

RENT.COM.AU LIMITED

ACN 062 063 692

NON-RENOUNCEABLE RIGHTS ISSUE OFFER DOCUMENT

A non-renounceable pro rata fully underwritten offer of New Shares at an issue price of \$0.05 each on the basis of (1) New Share for every (5) Shares held on the Record Date to raise up to approximately \$2.9 million.

This document is not a prospectus. It does not contain all of the information that an investor would find in a prospectus or which may be required in order to make an informed investment decision regarding, or about the rights attaching to, the Shares being offered by this document.

THE OFFER IS CURRENTLY SCHEDULED TO CLOSE AT 5.00PM WST ON 10 MARCH 2020

VALID APPLICATION FORMS MUST BE RECEIVED BEFORE THAT TIME.

Please read the instructions in this Rights Issue Offer Document and on the Entitlement and Acceptance Form regarding the acceptance of Shares under the Offer.

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION. IT SHOULD BE READ IN ITS ENTIRETY.

IF YOU ARE IN DOUBT ABOUT WHAT TO DO, YOU SHOULD CONSULT YOUR PROFESSIONAL FINANCIAL ADVISER BEFORE DECIDING TO ACCEPT OR DECLINE THE OFFER.

THE SHARES OFFERED BY THIS RIGHTS ISSUE OFFER DOCUMENT SHOULD BE CONSIDERED SPECULATIVE IN NATURE.

IMPORTANT INFORMATION

This Rights Issue Offer Document is dated 10 February 2020. No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Rights Issue Offer Document. Any information or representation not so contained may not be relied on as having been authorised by Rent.com.au in connection with the Offer.

Eligibility

Applications for New Shares by Eligible Shareholders can only be made on the original Entitlement and Acceptance Form, as sent with this Rights Issue Offer Document. The Entitlement and Acceptance Form sets out an Eligible Shareholder's Entitlement to participate in the Offer.

Privacy

Rent.com.au collects information about each Applicant provided on an Entitlement and Acceptance Form for the purposes of processing the application and, if the application is successful, to administer the Applicant's security holding in Rent.com.au.

By submitting an Entitlement and Acceptance Form, each Applicant agrees that Rent.com.au may use the information provided by an Applicant on the Entitlement and Acceptance Form for the purposes in this privacy disclosure statement and may disclose it for those purposes to the share registry, Rent.com.au's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities. If you do not provide the information required on the Entitlement and Acceptance Form, Rent.com.au may not be able to accept or process your application.

An Applicant has a right to gain access to the information that Rent.com.au holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to Rent.com.au's registered office.

Overseas Shareholders

No Offer will be made to Shareholders resident outside Australia and New Zealand.

This Rights Issue Offer Document and accompanying Entitlement and Acceptance Form do not, and are not intended to, constitute an offer of Shares in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Rights Issue Offer Document. The distribution of this Rights Issue Offer Document in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Rights Issue Offer Document should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

Shareholders resident in Australia or New Zealand holding Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up Entitlements under the Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

New Zealand investors

This Offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 6D of the Corporations Act and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.

This Offer and the content of this Rights Issue Offer Document and accompanying Entitlement and Acceptance Form are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act and the regulations made under that Act set out how the Offer must be made. This Rights Issue Offer Document is not a prospectus or investment statement under New Zealand law and has not been registered or filed with, or approved by, any New Zealand regulatory authority under or in accordance with the New Zealand Securities Act 1978 or any other relevant law in New Zealand.

There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime. The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products. Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this offer. If you need to make a complaint about this Offer, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint. The taxation treatment of Australian financial products is not the same as for New Zealand financial products. If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

Notice to nominees and custodians

Nominees and custodians may not distribute any part of this Rights Issue Offer Document or any Entitlement and Acceptance Form in any country outside Australia and New Zealand, except in such other country as the Company may determine it is lawful and practical to make the Offer. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

This document is not a prospectus. It does not contain all of the information that an investor would find in a prospectus or which may be required in order to make an informed investment decision regarding, or about the rights attaching to, the Shares being offered by this document.

This document has been prepared in accordance with section 708AA of the Corporations Act and applicable *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84* which in general terms, permits certain companies to undertake entitlement offers without being required to use or provide to shareholders a prospectus or other disclosure document.

1. Details of Offer

1.1 Offer

Rent.com.au is making a non-renounceable pro-rata offer of Shares to Eligible Shareholders on the basis of one (1) New Share for every five (5) Shares held at the Record Date, each at an issue price of \$0.05 (**Offer**). The Offer is fully underwritten by Pinnacle Corporate Finance Pty Ltd (**Underwriter**).

As at the Record Date, Rent.com.au will have on issue 291,080,205 Shares¹. The Company expects that up to 58,216,041 New Shares will be issued under the Offer to raise up to approximately \$2.9 million (before costs of the Offer).

Rent.com.au will accept Entitlement and Acceptance Forms until 5.00pm WST on the Closing Date or such other date as the Directors in their absolute discretion shall determine, subject to the requirements of the ASX Listing Rules.

Where the determination of the entitlement of Eligible Shareholders results in a fraction of a Share, such fraction will be rounded down to the nearest whole Share.

Your Entitlement is shown on the personalised Entitlement and Acceptance Form accompanying this Rights Issue Offer Document. You may accept the Offer only by applying for Shares on the Entitlement and Acceptance Form.

Acceptances must not exceed your entitlement as shown on the Entitlement and Acceptance Form, although you may accept for all or only part of your Entitlement. If your acceptance exceeds your Entitlement, acceptance will be deemed to be for your maximum Entitlement and any surplus will be deemed to be an application for Shortfall Shares.

Eligible Shareholders who take up their Entitlement in full may also apply for Shortfall Shares on the Entitlement and Acceptance Form enclosed with this Rights Issue Offer Document (Refer section 1.8).

The Underwriter has the right to issue any New Shares not subscribed for by Eligible Shareholders under the Offer at their discretion pursuant to the Underwriting Agreement. Details regarding the Underwriting Agreement are set out in Section 4.1.

Acceptance of a completed Entitlement and Acceptance Form by Rent.com.au creates a legally binding contract between the Applicant and Rent.com.au for the number of Shares accepted or deemed to be accepted by the Applicant. The Entitlement and Acceptance Form does not need to be signed by the Applicant to be legally binding. The Offer and contract formed on acceptance are governed by the laws of Western Australia.

If the Entitlement and Acceptance Form is not completed correctly it may still be treated as valid. The Directors' decision as to whether to treat the acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

Shares offered by this Rights Issue Offer Document are expected to be issued, and security holder statements dispatched, on the date specified in the timetable in Section 1.2.

It is the responsibility of Applicants to determine their allocation prior to trading in the Shares. Applicants who sell Shares before they receive their holding statements will do so at their own risk.

¹ Assuming no Options exercised prior to the Record Date.

1.2 Indicative Timetable

Announcement of Rights Issue and lodgment of Appendix 3B	5 February 2020
Lodgement of Offer Document and s708AA notice	10 February 2020
Notice to Shareholders	11 February 2020
Existing Shares quoted on an "ex" basis	12 February 2020
Record Date	13 February 2020
Rights Issue Offer Document and Entitlement & Acceptance Form sent to Eligible Shareholders	18 February 2020
Closing Date	10 March 2020
Securities quoted on a deferred settlement basis	11 March 2020
Company to notify ASX of under subscriptions (if any)	13 March 2020
Anticipated date for the issue of the Shares and sending of security holder statements	17 March 2020
Deferred settlement trading ends	18 March 2020

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

1.3 Use of Funds

It is proposed that the current cash reserves of Rent.com.au and the proceeds raised from the Offer be allocated as follows:

Pre Offer cash available ⁽¹⁾	\$597,150
Funds raised from the Offer	\$2,910,802
Total funds available	\$3,507,952
RentPay Marketing	\$1,000,000
RentPay Product Development	\$1,550,000
Costs of the Offer	\$251,144
General working capital	\$706,808
Total funds applied	\$3,507,952

(1) As at 31 January 2020.

1.4 No Rights trading

The pro-rata offer of Shares is non-renounceable, which means that Eligible Shareholders may not sell or transfer all or any part of their Entitlement to subscribe for Shares under the Offer. If you do not take up your Entitlement to New Shares under the Offer by the Closing Date, the Offer to you will lapse. The New Shares in your Entitlement that are not taken up by you will form part of the Shortfall.

1.5 ASX quotation

Application will be made to ASX for the Official Quotation of the Shares to be issued under the Offer. If permission is not granted by ASX for the Official Quotation of the Shares to be issued under the

Offer, Rent.com.au will repay, as soon as practicable, without interest, all application monies received pursuant to the Offer.

1.6 Risk Factors

An investment in New Shares should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are specific risks associated with an investment in the Company which are described in Section 3.

1.7 Underwriting

The Offer is fully underwritten by the Underwriter on the terms of the Underwriting Agreement. Details regarding the Underwriting Agreement are set out in Section 4.1.

1.8 Shortfall Offer

If you do not wish to take up any part of your Entitlement you are not required to take any action. That part of your Entitlement not taken up will form part of the Shortfall and will revert to the Underwriter unless it is allocated to other Eligible Shareholders as follows.

You may, in addition to taking up your Entitlement in full, apply for additional Shares out of the Shortfall (**Shortfall Shares**) in excess of your Entitlement pursuant to a top-up facility (**Shortfall Offer**) by completing the relevant part of the Entitlement and Acceptance Form relevant to the Shortfall Offer. Refer to Section 2.4 for instructions as to how to apply for Shortfall Shares.

Shortfall Shares will only be available where there is a Shortfall between Entitlement and Acceptance Form applications received from Eligible Shareholders and the number of Shares proposed to be issued under the Offer.

Shortfall Shares will be issued at the issue price of \$0.05 per Shortfall Share. Eligible Shareholders who apply for Shortfall Shares may be allocated a lesser number of Shortfall Shares than applied for, or may be allocated no Shortfall Shares at all, in which case excess Application Monies will be refunded without interest. To the extent any Shares under the Offer remain unallocated, the Underwriter will (subject to the terms of the Underwriting Agreement) be required to subscribe for those Shares or procure sub-underwriters to do so on the Underwriter's behalf.

Shortfall Shares will be allocated in priority to Eligible Shareholders who apply for Shortfall Shares under the Shortfall Offer. All decisions regarding the allocation of Shortfall Shares will be made by the Underwriter and will be final and binding on all Eligible Shareholders.

The Offer is fully underwritten. In the event the Underwriting Agreement is terminated and there is a Shortfall, the Directors reserve the right to place the Shortfall Shares at their discretion.

1.9 Effect of the Offer on control of the Company

The potential effect the Offer will have on each Shareholder's percentage interest in the total issued capital of the Company is as follows:

- (a) If all Eligible Shareholders take up their Entitlement, each Eligible Shareholder's percentage in the total issued Shares of the Company will remain the same and will not be diluted; and
- (b) If some but not all Eligible Shareholders take up their entitlement, and some or all of the Shortfall is taken up under the Shortfall Offer and the Underwriting Agreement, the percentage interest in the total issued Shares of each Eligible Shareholder who does not take up their Entitlement will be diluted and the percentage interest of the total issued

Shares of each Eligible Shareholder who does take up their Entitlement will remain the same.

It is not expected that the issue of the New Shares under the Offer will have any material impact on the control of the Company. In particular, no Shareholder will acquire an interest in 20% or more of the issued capital of the Company as a result of the Offer.

1.10 Effect on capital structure

Below is a table showing the Company's current capital structure and the capital structure upon completion of the Offer, assuming none of the existing Options are exercised prior to the Record Date.

	Shares	Options
Balance at the date of this Rights Issue Offer Document	291,080,205	45,275,000 ⁽¹⁾
To be issued under the Offer	58,216,041	0
Balance following completion of the Offer (if fully subscribed)	349,296,246	45,275,000

(1) Refer to the Unlisted Option table below for further details in respect to the terms of the Unlisted Options.

(a) Unlisted Options – Key Terms and Conditions

Unlisted Options	Exercise Price	Expiry	Number
Tranche 1 Employee Options ⁽¹⁾	\$0.25	23 June 2020	10,000,000
Tranche 2 Employee Options ⁽¹⁾	\$0.25	23 June 2020	4,500,000
Tranche 3 Employee Options ⁽¹⁾	\$0.25	23 June 2020	4,500,000
Tranche 4 Employee Options ⁽¹⁾	\$0.30	23 June 2020	5,175,000
Tranche 5 Employee Options ⁽¹⁾	\$0.30	23 June 2020	5,175,000
Tranche 6 Employee Options ⁽¹⁾	\$0.30	23 June 2020	5,175,000
Tranche 7 Employee Options ⁽¹⁾	\$0.25	9 Sept 2021	1,250,000
Tranche 8 Employee Options ⁽¹⁾	\$0.35	9 Sept 2021	1,250,000
Tranche 9 Employee Options ⁽¹⁾	\$0.50	9 Sept 2021	1,250,000
Advisor Options	\$0.30	23 June 2020	7,000,000
Total			45,275,000

(1) The Employee Options are subject to various vesting conditions in respect to continuous employment with the Company and Share price and financial performance hurdles.

1.11 Market Price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale price of the Shares on ASX during the three months immediately preceding the date of release of this Offer Document is as follows:

	\$	Date
Highest	0.059	12/12/2019
Lowest	0.031	28/11/2019
Last	0.053	07/02/2020

1.12 Taxation implications

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of subscribing for Shares under this Rights Issue Offer Document. Rent.com.au, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders. As a result, Shareholders should consult their professional tax adviser in connection with subscribing for Shares under this Rights Issue Offer Document.

1.13 Overseas Shareholders

No Offer will be made to Shareholders resident outside Australia and New Zealand. The Company has decided that it is unreasonable to make the Offer to Shareholders outside Australia and New Zealand having regard to the small number of Shareholders with addresses in other jurisdictions, the small number and value of the Shares they hold and the cost of complying with the legal requirements and the requirements of regulatory authorities in those other jurisdictions and the amount to be raised under the Offer.

This Rights Issue Offer Document and accompanying Entitlement and Acceptance Form do not, and are not intended to, constitute an offer of Shares in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Rights Issue Offer Document. The distribution of this Rights Issue Offer Document in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Rights Issue Offer Document should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

Shareholders resident in Australia and New Zealand holding Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up Entitlements under the Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

Notwithstanding the above, the Company may (in its absolute discretion) extend the Offer to certain shareholders who have registered addresses outside Australia and New Zealand in accordance with applicable law.

1.14 CHESS and issuer sponsorship

The Company participates in the Clearing House Electronic Subregister System, known as CHESS. All trading on ASX in Shares will be settled through CHESS. ASX Settlement, a wholly owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and the ASX Settlement Rules.

The Company's Registry operates an electronic issuer-sponsored sub-register and an electronic CHESS sub-register. Both these sub-registers constitute the Company's principal register of Shareholders.

Holders of Shares will not receive a certificate but will receive a statement of their holding of Shares.

If you are broker sponsored or other participant in CHESS, ASX Settlement will send you a CHESS statement. The CHESS statement will set out the number of Shares issued under this Rights Issue Offer Document, provide details of your holder identification number, and provide the participant identification number of the sponsor and the terms and conditions applicable to the Shares, including a notice to exercise the Shares.

If you are registered on the Issuer Sponsored subregister, your statement will be dispatched by the Company's Registry and will contain the number of Shares issued to you under this Rights Issue Offer Document and your security holder reference number.

A CHESSE statement or issuer sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their Shareholding changes. Shareholders may request a statement at any other time, however, a charge may be made for additional statements.

1.15 Continuous disclosure obligations

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX and, as such, the Company is subject to regular reporting and disclosure obligations under the Corporations Act and the Listing Rules.

Specifically, the Company is required to notify ASX of information about specific events and matters as they arise for the purposes of the ASX making that information available to the securities markets conducted by the ASX. In particular, the Company has an obligation under the ASX Listing Rules (subject to certain exceptions) to notify the ASX immediately of any information of which it is or becomes aware which a reasonable person would expect to have a material effect on the price of value of its securities.

This Offer Document is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include information that would be included in a disclosure document or which investors ought to have regard to in deciding whether to subscribe for Shares under the Offer. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

All announcements made by the Company are available from its website www.investors.rent.com.au or the ASX www.asx.com.au.

Additionally, the Company is also required to prepare and lodge with ASIC yearly and half-yearly financial statements accompanied by a directors’ statement and report, and an audit report or review. These reports are released to ASX and published on the Company’s and the ASX websites.

This Offer Document (including the Entitlement & Acceptance Form) and the contracts that arise from acceptance of the Applications are governed by the laws applicable in Western Australia and each Applicant submits to the nonexclusive jurisdiction of the courts of Western Australia.

1.16 Entitlement Offer Notice

The Company has lodged with ASX a notice in accordance with section 708AA of the Corporations Act which sets out, amongst other information, the effect of the Offer on the control of the Company. This notice may be reviewed on the websites of the Company and ASX.

1.17 Enquiries

Enquiries concerning the Entitlement and Acceptance Form can be made by contacting the Company’s Registry, Automic Registry Services, by telephone on 1300 288 664. The addresses for the Registry are:

Mailing Address:

Rent.com.au
C/- Automic Group
GPO Box 5193
Sydney NSW 2001

Hand Delivery Address:

(please do not use for mailing purposes)
Rent.com.au
Level 5, 126 Phillip Street
Sydney NSW

General enquires in relation to Rent.com.au can be made to the company secretary by telephone on 08 6145 2609 and may also be obtained by visiting the Company’s website at www.investors.rent.com.au.

2. Action Required

2.1 Acceptance of Shares under this Rights Issue Offer Document

Should you wish to accept all of your Entitlement to Shares, then applications for Shares under this Rights Issue Offer Document must be made on the Entitlement and Acceptance Form which accompanies this Rights Issue Offer Document or by completing a BPAY® payment, in accordance with the instructions referred to in this Rights Issue Offer Document and on the Entitlement and Acceptance Form. Please read the instructions carefully.

If you wish to pay by cheque please complete the Entitlement and Acceptance Form by filling in the details in the spaces provided and attach a cheque, in Australian dollars, for the Application Monies indicated on the Entitlement and Acceptance Form, crossed "Not Negotiable" and made payable to "Rent.com.au Limited" and lodged and received at any time after the issue of this Rights Issue Offer Document and no later than 5.00pm (WST) on the Closing Date at the Company's share registry (by post) at:

Rent.com.au
C/- Automic Group
GPO Box 5193, Sydney NSW 2001

If you wish to pay via BPAY® you must follow the instructions in the Entitlement and Acceptance Form. You will be deemed to have accepted your Entitlement upon receipt of the BPAY® payment by the Company. Eligible Shareholders who elect to pay via BPAY® do not need to return their completed Entitlement and Acceptance Form. If you elect to pay via BPAY® then your payment must be made before 4.00pm (WST) on the Closing Date. Please read the instructions carefully.

The Company will not be responsible for any postal or delivery delays or delay in the receipt of the BPAY® payment.

2.2 If you wish to take up part of your Entitlement

Should you wish to only take up part of your Entitlement, then applications for Shares under this Rights Issue Offer Document must be made on the Entitlement and Acceptance Form which accompanies this Rights Issue Offer Document or by completing a BPAY® payment in respect of the portion of your Entitlement you wish to take up, in accordance with the instructions referred to in this Rights Issue Offer Document and on the Entitlement and Acceptance Form. Please read the instructions carefully.

If you wish to pay by cheque please complete the Entitlement and Acceptance Form by filling in the details in the spaces provided, including the number of Shares you wish to accept and the Application Monies (calculated at \$0.05 per Share accepted). Completed Entitlement and Acceptance Forms must be accompanied by a cheque in Australian dollars, crossed "Not Negotiable" and made payable to "Rent.com.au Limited" and lodged and received at any time after the issue of this Rights Issue Offer Document and no later than 5.00pm (WST) on the Closing Date at the Company's share registry (by post) at the address listed in Section 2.1.

If you wish to pay via BPAY® you must follow the instructions in the Entitlement and Acceptance Form. You will be deemed to have accepted your Entitlement upon receipt of the BPAY® payment by the Company. Eligible Shareholders who elect to pay via BPAY® do not need to return their completed Entitlement and Acceptance Form. If you elect to pay via BPAY® then your payment must be made before 4.00pm (WST) on the Closing Date. Please read the instructions carefully.

The Company will not be responsible for any postal or delivery delays or delay in the receipt of the BPAY® payment.

2.3 If you do not wish to take up you Entitlement

If you do not wish to accept any of your Entitlement, you are not obliged to do anything and your Entitlement will automatically lapse. In that case, New Shares not accepted by the Closing Date will become Shortfall Shares and you will receive no benefit.

The number of Shares you hold and the rights attaching to those Shares will not be affected should you choose not to accept any part of your Entitlement, however your percentage holding in the capital of Rent.com.au will be diluted.

2.4 Shortfall

If you wish to apply for Shares in excess of your Entitlement by applying for Shortfall Shares you may do so by completing the relevant sections of the Entitlement and Acceptance Form which accompanies this Rights Issue Offer Document, in accordance with the instructions referred to in this Rights Issue Offer Document and on the Entitlement and Acceptance Form. Please read the instructions carefully.

Eligible Shareholders who take up their Entitlement in full may apply for Shortfall Shares on the Entitlement and Acceptance Form enclosed with this Offer Document. Shortfall Shares will be offered at an issue price of \$0.05 per Shortfall Share which is the issue price at which the Offer has been made to Eligible Shareholders.

Completed Entitlement and Acceptance Forms must be accompanied by a cheque in Australian dollars, crossed "Not Negotiable" and made payable to "Rent.com.au Limited" and lodged and received at any time after the issue of this Rights Issue Offer Document and no later than 5.00pm (WST) on the Closing Date at the Company's share registry (by post) at the address listed in Section 2.1.

3. Risk Factors

This Section discusses some of the key risks associated with an investment in Shares. A number of risks and uncertainties, which are both specific to Rent.com.au and of a more general nature, may adversely affect the operating and financial performance or position of Rent.com.au, which in turn may affect the value of Shares and the value of an investment in Rent.com.au.

The risks and uncertainties described below are not an exhaustive list of the risks facing Rent.com.au or associated with an investment in Rent.com.au. Additional risks and uncertainties may also become important factors that adversely affect Rent.com.au's operating and financial performance or position.

Before investing in Rent.com.au, you should consider whether an investment in Rent.com.au is suitable for you. Potential investors should consider publicly available information on Rent.com.au (such as that available on the websites of Rent.com.au and ASX), carefully consider their personal circumstances and consult their stockbroker, solicitor, accountant or other professional adviser before making an investment decision.

3.1 Specific Risks associated with the Company

(a) **Commercialisation strategy execution**

The Company is currently focused on commercialising its business operations to create a household consumer brand that makes the entire renting process easier. The Company develops and markets products and services aimed at helping renters throughout their rental property journey. Additionally, the Company has products aimed at assisting property managers and landlords.

There can be no assurance that the demand for these products and services will continue nor that anticipated demand for new products transpire within the timeframe expected, or at all, which may have an adverse impact on future revenues and the ability to fully commercialise the Company's business operations.

Whilst the Company has sought to limit its risk exposure in respect to the servicing obligation of these products through contractual arrangements with reputable third party providers, there is a risk that these third parties do not adequately or fully comply with their contractual rights and obligations. Such failure may lead to unavailability or fault with the downstream products and services, adversely impacting the Company's reputation, financial performance and operating margins.

(b) **Sufficiency of funding**

The Company's commercialisation strategy requires substantial expenditure and there can be no guarantees that the Company will have sufficient funds to successfully achieve all the objectives of the Company's business strategy, which may have an adverse impact on future revenue. This may result in the Company needing to raise additional funds to achieve these objectives and fully commercialise the business.

Any additional equity financing may be dilutive to the Company's existing Shareholders and any debt financing, if available, may involve restrictive covenants, which limit the Company's operations and business strategy. If the Company is unable to raise capital if and when needed, this could delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities.

(c) **Competition**

The online property portal industry is highly competitive. Competition may arise from a number of sources including companies with greater capital resources. The Company's competitors include media backed organisations, licensed real estate agents or real estate industry bodies who operate online classified websites and other websites offering a range of properties for rent. The Company's performance could be adversely affected if existing or new competitors

reduce the Company's market share through aggressive price competition; increasing product offerings to include non-agent landlord rental listings and/or downstream transaction products and services. For example, if realestate.com.au, the largest participant in the online real estate classified segment, adopted a greater renter advocacy stance and offered competing products and services.

(d) **Real estate industry**

A change in the size and/or structure of the real estate market could impact the Company's earnings. In particular, consolidation of the market resulting in fewer and larger property agencies may impact upon the prospects of the Company. The Company relies upon listing data provided by property agents to enable its service proposition to renters. Whilst the Company currently receives this data from property agents, the cessation of provision of this data will adversely affect the ability of the Company to provide rental property listings results to renters in searches. Upon cessation of data, this may not be able to be restored or regained. This will decrease the attractiveness of the service provision to renters, likely to reduce traffic volumes and subsequent revenues as a result.

(e) **Regulatory changes**

Key areas of regulation which could impact upon the performance of the Company relate to regulation of the real estate industry and regulation of privacy and the use of data.

The property rental market is influenced by a number of factors including house prices, bank lending criteria, lifestyle decisions and the general condition of the Australian economy, which by its nature is cyclical and subject to change. From 1994 to 2020 there has been a trend of increasing percentages of Australian households renting, however structural changes to the real estate industry effected via legislation or regulatory changes that would encourage home ownership (e.g. first home owner incentives) and dis-incentivise property investment (e.g. abolition of negative gearing) could impact negatively on the Company's revenues.

In order to use many of the Company's products and services, renters, non-agent landlords and property agents who visit www.rent.com.au or use the Company's mobile applications are prompted to register their details on site. This is particularly relevant to one of the Company's key products, the Renter Resume, which gathers sufficient data to enable a renter to apply for rental properties online. The Company complies with privacy laws in handling customer's personal information, however increased privacy regulation could impact negatively on the Company's operating results and a breach of privacy regulation could result in financial penalties and negatively impact customer satisfaction and confidence in the Company.

(f) **Information technology**

The Company's management information and other IT systems are designed to enhance the efficiency of its operations with a focus on customer facing websites. Its web platform is developed in-house using the Ruby on Rails web application framework. The Company relies on key personnel to maintain the site (see key management personnel risk below) and on the availability of its programming code and absence of defects in its programming software. Source code is securely hosted offsite by GitHub, one of the largest code hosts in the world.

Where the Company's products involve a level of service provision by third parties, this is often done via software integration to deliver a seamless experience to the customer. There is a risk that changes by the third parties to their services may cause integration problems, which affect reliability of the Company's services. Any interruptions to third party services could also result in disruptions to the Company's products, which could negatively impact the Company's operations. The Company predominantly uses application programming interfaces (APIs). This simplifies the implementation and maintenance of software, allowing more flexible integration with the third parties thereby reducing this risk.

The Company's business relies upon users accessing its website or mobile applications which are hosted offsite by Amazon Web Services. Any interruptions to these operations could impair

the ability for the Company to continue normal transaction processing. Standard backup and restoration procedures are in place, however, a natural disaster or other unforeseen event that results in loss of access to the Company website, the loss or corruption of data or the inability to process transactions could have a negative impact on the Company's performance.

(g) **Reliance on key management personnel**

The Company has a number of key management personnel, and its future depends on retaining and attracting these and other suitable qualified personnel. There is no guarantee that the Company will be able to attract and retain suitable qualified personnel, and a failure to do so could materially adversely affect the business, operating results and financial prospects.

(h) **Security**

As with all e-commerce businesses, the Company is heavily reliant on the security of its websites and associated payment systems which ensure that customers are confident transacting online. Breaches of security such as fraudulent and scam advertising could impact customer satisfaction and confidence in the Company and could impact the financial performance of the Company.

Other breaches of security, such as cyber-attacks by hackers, could render the Company's websites and associated payment systems unavailable through a disrupted denial of service or other disruptive attacks. Unavailability of those websites and associated payment systems could lead to a loss of revenues for the Company. Further, it could hinder the Company's ability to retain existing customers and attract new customers, particularly if the Company's products were perceived to be less secure or reliable than its competitors, which would have a material adverse impact on the Company's prospects.

(i) **Threat of new technology**

The Company's financial performance or operating margins could be adversely impacted if the popularity of the internet as a medium of finding and listing rental properties were to diminish due to the emergence of new technology. The Company continues to actively monitor the emergence of new technology.

(j) **Customer service risk**

The Company's business model is based on revenue arising from usage. Poor customer service experiences may arise due to a number of circumstances, including customers receiving poor or inadequate services using the Company's websites, errors or defects or unsatisfactory customer outcomes. This may result in the loss of customers, adverse publicity, litigation, regulatory enquiries and customers reducing the use of the Company's products or services. If any of these occur, it may adversely impact the Company's revenues.

(k) **Infringement of third party intellectual property rights**

If a third party accuses the Company of infringing its intellectual property rights or if a third party commences litigation against the Company for the infringement of trademarks or other intellectual property rights, the Company may incur significant costs in defending such action, whether or not it ultimately prevails. Typically, intellectual property litigation is expensive. Costs that the Company incurs in defending third party infringement actions would also include diversion of management's and technical personnel's time.

In addition, parties making claims against the Company may be able to obtain injunctive or other equitable relief that could prevent the Company from further using its branding, trademarks or commercialising its products. In the event of a successful claim of infringement against the Company, it may be required to pay damages and obtain one or more licenses from the prevailing third party. If it is not able to obtain these licenses at a reasonable cost, if at all, it could encounter delays in product introductions and loss of substantial resources while it attempts to develop alternative products. Defence of any lawsuit or failure to obtain any of these

licenses could prevent the Company from commercialising available products and could cause it to incur substantial expenditure.

3.2 General Risks

(a) Market conditions

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and technology stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(b) Economic and government risks

The future viability of the Company is also dependent on a number of other factors affecting performance of all industries and not just the property rental market including, but not limited to, the following:

- (i) general economic conditions in jurisdictions in which the Company operates;
- (ii) changes in government policies, taxation and other laws in jurisdictions in which the Company operates;
- (iii) the strength of the equity and share markets in Australia and throughout the world, and in particular investor sentiment towards the online classified advertising sector;
- (iv) movement in, or outlook on, interest rates and inflation rates in jurisdictions in which the Company operates; and
- (v) natural disasters, social upheaval or war in jurisdictions in which the Company operates.

(c) Litigation

The Company is exposed to the risk of actual or threatened litigation or legal disputes in the form of customer claims, intellectual property claims, personal injury claims, employee claims and other litigation and disputes. If any claim was successfully pursued it may adversely impact the financial performance, financial position, cash flow and share price of the Company.

(d) Investment risk

The Shares to be issued pursuant to this Offer Document should be considered speculative. They carry no guarantee as to payment of dividends, return of capital or the market value of the Shares. The prices at which an investor may be able to trade the Shares may be above or below the price paid for the Shares. While the Directors commend the Offer, prospective investors must make their own assessment of the likely risks and determine whether an investment in the Company is appropriate to their own circumstances.

3.3 Investment Speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Rights Issue Offer Document. Therefore, the Shares to be issued pursuant to this Rights Issue Offer Document carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares. Potential investors should consider that the investment in the Company is speculative and should consult their professional adviser before deciding whether to apply for Shares pursuant to this Rights Issue Offer Document.

4. Underwriting

4.1 Underwriting agreement

The Company and the Underwriter have entered into an underwriting agreement (**Underwriting Agreement**) pursuant to which the Underwriter agreed to fully underwrite up to 58,216,041 New Shares offered under the Offer (**Underwritten Securities**).

The Company must pay to the Underwriter an underwriting fee of 4% and a management fee of 2% of the full amount underwritten (with all fees and commissions due to sub-underwriters to be paid by the Underwriter). Additionally, the Company will reimburse the Underwriter for all reasonable costs and expenses of and incidental to the Offer.

The Underwriting Agreement is conditional upon:

- (a) the Underwriter being satisfied with any materials, publications, ASX announcements relating to the Offer, including this Rights Issue Document, prior to the lodgement of this Rights Issue Document with the ASX;
- (b) the Company releasing an Appendix 3B and cleansing notice under Section 708AA of the Corporations Act on or before lodgement of this Rights Issue Document with the ASX; and
- (c) the Company dispatching to its shareholders this Rights Issue Document in accordance with the agreed timetable (set out in section 1.2).

The Underwriting Agreement contains termination clauses that relieve the Underwriter of its obligations if certain events occur. These include:

- (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.

The Underwriting Agreement also contains covenants, warranties, representations and other terms usual for an agreement of this nature.

5. Directors' interests in Company securities

The Directors or their nominees currently hold Shares, Options, Performance Shares and Performance Rights.

Set out in the table below are details of the Directors' relevant interests in Securities of the Company at the date of this Rights Issue Offer Document and their proposed participation in the Offer.

Director	No. of Shares Held ⁽¹⁾	No. of Options Held	Entitlement ⁽²⁾	Sub-Underwriting Commitment
Garry Garside	7,000,499	950,000	1,400,099	1,500,000 ⁽³⁾
John Wood	15,229,698	500,000	3,045,939	1,000,000 ⁽⁴⁾
Sam McDonagh	818,239	1,600,000	163,647 ⁽⁵⁾	0
Phil Warren	479,539	1,012,500	95,907 ⁽⁶⁾	0

(1) Held directly or indirectly by the Director or a related party of the Director.

(2) Entitlement under the Offer to subscribe for New Shares that will be held directly or indirectly by the Director.

(3) Garry Garside has entered into a sub-underwriting agreement with the Underwriter pursuant to which he has committed to sub-underwrite up to a maximum of 1,500,000 New Shares which is 99,901 New Shares in excess of his full Entitlement under the Offer. Dr Garside will receive a fee of \$2,250 for his sub-underwriting commitment.

(4) John Wood has entered into a sub-underwriting agreement with the Underwriter pursuant to which he has committed to sub-underwrite up to a maximum of 1,000,000 New Shares which is 3,045,939 New Shares below his full Entitlement under the Offer. Mr Wood will receive a fee of \$1,500 for his sub-underwriting commitment.

(5) At the time of lodging this Rights Issue Offer Document Sam McDonagh has stated that he (or his nominee/s) intend to take up his full Entitlement under the Offer. Mr McDonagh has not entered into any sub-underwriting agreement with the Underwriter in this regard.

(6) At the time of lodging this Rights Issue Offer Document Phil Warren has stated that he (or his nominee/s) intend to take up his full Entitlement under the Offer. Mr Warren has not entered into any sub-underwriting agreement with the Underwriter in this regard.

6. Glossary of terms

\$ means Australian dollars.

Applicant means a person who submits an Entitlement and Acceptance Form.

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) and where the context permits the Australian Securities Exchange operated by ASX Limited.

ASX Settlement means ASX Settlement Pty Ltd (ACN 008 504 532).

Automic or Automic Registry Services means Automic Pty Ltd (ACN 152 260 814) trading as Automic Registry Services.

Business Day has the same meaning as in the Listing Rules.

CHESS means ASX Clearing House Electronic Subregister System.

Closing Date means the date identified as such in the indicative timetable in Section 1.2, or such other date as announced to ASX by the Company.

Company means Rent.com.au Limited (ACN 062 063 692).

Corporations Act means the *Corporations Act 2001 (Cth)*.

Directors mean the directors of the Company as at the date of this Rights Issue Offer Document.

Eligible Shareholder means a person registered as the holder of Shares on the Record Date whose registered address is in Australia or New Zealand.

Entitlement means an Eligible Shareholder's entitlement to Shares under the Offer as determined on the Record Date.

Entitlement and Acceptance Form means the Entitlement and Acceptance Form accompanying this Rights Issue Offer Document.

Issuer Sponsored means securities issued by an issuer that are held in uncertificated form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHESS.

Listing Rules means the Listing Rules of ASX.

New Share means a Share proposed to be issued pursuant to this Offer.

Offer is as defined in Section 1.1

Official List means the official list of ASX.

Official Quotation means quotation of New Shares on the Official List.

Opening Date means the date identified as such in the indicative timetable in Section 1.2, or such other date as announced to ASX by the Company.

Option means an unlisted option to acquire a Share.

Record Date means 5:00pm (WST) on the date identified as such in the indicative timetable in Section 1.2, or such other date as announced to ASX by the Company.

Registry means the Company's share registry, Automic.

Rent.com.au means Rent.com.au Limited (ACN 062 063 692).

Rights means the right to an Entitlement.

Rights Issue Offer Document means this document.

Section means a section of this Rights Issue Offer Document.

Share means an ordinary fully paid share in the capital of the Company.

Shareholder means a holder of Shares.

Shortfall or **Shortfall Shares** means those New Shares for which valid Applications have not been received by the Closing Date.

Shortfall Offer is as defined in Section 1.8.

Underwriter means Pinnacle Corporate Finance Pty Ltd (ACN 149 263 543).

Underwritten Securities is as defined in Section 1.7.

WST means Australian Western Standard Time.