

ASX Announcement

3 June 2024

RENT.COM.AU TRADING UPDATE

Rent.com.au Limited (ASX:RNT) ('Rent.com.au' or 'the Group'), Australia's website made for renters, is pleased to present a trading update for the period to 31 May 2024.

KEY POINTS

- › Agreement signed to add PayPal as additional payment method for RentPay.
- › Continued strong interest from agencies at both franchise group and individual office levels.
- › RentPay agent sales pipeline starting to convert, offsetting large agency loss.
- › Rewards offering expanded to include Rent.com.au 'Search' customers.

RENT.COM.AU / SEARCH PORTAL

"While the June quarter is typically slower for the rent.com.au site and apps than the March quarter which is that time of year when most people move, a slight easing in the market is encouraging," Mr Bader said.

"Our Renter Product adoption rates continue to be strong. RentBond in particular is performing strongly year over year, and development of further enhancements is well advanced. Once released we expect this will drive further growth.

"RentBond is all about convenience and simplicity. When moving from one rental property to the next renters usually need to fund the bond, first rent and moving costs before they've left their former rental. RentBond solves this by advancing the funds and then the renter can choose to either repay the RentBond within 21 days at no cost or to repay over a longer period.

"The new enhancements provide greater certainty to the renter by providing a 'pre-approval' estimate without impacting their credit score. We expect that this will encourage more renters to check their eligibility and if successful, complete the application process. For those who have a lower credit score, we will then provide a pathway for them to sign up to RentPay in order to access the credit Scorebuilder feature and thereby improve their credit standing. Along with encouraging them to build a buffer, our aim is that once they've used RentPay for a period that their next move is that much easier," explained Mr Bader.

"In March 2024 we launched a partnership with Paylab to allow RentPay customers to earn cashback rewards on their everyday shopping activity and to apply these cashbacks towards their rent. We have updated our agreement with Paylab to not only expand this offer to the larger Rent.com.au customer base but for the Company to also receive a \$5 fee for every customer who signs up and uses Paylab.

"Aside from fewer seasonal or 'one-off' advertising campaigns in the current quarter, underlying interest from advertisers is picking up. Home builders are still facing challenges, but the outlook is improving and interest from other sectors is similarly promising, boding well for future quarters."

RENTPAY

- › 9,271 active customers transacting payments as of 31 May 2024 (up 64% on May 2023).
- › Sales pipeline starting to convert as agents have more time post moving season.
- › Strong new sales activity off the back of strong showing at real estate industry conferences.
- › Large agency partner undergoing significant change, potential loss of RentPay customers.
- › Good adoption of new product features, PayPal to be added as payment method.

CUSTOMER NUMBERS

“As we’d previously announced, we had a strong pipeline of agencies who had signed agreements with us and were waiting to onboard to RentPay. As the peak moving period has quietened down, we are seeing these agencies start the migration process and consequently an increase in active RentPay users. Of those agencies we had signed agreements with at the end of Q3 FY24, more than 3,500 tenancies have yet to be onboarded to RentPay.

“Our team has been active in continuing to drive new sales, whilst operationally also supporting agencies to migrate onto RentPay. We have exhibited at several major real estate industry conferences garnering significant interest and follow up meetings. We are following up these strong leads and expect to add to our pipeline of signed up agencies as a result.

“We also seen agent churn for the first time. One of the larger agencies who were using RentPay across rent rolls in Queensland, Victoria and WA is undertaking some strategic changes which include divestment of rent rolls as well as systems changes.

“The first stage of their restructure involved divestment of part of their rent roll to two separate agencies comprising approximately 250 tenants. We were able to work with both acquiring agencies to retain the tenants on RentPay and now have an opportunity to bring across the balance of their rent rolls, so this was ultimately a net gain. The transaction highlighted the role that RentPay can play in making transition easy for agencies. We were able to work with the buyers and the seller to simply redirect the rental payments to the buyers from the date of settlement. This meant that tenants were not disrupted during the sale process and could continue to enjoy the benefits and features of RentPay. Usually when a rent roll is sold there is significant disruption because tenants need to update payment details and often this leads to a spike in rental arrears which annoys the landlord and therefore puts at risk the rent roll buyer’s ability to retain the property management,” explained Mr Bader.

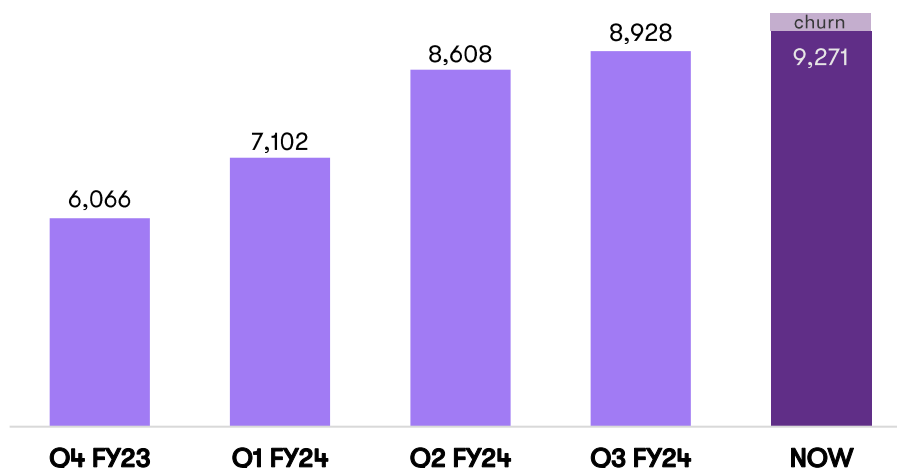
“Part of their business was also put into administration. We worked with the administrator and RentPay’s ability to seamlessly redirect payments worked well here, although unfortunately the rent roll was ultimately dissolved with the landlords fragmenting to several different agencies leading to the loss of more than 200 active customers.

“There is a risk to us of losing the balance of this agency’s tenants who are still using RentPay. They represent around 25% of currently active RentPay customers. We will continue to work with the agency concerned around the timing and nature of their changes to minimise the impact and maximise opportunities to retain the customers. Approximately 40% of these tenants use RentPay features that are unavailable elsewhere (Scorebuilder, CC rates of 0.99% etc), like any renter, these tenants can continue using RentPay as direct customers so we are confident of mitigating the potential loss of customers as much as we can.

“Natural churn rates have been forecast in our business plan and we have seen this play out as we grow our total customers quarter on quarter. It is disappointing to experience churn, but we

also need to be mindful that all our gains thus far have been someone else's churn. A positive in this is that the RentPay product was not the driver, in fact we continue to receive positive comments from the agency's leadership team."

ACTIVE RENTPAY CUSTOMERS



NEW FEATURES

"Last quarter we released exciting new features to RentPay and today we can also announce that we have signed an agreement with PayPal to offer PayPal as a payment option for RentPay customers," said Mr Bader.

"We are really excited about PayPal coming onboard. We align on values, with their key mission being to make the sending and receiving of money simple and secure. Partnering with a global payments partner of PayPal's scale allows RentPay to complete its international offering whilst also providing a well-known and trusted solution to Australian renters. Development has commenced and we look forward to releasing this to customers as soon as we can.

"In March we launched a cashback reward offering via a partnership with Paylab. This offer allows renters to get instant cashback rewards of up to 15% on many of Australia's favourite retailers with the resulting cashback transferred to RentPay and is credited to the user's wallet balance, thereby allowing everyday spending to offset their renting costs.

"To date more than 1,100 customers have already activated the offer, with a many of those already transferring their cashbacks to offset against rent. We have broadened the scope of our agreement with Paylab so that the offer is available to both RentPay and Rent.com.au customers. Furthermore, Paylab will pay the Company a referral fee for each new customer that signs up and uses Paylab.

"Use of our new payment choices, Alipay, WeChat Pay and UnionPay is also increasing and we're seeing new customers joining and exclusively using these payment methods. We are considering how best to leverage this 'word of mouth' opportunity to accelerate direct consumer customer acquisition," concluded Mr Bader.

Approved for release to the ASX 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

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](#)