

ASX Announcement

5 February 2020



RENT.COM.AU TO RAISE \$2.9 MILLION VIA FULLY UNDERWRITTEN RIGHTS ISSUE TO ACCELERATE RENTPAY DEVELOPMENT

Key Highlights:

- › Fully Underwritten Rights Issue to raise \$2.9 million at \$0.05 per Share (before costs)
- › Funds raised to accelerate development of RentPay, RENT's flagship "tenancy period" product,
- › Fund raising well supported by directors and other major existing RENT shareholders

Rent.com.au Limited (ASX: **RNT**) ("**RENT**" or "**the Company**"), Australia's Number 1 website dedicated to rental property, is pleased to announce that it has executed an underwriting agreement with Pinnacle Corporate Finance Pty Ltd ("**Pinnacle**") to raise \$2,910,802 (before costs) via a fully underwritten rights issue, with gross proceeds to be applied towards further development of RENT's flagship "tenancy period" product, RentPay ("**Capital Raising**").

The Capital Raising will comprise a non-renounceable, pro-rata rights issue on the basis of 1 new Share for every 5 Shares held at the record date of up to 58,216,041 new fully paid ordinary shares ("**Shares**") at an issue price of \$0.05 per Share to raise approximately \$2.9 million before costs ("**the Rights Issue**").

The Rights Issue price of \$0.05 per Share represents the last price at which RENT shares have traded prior to announcement of Capital Raising.

Directors have entered into agreements with Pinnacle to act as priority sub-underwriters for \$125,000 of the Rights Issue, with other major shareholders indicating they would also support the Rights Issue. These priority sub-underwriting arrangements are on standard terms and conditions for agreements of this nature. Further details of the Underwriting Agreement, sub-underwriting agreements and the Rights Issue will be provided in the Offer Document expected to be released to the ASX on Monday, 10 February 2020 and despatched to shareholders in accordance with ASX requirements.

RENT Chief Executive Officer Greg Bader said "With our existing RENT core business approaching break-even, the Capital Raising ensures we build on the strong progress being made with the development of our next generation RentPay product which we expect will transform the renting industry and the Company to the benefit of renters, landlords, agents and shareholders. We look forward to updating shareholders on RentPay as we continue to develop our key tenancy period product."

Underwriting Agreement

The material terms of the underwriting agreement between the Company and Pinnacle are as follows:

- Underwriting commitment: Reduced to the extent of allocations to eligible shareholders that subscribe for their entitlements, shortfall allocations and sub-underwriting commitments.
- Conditions precedent:

- the underwriter being satisfied with the offer materials for the Rights Issue prior to lodgement with ASIC;
- the Company releasing an Appendix 3B and notice under 708AA of the Corporations Act; and
- the Company dispatching the offer document for the Rights Issue in accordance with the agreed timetable.
- Fees – 4% underwriting fee and 2% management fee on the full Rights Issue amount (with all fees and commissions due to sub-underwriters to be paid by the underwriter). The Company must also pay the other reasonable costs and expenses of the underwriter for the Rights Issue.
- Termination events – See attached schedule.

Indicative timetable

The indicative timetable for the Rights Issue is as follows:

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| Announcement of Rights Issue | Wednesday, 5 February 2020 |
| Lodgement of Disclosure Document, Appendix 3B and s708AA notice (prior to the commencement of trading) | Monday, 10 February 2020 |
| Existing Shares quoted on an "ex" basis | Wednesday, 12 February 2020 |
| Record Date | Thursday, 13 February 2020 |
| Rights Issue Offer Document and Entitlement & Acceptance Form sent to Eligible Shareholders & Rights Issue Opening Date | Tuesday, 18 February 2020 |
| Last day to extend Closing Date | Thursday, 5 March 2020 |
| Closing Date* | Tuesday, 10 March 2020 |
| Securities quoted on a deferred settlement basis | Wednesday, 11 March 2020 |
| Announcement of results of Rights Issue | Friday, 13 March 2020 |
| Last day for Company to issue Shares taken up in Rights issue and lodge Appendix 2A (before noon Sydney time) | Tuesday, 17 March 2020 |
| Deferred settlement trading ends | Wednesday, 18 March 2020 |

*Subject to the ASX Listing Rules, the Directors reserve the right to extend the Closing Date. Any extension of the Closing Date will have a consequential effect on the anticipated date for issue of the Shares.

This announcement is authorised by the Board the Company.

For further information please call the Company on 08 6145 2600.

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. | Learn More |
|  | A convenience 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 to make moving hassle free – ensuring the lights are on and the water is hot when a renter moves into their new place. | Learn More |

Renter (and Pet) Resume

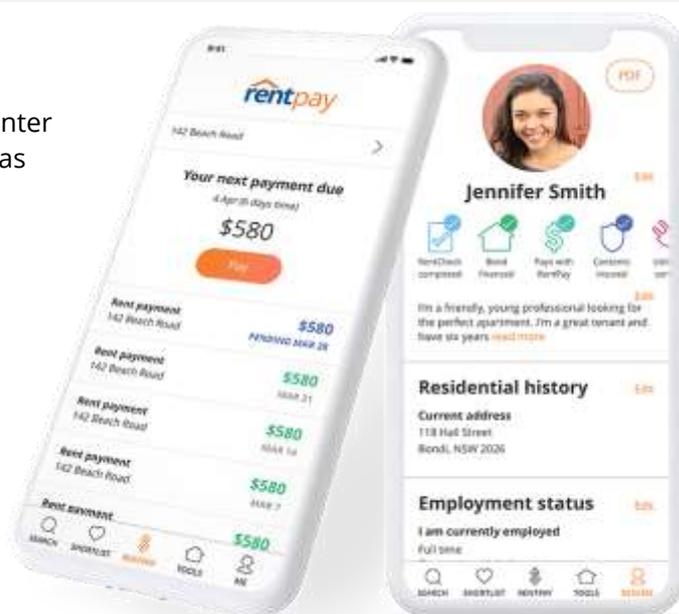
Renters can streamline their rental search with Renter Resume. Creating it once and using it to apply for as many properties as they like.

[Learn More](#)

RentPay

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

[Learn More](#)



Schedule – Termination events under Underwriting Agreement

The Underwriter may terminate its obligations under the Underwriting Agreement if:

- (a) (Company default): the Company fails to perform an obligation under the Underwriting Agreement;
- (b) (Indices fall): the S&P ASX 300 Index closes on any Business Day from the date of the Underwriting Agreement at a level that is 5% or more below the level of the Index at the close of trading on the Business Day before the date of the Underwriting Agreement.
- (c) (Offer Document): the Company does not dispatch the Offer Document to Shareholders on the Dispatch Date or the Offer Document or the Offer is withdrawn by the Company;
- (d) (Offer Materials) a statement contained in the Offer Materials is or becomes misleading or deceptive or likely to mislead or deceive, or the Offer Materials omit any information they are required to contain (having regard to the provisions of section 708AA of the Corporations Act and any other applicable requirements);
- (e) (Lodgement of Cleansing Notice): the Company fails to lodge with the ASX the Cleansing Notice on the Lodgement Date;
- (f) (Cleansing Notice): the Cleansing Notice is defective, or a supplementary statement is issued or is required to be issued under the Corporations Act;
- (g) (No Listing Approval): the Company fails to lodge an Appendix 3B in relation to the Underwritten Securities with ASX by the time required by the Listing Rules, the Corporations Act or any other regulations;
- (h) (No Official Quotation): ASX has advised the Company that it will or may not grant official quotation to the Underwritten Securities on or prior to the Shortfall Notice Deadline Date;
- (i) (proceedings) ASX, ASIC or any other person proposes to conduct any enquiry, investigation or proceedings, or to take any regulatory action or to seek any remedy, in connection with the Offer or the Offer Materials, or publicly foreshadows that it may do so;
- (j) (Unable to issue Shares) the Company is prevented from issuing the Underwritten Securities within the time required by the Underwriting Agreement, the Corporations Act, the Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi-governmental agency or authority;
- (k) (future matters) Any statement or estimate in the Offer Materials which relates to a future matter is or becomes incapable of being met or, in the reasonable opinion of the Underwriter, unlikely to be met in the projected timeframe;
- (l) (ASIC application): an application is made by ASIC for an order under Section 1324B or any other provision of the Corporations Act in relation to the Offer Materials, the Shortfall Notice Deadline Date has arrived, and that application has not been dismissed or withdrawn;
- (m) (No Quotation Approval): the Company fails to lodge an Appendix 3B in relation to the Underwritten Securities with ASX by the time required by the Corporations Act, the Listing Rules or any other regulation;
- (n) (Takeovers Panel): the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Pt 6.10 of the Corporations Act, which in the Underwriter's reasonable opinion has a Material Adverse Effect;
- (o) (Authorisation): any authorisation which is material to anything referred to in the Offer Document is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to the Underwriter acting reasonably;
- (p) (Cleansing Statement): the Company ceases to be capable of issuing, at the date of issue of any Shortfall Securities, a notice under section 708A(5)(e) of the Corporations Act to allow secondary trading of any Shortfall Securities;
- (q) (Indictable offence): a director of the Company is charged with an indictable offence;
- (r) (Termination Events): any of the following events occurs which in the reasonable opinion of the Underwriter will have a material adverse effect on the Offer or could give rise to a liability of the Underwriter under the Corporations Act:

- (i) (Hostilities): there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of the Underwriting Agreement involving one or more of Australia, New Zealand, Indonesia, Japan, Russia, the United Kingdom, the United States of America, India, Pakistan, the Democratic People's Republic of Korea, or the Peoples Republic of China or any member of the European Union;
- (ii) (Default): default or breach by the Company under the Underwriting Agreement of any terms, condition, covenant or undertaking;
- (iii) (Incorrect or untrue representation): any representation, warranty or undertaking given by the Company in the Underwriting Agreement is or becomes untrue or incorrect in a material respect;
- (iv) (Contravention of constitution or Act): a contravention by a Relevant Company of any provision of its constitution, the Corporations Act, the Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX;
- (v) (Adverse change): an event occurs which gives rise to a Material Adverse Effect or any adverse change or any development including a prospective adverse change after the date of the Underwriting Agreement in the assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or operations of any Relevant Company;
- (vi) (Error in Due Diligence Results): it transpires that any of the Due Diligence was materially false, misleading or deceptive or that there was a material omission from them;
- (vii) (Public statements): without the prior approval of the Underwriter a public statement is made by the Company in relation to the Offer or the Offer Document, other than a statement the Company is required to make in order to ensure its disclosure obligations under the Listing Rules and the Corporations Act;
- (viii) (Misleading information): any information supplied at any time by the Company or any person on its behalf to the Underwriter in respect of any aspect of the Offer or the affairs of any Relevant Company is or becomes misleading or deceptive or likely to mislead or deceive;
- (ix) (Official Quotation qualified): the official quotation is qualified or conditional except where such condition would not, in the reasonable opinion of the Underwriter, have a material adverse effect on the Offer;
- (x) (Change in Act or policy): there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any of its States or Territories any Act or prospective Act or budget or the Reserve Bank of Australia or any Commonwealth or State authority adopts or announces a proposal to adopt any new, or any major change in, existing, monetary, taxation, exchange or fiscal policy;
- (xi) (Prescribed Occurrence): a Prescribed Occurrence occurs;
- (xii) (Suspension of debt payments): the Company suspends payment of its debts generally;
- (xiii) (Event of Insolvency): an Event of Insolvency occurs in respect of a Relevant Company;
- (xiv) (Judgment against a Relevant Company): a judgment in an amount exceeding \$100,000 is obtained against a Relevant Company and is not set aside or satisfied within 7 days;
- (xv) (Litigation): litigation, arbitration, administrative or industrial proceedings are after the date of the Underwriting Agreement commenced against any Relevant Company;
- (xvi) (Board and senior management composition): there is a change in the composition of the Board or a change in the senior management of the Company before the date of issue of the Underwritten Securities without the prior written consent of the Underwriter (such consent not to be unreasonably withheld);
- (xvii) (Change in shareholdings): there is a material change in the major or controlling shareholdings of a Relevant Company (other than as a result of the Offer, a matter disclosed in the Offer Document) or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to a Relevant Company;
- (xviii) (Timetable): there is a delay in any specified date in the Timetable which is greater than 2 Business Days;

- (xix) (Force Majeure): a Force Majeure affecting the Company's business or any obligation under the Agreement lasting in excess of 7 days occurs;
- (xx) (Certain resolutions passed): a Relevant Company passes or takes any steps to pass a resolution under Section 254N, Section 257A or Section 260B of the Corporations Act or a resolution to amend its constitution without the prior written consent of the Underwriter;
- (xxi) (Capital Structure): any Relevant Company alters its capital structure in any manner not contemplated by the Offer Document;
- (xxii) (Breach of Material Contracts): any of the Contracts are terminated or substantially modified; or
- (xxiii) (Market Conditions): a suspension or material limitation in trading generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or other international financial markets excluding any general election announced as at the Announcement Date.