.
- > \$18m in rent has been paid into RentPay to date (daily trust account balance ~\$600k).
- > Complete redesign of the onboarding flow in development, nearing completion.
- > New payment methods (crypto-currency, Alipay, WeChat Pay) being added.

As the Company has previously communicated, development and expansion of RentPay is an ongoing process with several current projects in train:

Agent rent rolls

"We have worked closely with some 'early adopter' agencies to test and refine the process for seamlessly onboarding agent rent rolls. Pleasingly, this collaborative process worked smoothly with over 90% of the rent rolls onboarded following a combination of agent and RentPay communication to the customers. We have also implemented additional payment flexibility that gives an agency choice in terms of passing on the fees or subsidising them, thus making RentPay the free, default payment method.

"We will use these learnings in the coming quarter as we start onboarding the larger rent rolls for agencies that we have agreements with. In November 2021 we announced an agreement with a leading rental management agency, and in the past fortnight we have started the process of onboarding their tenants. We expect to complete most of the onboarding by the end of June and are pursuing interest from other large rent roll managers to maximise the user base as quickly as we can.

New renter onboarding process

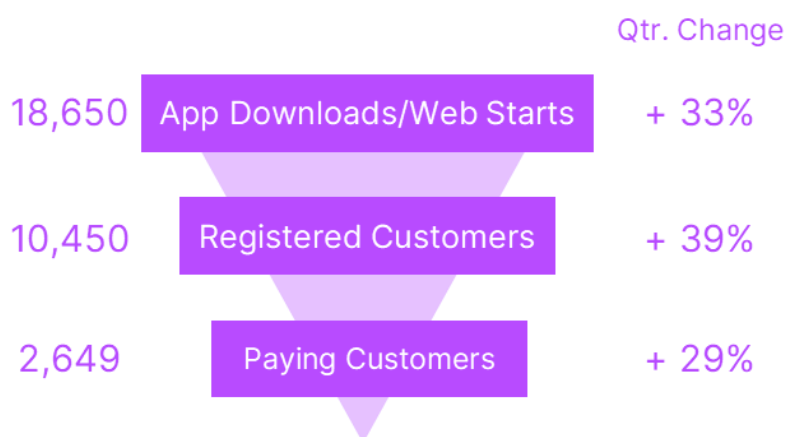
"The development of our new renter onboarding process has been completed and we will launch our Web and App versions over the next week. Not only is the new process much more intuitive for customers but reduces the number of screens a customer needs to navigate to become active by half. We expect to see a significant increase in conversion rate from downloads as a result.

Expanding Payment Options

"We have also expanded our agreement with our payments partner, Novatti Group (ASX.NOV), to enable additional modern payment methods to make it easier for our customers. This includes accepting compliant secure payments from cryptocurrency exchanges and digital wallets such as Alipay, WeChat Pay and UnionPay.

"Accepting cryptocurrencies will be an exciting addition for RentPay. Novatti's innovative solution will allow us to directly interface, in a compliant and secure manner, with several popular cryptocurrency exchanges to receive the funds in AUD, rather than carrying any exchange or timing risks. There is some demand from customers, but I think we are still at the early stages of this becoming a mainstream payment method. It is, however, an area that is changing rapidly and something we should be a part of. I also think this has the potential to start an interesting discussion around tax implications.

"Alipay WeChat Pay and UnionPay have been on our radar for some time so now with borders opening and international students starting to return to the Australian rental market, this functionality becomes more relevant. Our goal is to make their transition as smooth as possible and offering them the opportunity to use their digital wallets for rent and household expenditure in Australia is an obvious benefit which we expect will help drive adoption of RentPay from that segment", explained Mr Bader.



"At a strategic level, we are also focussed on collaborations that not only provide opportunity to partners in key verticals, but importantly they will help us fulfill our mission of 'putting rent money to work' for renters through recognition and reward of good renters and thereby building more value into RentPay. We have been hard at work in this area and hope to reach agreement with partners over the coming quarter," said Mr Bader.

During the quarter RNT invested a net \$407k into the marketing and operation of RentPay to go along with \$370k of software development costs.

Outlook

"We have had a fantastic quarter despite a challenging time in the broader market and I am excited by the resumption in travel from overseas and expanding interstate travel. We are also starting to see an interest in movement back into the cities after a couple of years of people moving the other way. As we know, mobility is a key factor in the rental market, so it bodes well for the coming quarters.

"Our new streamlined and innovative onboarding flow for RentPay launches soon and we're also ready to expand the transition of real estate agent's rent rolls to provide additional momentum to our customer numbers ahead of the introduction of further new features and product partnerships.

"We're on track to achieve significant market change and new doors are opening for us all the time," concluded Mr Bader.

Disclosures required under ASX Listing Rules:

Payments to related parties of the entity during the quarter totalled \$82k, 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.

Lodgement with the ASX has been authorised by the Board of Directors. 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



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 move now, pay later 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 in partnership with AGL that not only makes moving hassle free – ensuring the lights are on and the water is hot when a renter moves into their new place but also provides the renter with a \$100 gift card to help them turn a house into a home.

[Learn More](#)

Renter (and Pet) 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](#)

Rental payments in the palm of their hand. Renters can make payments, track payments, view their rental history, and set-up reminders.

[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")

31 MARCH 2022

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	856	2,700
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(352)	(1,160)
(c) advertising and marketing	(170)	(735)
(d) leased assets	(20)	(93)
(e) staff costs	(500)	(1,467)
(f) administration and corporate costs	(154)	(607)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(5)	(10)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(345)	(750)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses		
(c) property, plant and equipment	-	(2)
(d) investments		
(e) intellectual property		
(f) other non-current assets	(439)	(1,344)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 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)	2	2
2.6	Net cash from / (used in) investing activities	(437)	(1,344)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	2,500	2,500
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	(26)	(77)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	(169)	(169)
3.10	Net cash from / (used in) financing activities	2,305	2,254

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,555	2,918
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(345)	(750)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(437)	(1,344)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,305	2,254
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	3,078	3,078

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	3,058	1,487
5.2	Call deposits	20	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)	3,078	1,557

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	82
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>		

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

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(345)
8.2	Cash and cash equivalents at quarter end (item 4.6)	3,078
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	3,078
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	8.92
	<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: 28 April 2022
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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.