

RENT.COM.AU QUARTERLY ACTIVITIES REPORT FOR Q3 FY20

Rent.com.au Limited (ASX: **RNT**) ("**Rent.com.au**" or "**the Company**"), Australia's Number 1 website dedicated to renting, presents its quarterly activities report for the quarter ended 31st March 2020.

Key Points:

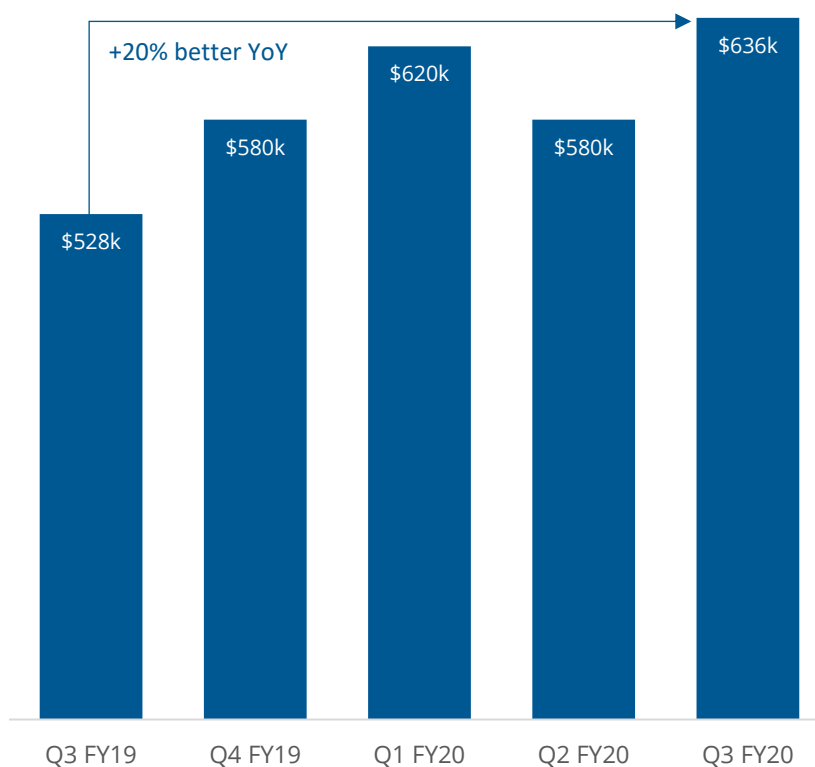
- › Revenue up 10% vs prior quarter (20% better than Q3 FY19) on record traffic volumes
- › Record EBITDA despite increased RentPay investment (improved 50% vs Q3 FY19)
- › Excellent progress made on RentPay development, remains on track for H2 launch
- › Improving utility connection volumes from AGL partnership
- › Costs and cash being managed through COVID-19 without compromising targets

Operating Overview

"The March quarter is typically when we see the greatest number of renters moving home and this quarter has been no different, with new records consistently being set for visits to our website and apps, as well as for Renter Resumes and product sales.

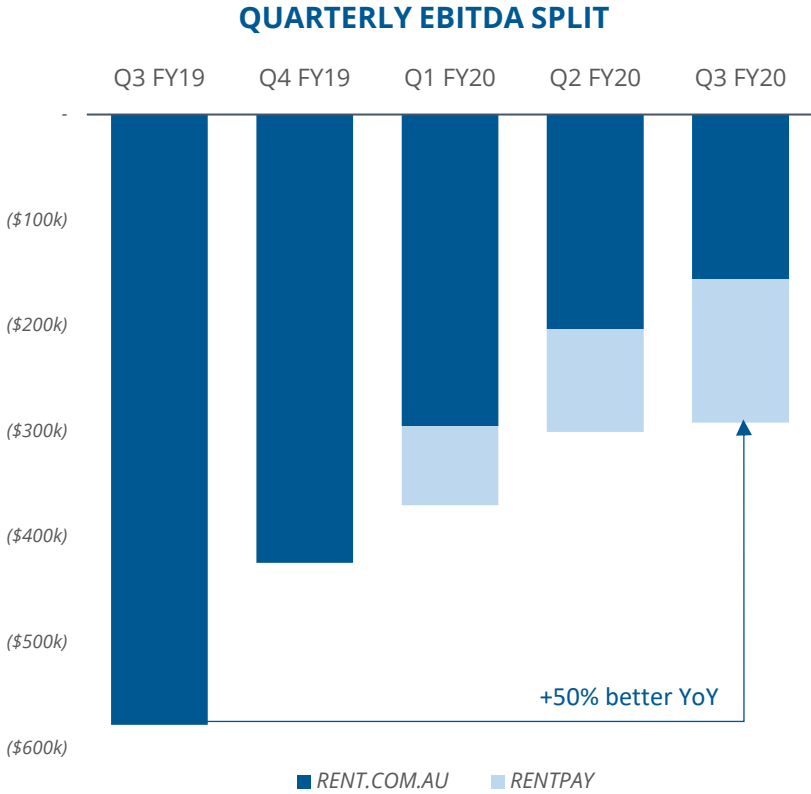
"We anticipated this seasonality, so it is especially pleasing that our revenue did not just grow compared to the December quarter as expected, but also grew significantly by 20% compared with the same busy quarter of 2019," said Rent.com.au CEO Mr Greg Bader.

QUARTERLY REVENUE



“The key driver for revenue growth has been Renter Products revenue. In particular our RentCheck product, which is used by renters to enhance their Renter Resume in preparation for applying for their new rental home, grew 30% compared with the same quarter in 2019. There was also a promising contribution from our new partnership with AGL which, although not yet operating at the level we believe it can get to, grew revenue from our RentConnect product by 18% over the same period in the previous year.

“The ongoing recovery of Advertising Sales revenue further contributed to year over year revenue growth and what has been pleasing in that area of our operations is that we’re developing solid relationships with key advertisers who are achieving good results from accessing our renter audience. There is still a lot more value in this space including deeper integration with advertisers, and we are in early discussions with advertisers regarding the opportunity presented by RentPay”.



“Given our near-term goal of breaking even, continued EBITDA improvement was as important as the revenue growth and we managed to deliver an improvement of 3% vs the December quarter and an impressive 50% vs the March quarter in 2019.

“This improvement came despite our increasing investment in the research and development of the new RentPay product. If we ignore this RentPay impact on EBITDA, the rest of the Rent.com.au business improved EBITDA by 23% vs the December quarter and 73% vs the March 2019 quarter. In fact, for the month of March 2020 the EBITDA loss before RentPay was just \$29k, our best ever result,” explained Mr Bader.

“We also continue to invest in future growth opportunities in our core business. For example, during the quarter we implemented a new marketing automation platform, consolidating our customer facing systems into one integrated platform. This consolidation not only brings some cost saving benefits but also enhances our emerging data capability which will allow us to better tailor our customers experience of Rent.com.au and in the future, RentPay.”

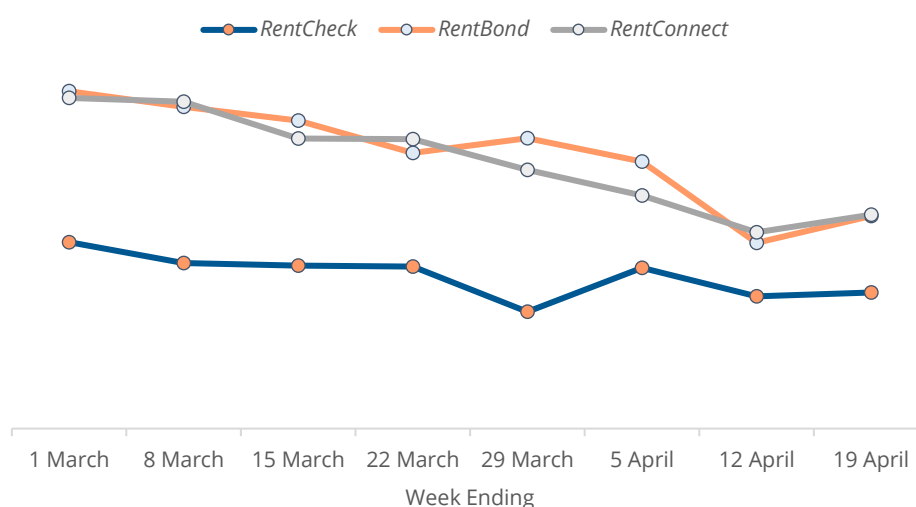
COVID-19 Impacts

"As with most other businesses across Australia, Rent.com.au has been impacted by the economic disruption and uncertainty caused by the measures taken to combat the coronavirus.

"Our staff are following Government recommendations and have been working from home for some weeks. Being an online business, the productivity impacts have been minimal, with daily "all staff" updates to ensure continuity.

"We have ramped up our social media activity to keep our customers informed as industry changes occur, and our blog pages remain a trusted source of information for the renting community. There is always a certain level of people that need to move, or that had planned moves already in train, but in general the number of people searching for or moving to a new property has declined from mid-March onwards, and this has had an impact on search volumes and Renter Product sales."

PRODUCT SALES (COVID-19 IMPACT)



"Activity across the advertising industry has dropped significantly because of advertisers pulling back on their ad campaigns as social distancing measures affect demand for their products and services. Rent.com.au has been similarly impacted but we remain in close contact with our advertising customers to ensure that we are well positioned to benefit when spending resumes. Likewise, we have used the lull in demand to reduce our own marketing spend," said Mr Bader.

Rent.com.au has been able to mitigate the significant forecast impacts on revenue through implementing a series of cost reductions and with support from government stimulus measures.

"We have substantially reduced salary costs for six months without redundancies, maintaining our full capability to ensure that we deliver RentPay on time and are ready to accelerate our growth as soon as we can. We requested staff to consider voluntary salary deferral or reduction measures targeting a saving of 20%. It is testament to the commitment of the team that we have exceeded this target," Mr Bader continued.

The Directors have agreed to defer their fees until the Company's Annual General Meeting, with a view to seeking shareholder approval to be issued shares in lieu of these fees. Some staff have deferred a percentage of salary to October 2020, while others including senior management have accepted an issue of performance shares in lieu of a percentage of salary.

"It is disappointing that our growth momentum has been paused by this global crisis, however despite this Rent.com.au is in a remarkably good position to deliver on its potential. The current issues also reinforce the importance of our RentPay strategy, the vehicle with which we unlock the recurrent revenue streams associated with the Tenancy Period."

RentPay Update

While the recurring revenue streams are a key part of the RentPay solution, providing some insulation from market fluctuations such as COVID-19, there is also a significant value multiplier simply in that Rent.com.au will be providing solutions for those already in a rental, not only those that are looking. This opens up a market 20 times greater than Rent.com.au's current market, with 2.4 million renting households who collectively pay more than \$50 billion in rent per year.

"We are well progressed with the redevelopment of RentPay. The bulk of the user experience designs have been completed by Rent.com.au and development of the key payments functionality by our partner Novatti Group Limited ("**Novatti**") is well underway.

"Novatti are very much aligned with the vision of having a game changing product to offer renters. They have a minority equity interest in RentPay and thereby stand to benefit from the significant potential we both see in this product.

"We have made good progress on the compliance aspects of RentPay and are well advanced on development of the RentPay app for both Apple and Android platforms," said Mr Bader.

"Discussions continue with other potential partners across the key Utility and Finance segments where there are endless opportunities for product and service extensions. We are more convinced than ever that RentPay has the potential to massively disrupt the rental payments industry forever – not only delivering true flexibility and convenience for our customers but driving significant value back to Rent.com.au and our partners".

Outlook

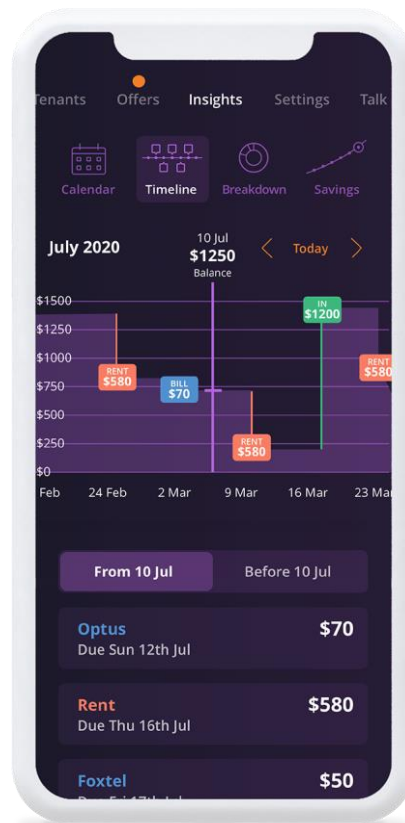
"The coronavirus has caused significant disruption and we are certainly not immune. With less people moving and less companies advertising, we are anticipating a drop in revenue. That said, we are confident that our cost savings measures, and the various government stimulus initiatives will mitigate this, and we are well placed to weather this temporary storm.

"We have delivered another record EBITDA quarter and have the core Rent.com.au business a whisker away from break-even while at the same time dedicating more of our focus on developing RentPay into the game-changing platform by which we access the tenancy period, thereby creating the default platform for the millions of renters across the country to use throughout their renting journey from search through to the tenancy period.

"We have modelled our cashflow on several different scenarios and are confident that we have sufficient funding to last beyond the current crisis and to complete the relaunch of RentPay as well.

"I could not be prouder of how our team has pulled together to deliver on both our financial results as well as delivering on our broader goal of making renting easier. We are also strongly supported by a core shareholder base who share these goals and I am confident of delivering for them," concluded Mr Bader.




Lodgement with the ASX has been authorised by the Board of Directors






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

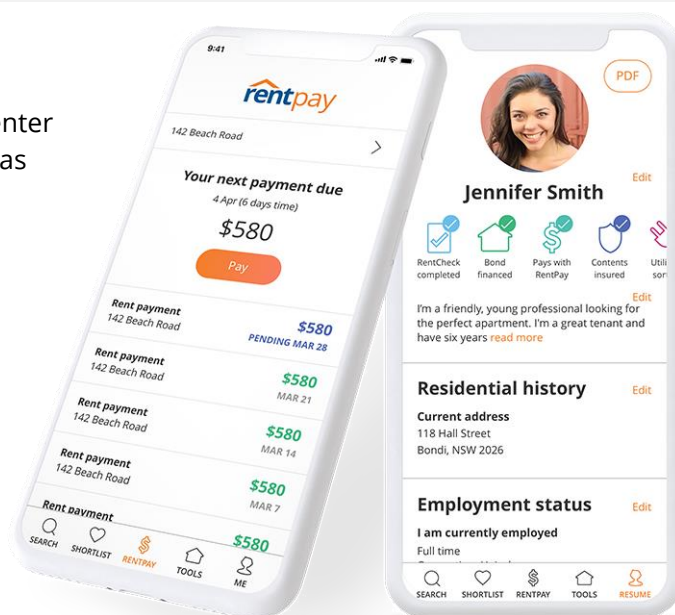
Renters can streamline their rental search with Renter Resume. Creating it once and using it to apply for as many properties as they like.

[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](#)



Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

RENT.COM.AU LIMITED

ABN

25 062 063 692

Quarter ended ("current quarter")

31 MARCH 2020

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	669	1,997
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(289)	(828)
(c) advertising and marketing	(118)	(437)
(d) leased assets	(17)	(67)
(e) staff costs	(413)	(1,439)
(f) administration and corporate costs	(110)	(324)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	2
1.5 Interest and other costs of finance paid	(3)	(9)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	480
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(280)	(625)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	(3)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	(155)	(552)

Consolidated statement of cash flows		Current quarter	Year to date (9 months)
		\$A'000	\$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(155)	(555)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	520	2,017
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(86)	(205)
3.5	Proceeds from borrowings	-	3
3.6	Repayment of borrowings	(22)	(62)
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	412	1,753

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	748	152
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(280)	(625)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(155)	(555)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	412	1,753
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	725	725

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	655	678
5.2	Call deposits	70	70
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)	725	748

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	58
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

NB: The amount at item 6.1 includes director fees paid to each of the directors, and also office rental and outgoings paid to an entity related to Dr. Garry Garside

Quarterly cash flow report for entities subject to Listing Rule 4.7B

7. Financing facilities

Note: the term "facility" includes all forms of financing arrangements available to the entity.

Add notes as necessary for an understanding of the sources of finance available to the entity.

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-

7.5 **Unused financing facilities available at quarter end** -

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

n/a

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(280)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	725
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	725
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	2.6 quarters

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

n/a – more than 2 quarters funding available

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

n/a – more than 2 quarters funding available

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

n/a – more than 2 quarters funding available

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.

Date: 24 April 2020
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Authorised by: **By the Board**
.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.