

## RENT.COM.AU TO PARTNER WITH NOVATTI TO DEVELOP RENTPAY

Rent.com.au Limited (ASX: **RNT**) ("**Rent.com.au**" or "**the Company**"), is pleased to announce that it has entered into a term sheet to partner with Novatti Group Limited (ASX:**NOV**) ("**Novatti**"), an ASX-listed, award-winning global software technology, utility billing, and payment services provider to deliver the payments technology to power RentPay, Rent.com.au's "next generation" rental payments solution. Key terms of the term sheet are outlined in Appendix 1.

### Key highlights of the proposed partnership between RNT and NOV:

- › Novatti and Rent.com.au will co-operate and act in good faith to enter into formal agreement within 30 days on the following terms:
  - › Novatti to acquire a 2.5% equity stake in Rent.com.au subsidiary, RentPay Technology Pty Ltd ("**RentPay**") for \$250,000.
  - › Novatti to have the option to increase their stake in RentPay to 10% through investment of a further \$750,000 via a combination of cash or cash equivalent services.
  - › RentPay to enter into a Software as a Service ("**SaaS**") agreement with Novatti.
- › The investment gives RentPay a "pre-launch" valuation of \$10 million.

"RentPay is the key to us unlocking the sizeable opportunity presented by extending our services and influence into the tenancy period. We have talked to our customers to understand what they need and want, developed the concept and commenced building the new RentPay. Now is the time to secure the key partnerships that will see RentPay become a key product in the rental market in Australia," said Rent.com.au CEO, Mr. Greg Bader.

Rent.com.au will continue to own and operate RentPay, focussing on Rent.com.au's key strengths of user experience, renter engagement and marketing while the technical and compliance aspects will be provided to RentPay by Novatti via the merchant services agreement.

"High-volume payment and transaction handling is not a core competency of Rent.com.au's so it makes sense to partner with someone like Novatti who has proven itself to be a leader in payments technology and has developed innovative solutions to unlock opportunities in a variety of industries. They can bring these skills to the partnership along with significant scale benefits. They also bring to the table other unique capabilities, a great example of this is how they handle Alipay and WeChat pay transactions in Australia. Customers are already telling us they want to be able to choose from a variety of payment options including these emerging technologies," explained Mr Bader.

Mr Peter Cook, the CEO of Novatti, said, "We specialise in unique payment and banking solutions, specially designed to allow our customers to offer innovative solutions across different markets. Partnering with Rent.com.au to redevelop RentPay is a great example of this, but it is also much more. We are taking an ownership position in RentPay because we see the value in RentPay and its potential to positively impact the market. We also believe we have much to offer as RentPay continues to evolve and look forward to working closely with the Rent.com.au team as we move forward."

Mr Bader continued, "Rental payments are a \$60 billion per year industry that is ripe for transformation. To effectively seize this opportunity, we see value in partnering with competent, like-minded organisations such as Novatti. It is important to us that they have some 'skin in the game' as it means we will be innovating and unlocking the value together. While Rent.com.au will always

maintain a majority position in RentPay we are in discussion with other potential partners, primarily in the finance/banking sector.”

Approved for release to the ASX by the Board of Directors.

### **Appendix 1: Term Sheet Key Terms**

The parties have 30 days to co-operate and act in good faith to enter into a formal agreement to give effect to the terms agreed in the Terms Sheet signed 7 February 2020, which includes the following proposed key terms:

- Novatti agrees to acquire 2.5% of the share capital of RentPay for \$250,000 (to be paid via services provided by Novatti to RentPay under the SaaS Agreement);
- RentPay will enter into a Software as a Service (“SaaS”) Agreement with Novatti whereunder Novatti will develop and integrate its payments technology into the RentPay system according to a Scope of Works to be agreed between the parties and provide ongoing services to RentPay;
- Novatti will have an option to acquire an additional 7.5% of the share capital of RentPay within 12 months for a further consideration of \$750,000 of cash or cash equivalent services; and
- Novatti will have the option of convert its RentPay equity into Rent.com.au shares after 24 months at a price calculated as the 30-day VWAP at date of conversion less 15%.

## **About Rent.com.au Limited (ASX.RNT)**

rent.com.au is Australia’s #1 website dedicated to rental property, with the best rated real estate apps, unique content and features we attract well over 600,000 unique visitors to our website and apps per month.

Our rental only positioning allows Rent.com.au to legitimately advocate for renting and renters, offering a range of products and services designed to make the renting process easier. This advocacy positioning and the scale of our audience means we’re becoming an influential voice in the industry.

Our new RentPay product is designed for renters and set to change the way rental payments work in the market. Designed to offer unparalleled flexibility and choice for the renting community whilst delivering certainty and consistency to Agents and Landlords, RentPay provides easy access to Renters to make and track payments, set reminders, choose new ways to pay and a host of other features under development.

## **About Novatti Group Limited (ASX.NOV)**

Novatti is a leading digital banking and payments company. Through innovative technology, Novatti positions its customers to thrive in the growing cashless economy.

Novatti’s transaction processing services include Flexepin, an open-loop cash voucher service, Flexewallet for remittance and compliance services, Chinapayments.com for bill payment services and Vasco Pay for the issue of reloadable Visa cards.

Novatti subsidiary Flexewallet Pty Ltd holds an Australian Financial Services Licence No 448066 and is registered with AUSTRAC as a Remittance Network Provider.

Novatti subsidiary Novatti IBA Pty Ltd has applied to APRA for a RADI licence. Novatti’s software solutions include Consumer Digital Wallets, Branchless Banking, Mobile Money, Bill Payments, Remittance Services and Voucher Management Systems.