

ASX Announcement

6 March 2020



RENT.COM.AU & NOVATTI SIGN FORMAL AGREEMENTS TO DEVELOP RENTPAY

Rent.com.au Limited (ASX: **RNT**) ("**Rent.com.au**" or "**the Company**"), is pleased to announce that it has signed formal agreements 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.

The agreements comprise a Subscription Agreement and a Software as a Service agreement ("SaaS Agreement"). The key terms of the agreements are in line with the Company's announcement dated 7 February 2020 and are outlined in Appendix 1.

Key highlights of the partnership between RNT and NOV:

- › 36-month SaaS Agreement with Novatti to build and operate payments backend.
- › Novatti's payments scale and potential banking capability allow for compelling customer offer.
- › Key features/functionality agreed and documented in Statement of Work.
- › Equity stake in RentPay aligns Novatti and Rent.com.au interests.
- › Agreements cement RentPay's pre-launch valuation of \$10 million.

"Novatti have been very easy to work with thus far and we've been impressed by the breadth of experience and the enthusiasm they bring to the new RentPay. This is just the type of partnership that we need to develop RentPay into a key product in the rental market in Australia," said Rent.com.au CEO, Mr. Greg Bader.

As previously announced, Rent.com.au will continue to majority 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 SaaS Agreement.

"As we've worked with Novatti to formalise the agreements and drill down to the next level of detail on our plans for RentPay over the past month, it's become ever clearer that we've selected the right partner and, with Novatti having an equity interest in RentPay, both parties will benefit from the alignment that level of partnership brings," explained Mr Bader.

"Novatti brings a level of knowledge and scale that we lack, and with the potential for them to be granted a banking licence in the near future, the partnership introduces a further range of product possibilities that can be introduced once we've relaunched RentPay later in FY2020".

Mr Peter Cook, the CEO of Novatti, said, "We're enjoying working with the team at Rent.com.au and are impressed with the passion and knowledge they bring to RentPay. Partnering with Rent.com.au to redevelop RentPay is a great example of providing products that allow customers to thrive in today's increasingly cashless economy, while also providing Novatti with exposure to the enormous rental payments market."

Mr Bader continued, "We have consistently said that we want to seize the massive opportunity that the tenancy period presents to us, and it is exhilarating to see our ambition starting to become a reality and we look forward to continuing our rapid progress towards relaunching RentPay."

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

Appendix 1: Key Terms

The key terms of the Subscription Agreement are as follows:

- Novatti acquires 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);
- Novatti has an option to acquire an additional 7.5% of the share capital of RentPay by 6 February 2021 for a further consideration of \$750,000 of cash or cash equivalent services;
- Novatti's percentage shareholding in RentPay will be adjusted to reflect any RentPay equity capital raising completed by 6 February 2022 at a price which values RentPay at less than \$10 million; and
- Novatti has the option of convert its RentPay equity into Rent.com.au shares by 6 February 2022 at a price per share calculated as the 30-day VWAP at date of conversion less 15% and based on the face value of Novatti's investment in RentPay (i.e. either \$250,000 or \$1,000,000 as applicable).

The key terms of the Software-as-a-Service Agreement (SaaS Agreement) are as follows:

- An initial term of 36-months, which automatically renews for 12 month periods unless either party terminates the agreement;
- Novatti will develop and integrate its payments technology into the RentPay system according to the Statement of Works agreed between the parties and Novatti will provide ongoing services to RentPay pursuant to applicable project fees (once off) and hosting, subscription and transaction fees (payable from go-live of the RentPay re-launch); and
- Agreement may only be terminated prior to the end of the initial term for material breaches or insolvency events.

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 RADL licence. Novatti's software solutions include Consumer Digital Wallets, Branchless Banking, Mobile Money, Bill Payments, Remittance Services and Voucher Management Systems.