

ASX Announcement

31 January 2024

RENT.COM.AU QUARTERLY ACTIVITIES REPORT FOR Q2 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 31st December 2023.

KEY POINTS

- › Quarterly group revenue of \$808k, 33% improvement on same quarter last year.
- › Search portal revenue growth of 11% vs same quarter last year.
- › 21% quarterly growth in active RentPay customers (122% growth vs same time last year).
- › Key new RentPay partnership opportunities to be leveraged.

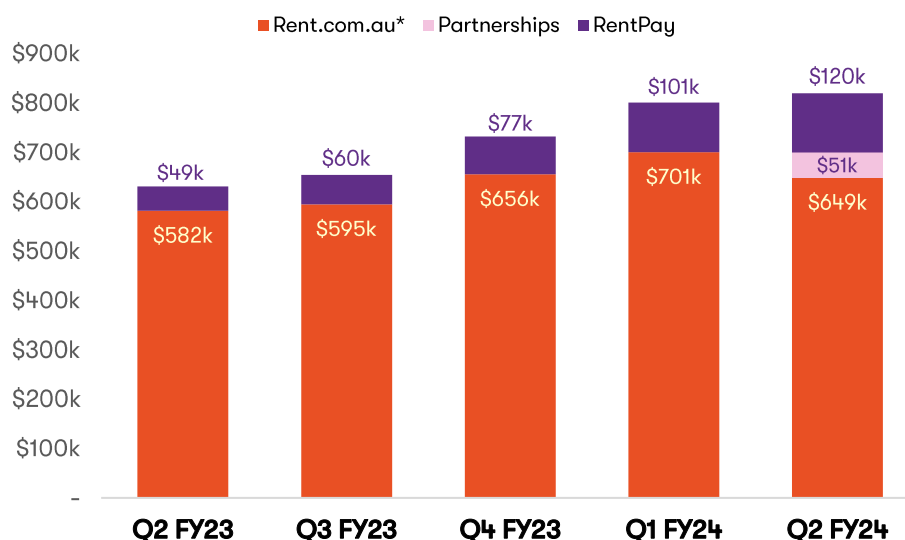
OVERVIEW

"We've had a phenomenal quarter. This is usually the weakest quarter of the year because the real estate industry effectively shuts down for most of December. While that has not changed, our group results have proven more resilient in large part because of the annuity nature of RentPay's revenue. We've also earned some partnership revenue which, although a one-off, illustrates an additional revenue stream for the future," said Rent.com.au CEO Greg Bader.

"On the 'Search portal' side of the business, revenue was impacted by the seasonal shutdown, dropping 7% vs the September quarter but compared to the December 2022 quarter it grew 11% and the portal business recorded another positive EBITDA result.

"Revenue results aside, this past quarter has set us up for some big things during calendar 2024. We completed a rights issue that was very well supported by existing shareholders, built a good pipeline of RentPay growth opportunities, and entered some potentially transformative partnerships."

QUARTERLY REVENUE



* includes inter-segment revenue of \$24k in both Q2 and Q3 FY23, \$26k in Q4 FY23, \$16k in Q1 FY24 and \$12k in Q2 FY24

RENT.COM.AU / SEARCH PORTAL

“Our portal continues to perform well in terms of both traffic and key web/app performance metrics, which position us as one of the top portals in the country with our Android and iOS apps the highest rated by customers,” Mr Bader said.

The moving period remains a key opportunity to draw renters’ attention to the products and services they need and Rent.com.au’s core product set of RentBond, RentConnect and RentCheck offer market leading solutions to renters.

“It is a stressful time, particularly in the current tight rental market, and we can help renters while at the same time monetising our platform. Our RentBond loan product continues to be a major contributor to ‘Search’ revenues and we’re looking at ways we can broaden the appeal of the product even further. By opening the product up to referral partners such as real estate agencies and industry solution providers, we have significantly grown volumes compared with the same quarter last year, thereby opening up further opportunities,” explained Mr Bader.

“The next phase of our product growth will involve taking a greater role in the end-to-end delivery of our products. For RentBond, the greater volume of transactions provides us with the scale to further improve conversion rates and attractiveness of the product as well as improve our margins. A key input into the product pricing is the funding cost which we have not historically been exposed to, however we believe we have the means to lower these costs to drive better outcomes for us, our partners, and our customers. With our current scale and history of the product we are confident there is a model where we can lower the cost of providing bond loans whilst also offering an attractive return to ourselves and our funding partners.

“At even greater scale, an extension of this could see us also providing that investment opportunity back to RentPay customers as part of a savings product. This involves additional licencing obligations and costs for us which we may partner on until we achieve sufficient scale, but it would create a circular environment where renters are supporting other renters.

“Advertisers continue to be a significant contributor to our revenue, and they value our ability to target renters at various stages of the renting journey. Traditionally home builders have been the major source of advertising revenue for Rent.com.au but with that segment under pressure over the past couple of years, we’ve worked to expand our advertiser base which now includes finance and telecommunications companies as well as lifestyle/convenience style products. Advertising revenue for the quarter was up 21% over the same quarter last year”.

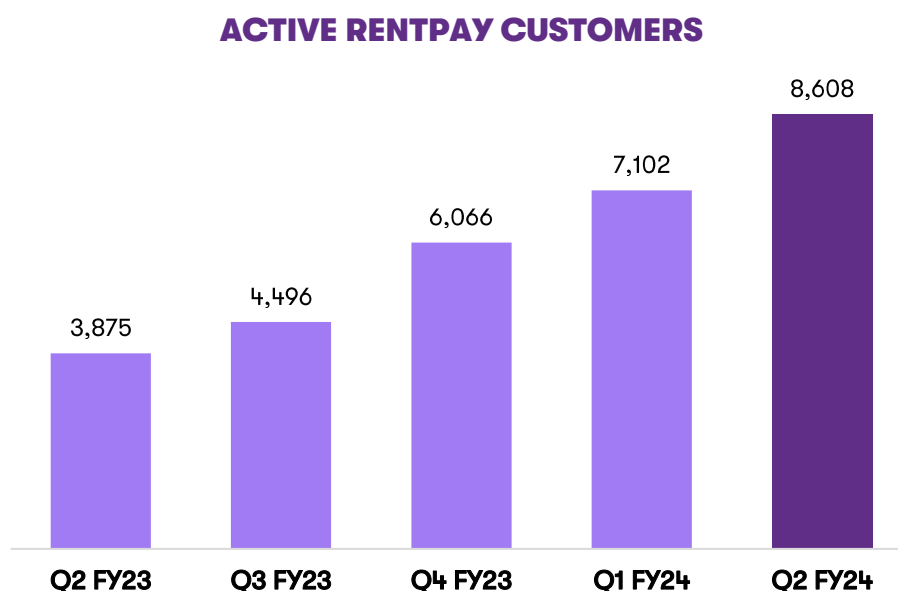
RENTPAY

- › 8,608 active customers transacting payments as at 31 December (growth of >1,500).
- › More than \$200m in rent has been paid via RentPay since relaunch.
- › Steady pipeline of real estate agencies signing on to use RentPay, onboarding commenced.
- › Industry partnerships e.g. MRI Software have potential to further accelerate growth.
- › Further new payment methods to be delivered in coming months.

“Our Agent sales activity continues to deliver solid customer growth for us, with just under two-thirds of new sign ups during the quarter coming from agents we’ve signed agreements with. This doesn’t yet fully reflect the impact of our sales activity because it takes time to get an agency’s full rent roll onboarded because we still need tenants to verify banking and other details. Better integration with industry software solutions such as MRI Software’s Property Tree make this easier of course and we will pursue further opportunities to improve this integration.

“We also continue to market to consumers, and they are seeing the benefits of RentPay in terms of managing budgets, providing cost effective ways to maximise credit card points, build credit and save on utilities. The cost of acquiring a non-agent customer has continued improving as greater awareness of RentPay builds within the renting community and as we provide further product enhancements. We also learn a lot from the ways we see our customers using RentPay which helps inform product developments such as offering industry leading credit card rates and implementing Click to Pay with Mastercard,” explained Mr Bader.

CUSTOMER NUMBERS



“With the rental market remaining very tight because of a low supply of rental properties, agencies are looking for ways to ease the stress on their property managers who are inundated with tenant applications and enquiries. RentPay addresses several property management pain points and our approach to onboarding rent rolls, whereby we manage the transition on the agency’s behalf makes it even easier to move onto RentPay.

“This makes us a popular proposition, especially for medium sized agencies and those that are growing quickly. RentPay is also proving to be very useful for agencies looking to sell their rent roll to release capital because it makes the settlement process so much easier. Rather than having to rely on all the renters on a rent roll having to change payment details from settlement date, we merely adjust the agent’s details in our system and all payments are redirected from the settlement date.

“By being incredibly easy to work with we’re getting more agency interest which we are working to capitalise on,” Mr Bader said.

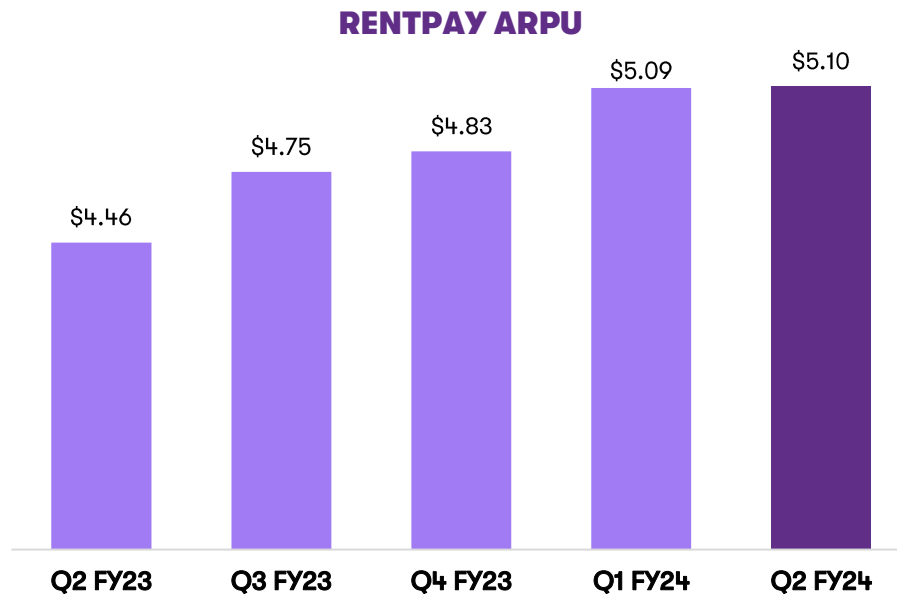
“We expect that by partnering with industry leaders such as MRI Software, we can further expand distribution of RentPay through generating greater awareness of our product amongst real estate agencies by virtue of inclusion in MRI’s partner portal and by promotion and speaking opportunities at MRI’s regional customer conferences and selected sales team events”.

AVERAGE REVENUE PER USER (‘ARPU’)

“Our priority is growing the customer base for RentPay, and this involves adopting a customer-centric view to feature development. An example of this is the introduction of industry-leading credit card fees of just 0.99%. This is attractive to consumers, and we’ve seen an increase in the

proportion of new customers who're using credit cards to pay their rent. So, while the ARPU we've earned from just credit card customers has reduced, we've got more customers as a result and still maintained the overall ARPU.

"We've taken this approach in evaluating the commercial arrangements and partnerships we're looking at. Some result in features that enhance the value proposition and usability of RentPay to attract more customers, while others deliver features that do that plus add revenue streams which grow ARPU. This is what excites us about some of the partnerships that are in train, especially around new payment choices and rewards," said Mr Bader.



The December 2023 quarter also saw the first partnership revenue earned by RentPay. Alongside an advertising campaign on Rent.com.au, Mastercard also engaged RentPay to promote Click to Pay via the app. A total of \$51k was recognised as partnership revenue during the quarter, with some further revenue to come. The ARPU numbers in the table above exclude this partnership revenue.

During the quarter RentPay's EBITDA loss was \$501k and includes \$84k of marketing spend. This EBITDA result was an improvement of \$27k on the previous quarter. Investment in software development was \$224k, an increase on the previous quarter reflecting new features including Click to Pay functionality and new payment methods still in development.

OUTLOOK

"I'm really pleased that we've started demonstrating that we can capitalise on the agent opportunity for RentPay through strong growth with more to come. We'll keep focussed on maintaining our leadership in the product space and growing our sales via consumer, agent and partnership channels led by our new General Manager of RentPay," said Mr Bader.

"We are also starting see greater industry interest and understanding of payment platforms and the advantages they offer, however with the cost of living and general rental pressures being a hot topic, we expect agents will be more discerning in who they partner with as they manage potential reputational risks. Some payments platforms have excessive and confusing fee structures, and we are seeing pushback from agencies on behalf of their tenants. RentPay shines in this environment with its market leading and transparent fees. Evidence of this lies in that 20% of our customer base are direct tenants who choose to join RentPay of their own accord independently of their agency, meaning agents can be confident of tenant support for RentPay.

“The Mastercard campaign across both Rent and RentPay platforms was an interesting project and allowed us to introduce new functionality into RentPay and run a consumer campaign over the Christmas season to maintain customer growth during a shutdown period for agents. It also demonstrated a latent revenue opportunity for RentPay that we are yet to fully exploit.

“The additional product initiatives that we expect to release this quarter for RentPay include the launch of a rewards program for RentPay and further payment choices for customers. On the Rent.com.au side of the business we’ll keep working on growing our Advertising Sales capability and progressing initiatives to make more of the thousands of renters who ask for help with finance or utilities each month.

“We our recent capital raising completed, Search portal profitability, and a clear and confident growth path for RentPay we are well placed to deliver on our growth ambitions,” 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 \$73k, 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")

31 December 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	941	1,780
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(414)	(807)
(c) advertising and marketing	(225)	(468)
(d) leased assets	(21)	(44)
(e) staff costs	(495)	(1,087)
(f) administration and corporate costs	(189)	(474)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	22	39
1.5 Interest and other costs of finance paid	(27)	(31)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	611	611
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	203	(481)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	(370)	(782)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 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)	-	-
2.6	Net cash from / (used in) investing activities	(370)	(782)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,990	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	(252)	(252)
3.5	Proceeds from borrowings	554	691
3.6	Repayment of borrowings	(602)	(628)
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	1,690	1,801

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	523	1,508
4.2	Net cash from / (used in) operating activities (item 1.9 above)	203	(481)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(370)	(782)

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)	1,690	1,801
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	2,046	2,046

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	2,026	503
5.2	Call deposits	20	20
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)	2,046	523

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	73
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> 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		

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)	203
8.2	Cash and cash equivalents at quarter end (item 4.6)	2,046
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	2,046
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	n/a
	<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: 31 January 2024
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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.