

RENT.COM.AU QUARTERLY ACTIVITIES REPORT FOR Q3 FY19

Rent.com.au Limited (ASX: **RNT**) ("**RENT**" or "**the Company**"), Australia's Number 1 website dedicated to rental property, presents its quarterly activities report for the three months ending 31st March 2019.

Key Points:

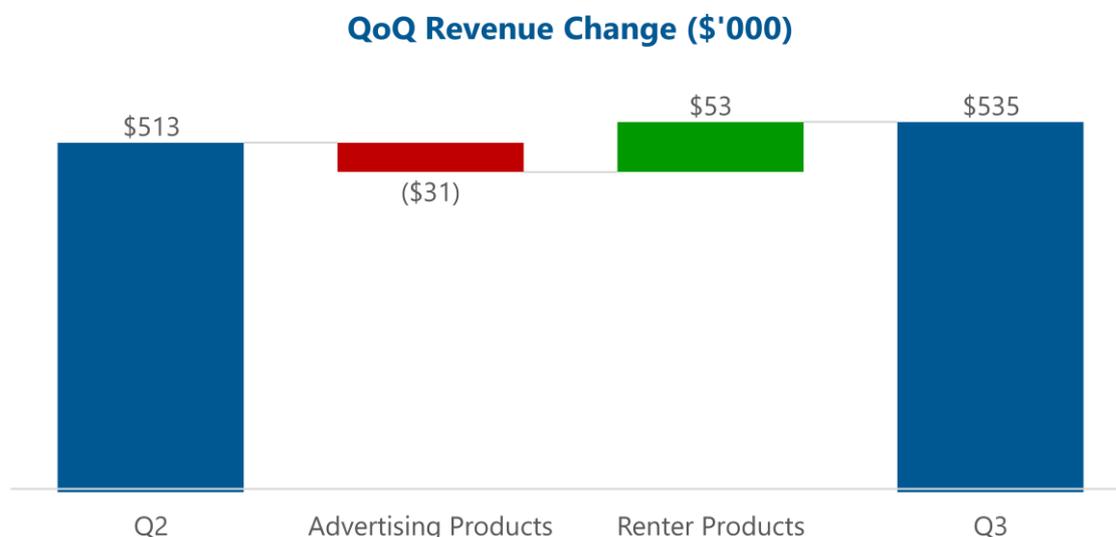
- > 4% Revenue improvement (12% EBITDA improvement) over previous quarter
- > Renter Product revenue grew 32% over previous quarter
- > Record quarter for Renter Resumes, total now over 525,000
- > RentPay rental payments product launched in the RENT App

Operating Overview

"It was pleasing to return to revenue growth, with revenue up 4% on the December quarter to \$535k and EBITDA improving 12% to a loss of \$572k," said RENT Chief Executive Officer Greg Bader.

Broadly, RENT's revenue is made up of two core inputs:

1. Revenue from Renter Products
2. Revenue from Advertising Products

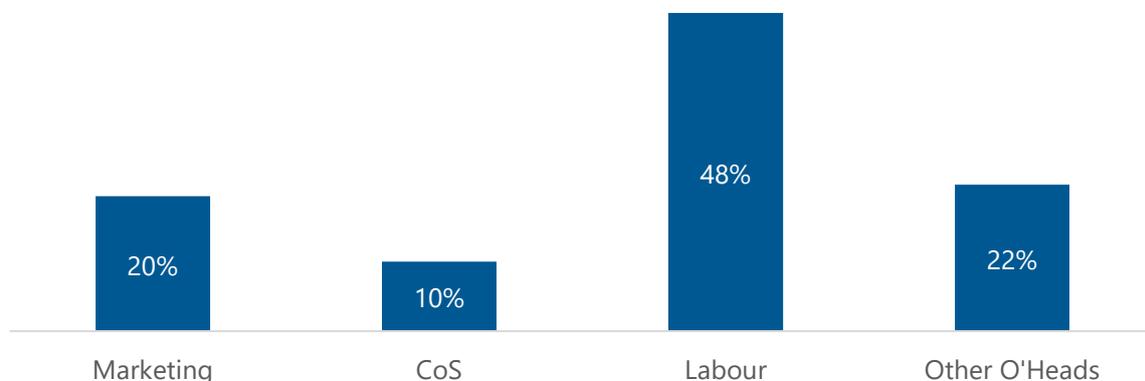


"We have seen strong growth in Renter Products revenue (was up 32% on the previous quarter) off the back of the changes we have made to the positioning of our RentCheck product, as well as the more significant changes we're still making to our RentBond product," commented Mr Bader.

"Advertising Sales continue to be a challenge, however the changes we've made in this area are starting to bear fruit. While Advertising Sales revenue declined 13% relative to the December quarter (which had benefited from the impact of Christmas marketing budgets) it increased 9% compared to Q1 FY19 and we are seeing significantly improved interest in our premium advertising options which we aim to convert into sales during the June quarter of 2019.

"We remain focused on the cost side of the business and the breakdown of Operating Costs between Marketing, Cost of Sales ("CoS"), Labour and Other Overheads was largely consistent compared to the previous quarter.

Cost Breakdown (April 2019)

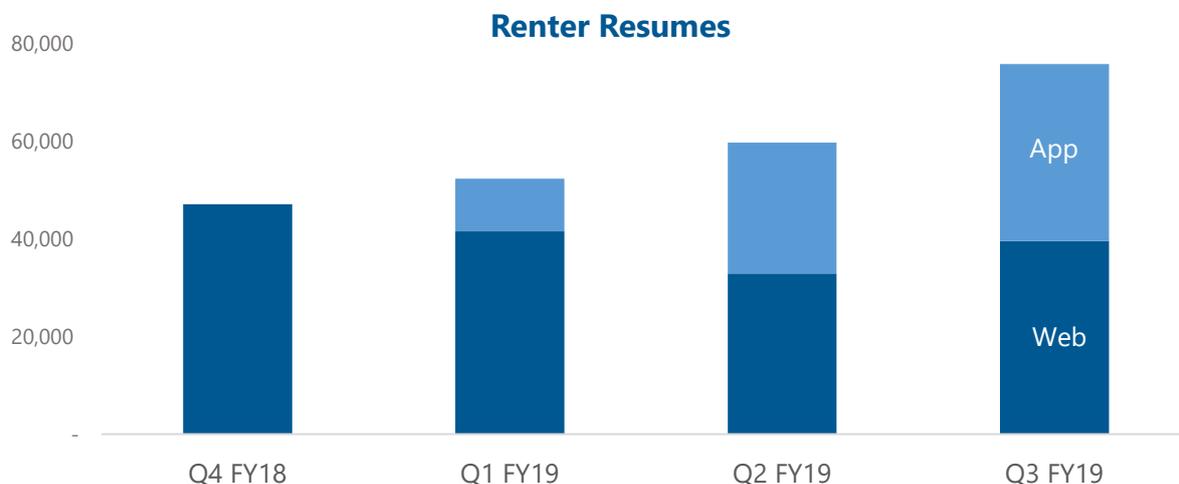


"With the strong growth in organic (not paid for) site traffic and continued performance of the RENT App (consistently ranked #3 RE app in the stores and the highest rated by users), we are gradually reducing our marketing spend in the June 2019 quarter.

"Staff costs account for nearly 50% of our total costs and out of our 23 staff, 50% of them are employed in Software/Product development – primarily working on the next generation of products and services that will take RENT beyond a simple portal and into a fully-fledged renting solution for renters, landlords and agents. I don't apologise for this investment in growth. Our future is that of a material participant in the rental ecosystem and our previous efforts (site, app, customers, resumes) have allowed us the ability to move into the tenancy period, this is where the real opportunity for growth lies," explained Mr Bader.

Record number of Resumes for the Quarter

"We know that the first 6-8 weeks of the new year is always a busy time for renting, we expected strong resume adoption and it's great to see records tumble – our customers created over 75,000 resumes in the QTR (our highest ever for a quarter) and we zoomed past our 500,000 milestone in March. It's a great result, over 800 a day and nearly 50% via our App. The number will slow a little this quarter with seasonality, but we are still well north of the same time last year," continued Mr Bader.

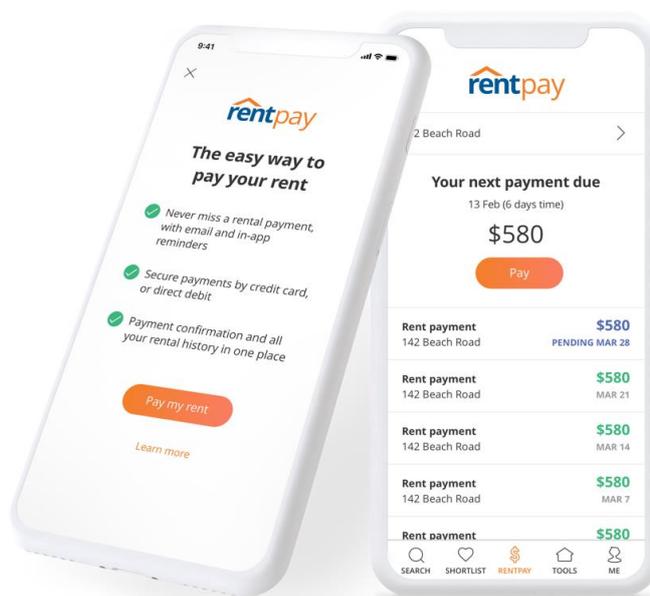


RentPay Launched in the App

"We've previously said that RentPay is a critical component of our strategy to be relevant and useful to renters throughout the tenancy period.

"Integrating it into the RENT App so that tenants can see their payment history, get reminders and manage their rent payments directly from their phone is the first iteration. We intend to roll out further product enhancements in coming quarters, both strengthening our relationship with renters and transitioning our revenue streams to be more subscription/annuity in nature.

"RentPay has already morphed from a product imposed upon renters by agents who wish to access its significant time-saving features to now being a tool that delivers equal benefits to renters in the form of convenience and choice, while still retaining the benefits enjoyed by agents.



"This we believe is the key: RentPay needs to be a great tool for agents (and it is) but just as importantly, it needs to be a great tool for renters. We are seeing the changes in consumer behaviour across many different industries and real estate is not immune. People want convenience and simplicity in their services, and we see this as the future of rental payments.

"The next step is to open these benefits up to private landlords and smaller real estate agencies via our Property Manager Portal which is currently in development and expected to launch next quarter, along with a host of other features to make property management easier for all parties," continued Mr Bader.

Date	Task	Done?
Q4 FY18	Customer support brought in-house	✓
Q1 FY19	Website rebranded	✓
Q1 FY19	Technical support brought in-house	✓
Q2 FY19	Commence marketing to agents	✓
Q3 FY19	Integrated into the Rent App	✓
Q4 FY19	Integrated in Property Manager Portal	
Future	Enhancements e.g. bundling / finance	

Outlook

"Our goal is to be a substantial and influential voice within the renting industry; we need to expand beyond 'finding a home' and become an integral part of our customers' journey during the tenancy period. We know that to achieve this we need to deliver value not only to renter, agent and landlord customers but also to the shareholders who have continued to support us in realising our goals.

"We must continue to invest in the next phase of our business. This does have a material short term impact on costs (and profitability) but it is a logical decision. I have previously forecast 'break even' at the end of Q4 this FY and without these investments in growth this is achievable, but reducing our future opportunities is not the right thing to do now.

"Every quarter has seen us move closer to realising our dream of materially changing the way renting works in Australia. We have surpassed 525,000 resumes in a little over 2 years, maintained over 600,000 unique visitors each month, and have grown to rank as a #3 against the two giant property portal incumbents. This in itself is an incredible achievement, but as we move into the tenancy period we will leverage our unique channel, our customer focus, our agility and our desire for change – we have already changed renting for the better, but we have only just started," said Mr Bader.

Cash Position

"Cash remains tight in the business and we will need to raise funds imminently to continue our growth strategy. We are exploring a range of options including a Placement to institutional and sophisticated investors and a Rights Issue to all eligible existing shareholders.

We have also been approached and discussions are continuing with 3rd parties around collaboration with some of our products and services. Our lifestyle database (largest active DB in the country) and our Resume platform are just two examples of unique and useful tools that our customers have helped develop. We are open to sharing these services as a means to expand their traction in the market and/or if the relationship is business accretive to Rent," concluded Mr Bader.

ENDS

About rent.com.au

rent.com.au (ASX: RNT) is Australia's #1 website dedicated to rental property. Our rental only positioning allows RNT to legitimately advocate for renting and renters.

Our Rules

	Renters in Suits	Our renters will always be presented in such a fashion as to maximise their chances of getting the home they want
	Properties on Pedestals	We present our properties with additional and relevant information
	Flick the Forms	Let's automate where we can. We can't remove the need for you to eyeball the property before signing (yet!), but we can remove most of the paperwork

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.
	A convenience product that helps renters bridge the gap from one rental to another by financing their bond online.
	A free and easy to use utility connection service to make moving hassle free – ensuring the lights are on and the water is hot when a renter moves in to their new place.

Renter (and Pet) Resume

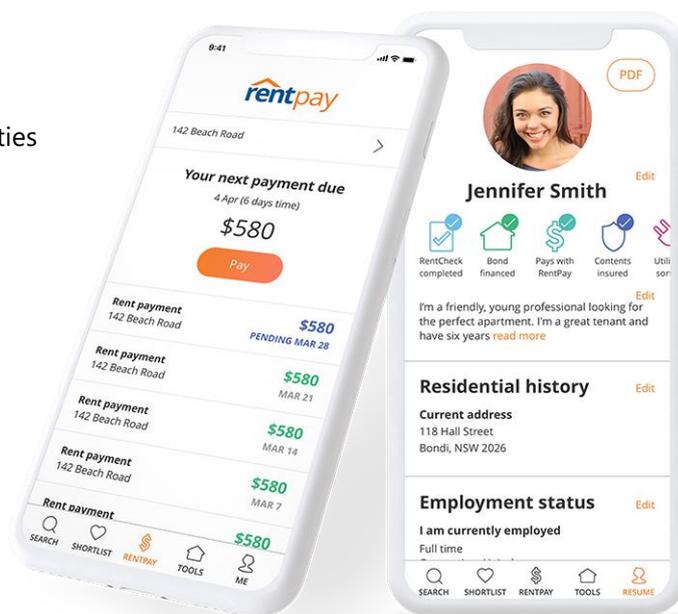
Streamline your rental search with Renter Resume. Create it once and use it to apply for as many properties as you like.

[Learn More](#)

RentPay

Your rental payments in the palm of your hand. Make payments, track payments, view your rental history, and set-up reminders.

[Learn More](#)



Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

RENT.COM.AU LIMITED

ABN

25 062 063 692

Quarter ended ("current quarter")

31 MARCH 2019

Consolidated statement of cash flows	Current quarter	Year to date
	\$A'000	(9 months)
		\$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	582	1,808
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(140)	(522)
(c) advertising and marketing	(246)	(788)
(d) leased assets	(25)	(82)
(e) staff costs	(470)	(1,478)
(f) administration and corporate costs	(99)	(445)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	10
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	345
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(396)	(1,152)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(29)	(32)
(b) businesses (see item 10)	-	-
(c) investments	-	-

Consolidated statement of cash flows	Current quarter	Year to date
	\$A'000	(9 months)
		\$A'000
(d) intellectual property	-	-
(e) other non-current assets	(234)	(667)
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (Disposal of Assets)	2	2
2.6 Net cash from / (used in) investing activities	(261)	(697)
3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	(2)	(2)
3.5 Proceeds from borrowings	26	26
3.6 Repayment of borrowings	(7)	(22)
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	17	2
4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	1,083	2,290
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(396)	(1,152)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(261)	(697)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	17	2

Consolidated statement of cash flows		Current quarter	Year to date (9 months)
		\$A'000	\$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	443	443

5. Reconciliation of cash and cash equivalents	Current quarter	Previous quarter	
at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	\$A'000	\$A'000	
5.1	Bank balances	341	982
5.2	Call deposits	102	101
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)	443	1,083

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

Current quarter
\$A'000
39
-

- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

The amount includes director fees paid to each of the directors, and also office rental and outgoings paid to an entity related to Dr. Garry Garside.

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

Current quarter
\$A'000
-
-

- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	-
9.2 Product manufacturing and operating costs	(102)
9.3 Advertising and marketing	(156)
9.4 Leased assets	(57)
9.5 Staff costs	(508)
9.6 Administration and corporate costs	(86)
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	(909)

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	-	-
10.2 Place of incorporation or registration	-	-
10.3 Consideration for acquisition or disposal	-	-
10.4 Total net assets	-	-
10.5 Nature of business	-	-

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.

Sign here: [lodged electronically without signature]
Company Secretary

Date: 24 April 2019

Print name: Jan Ferreira

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.

Further Disclosure Required by ASX in respect of Performance Shares

The Company confirms the following in respect of Performance Shares on issue as of the date of this notice:

Class	Date Granted	Expiry Date	Number
C	17 June 2015	14 days after the release of the audited financial reports for period ended 31 December 2019	8,160,771

The vesting conditions of the performance shares on issue are outlined below:

- Class C – each Performance Share will convert into 1 ordinary share on achievement of greater than \$3,000,000 EBITDA by the Group in any 12 month period on or before 31 December 2019.