

28 August 2020

Manager of Company Announcements
ASX Limited
Level 6, 20 Bridge Street
SYDNEY NSW 2000

By E-Lodgement

RENT.COM.AU LIMITED
APPENDIX 4E and ANNUAL FINANCIAL REPORT

Results for Announcement to the Market

The Group has adopted Accounting Standards AASB 16 'Leases' for the year ended 30 June 2020. The Accounting Standards were adopted using the modified retrospective approach and as such comparatives have not been restated.

	Year ended 30 June 2020 \$	Year ended 30 June 2019 \$	Percentage Improvement over previous corresponding period
Revenue from ordinary activities	2,452,239	2,164,192	13.3%
Earnings before interest, taxation, depreciation, amortisation and share based payments (EBITDA)	(1,133,540)	(2,121,568)	46.6%
Loss from ordinary activities after tax attributable to owners of Rent.com.au Limited	(1,664,985)	(2,497,183)	33.3%
Loss for the period attributable to owners of Rent.com.au Limited	(1,664,985)	(2,497,183)	33.3%

Other significant information

During the year, the Group completed the fully underwritten non-renounceable pro-rata rights issue that had been announced on 1 May 2019, resulting in the issue of 41,582,864 shares at an issue price of \$0.036 per Share ("**Rights Issue**") to raise \$1,496,983 before costs.

On 20 March 2020, the Group announced that it had completed the placement under ASX Listing Rule 7.1 of 11,555,554 shares (Placement Shares) with existing shareholders to raise \$520,000 (before costs).

Review of Operations

The Consolidated Statement of Profit or Loss and Other Comprehensive Income shows a net operating loss after tax of \$1,665,215 for the year ended 30 June 2020 (for year ended 30 June 2019: \$2,497,183). The net operating loss for the year ended 30 June 2020 included a non-cash share-based payments reversal of \$4,372 (30 June 2019 share-based payment reversal: \$107,676) associated with the cancellation of performance based convertible securities issued to advisors, shareholders and employees. Earnings Before Interest, Tax, Depreciation, and Amortisation (and excluding non-cash share-based payments) ("**EBITDA**") for the year ended 30 June 2020 was a loss of \$1,133,541 (30 June 2019: \$2,121,568) an improvement of 47%.

The Group achieved overall revenue of \$2,452,239, growth of 13% for the year ended 30 June 2020 compared with the previous year. Both of its key revenue streams grew. Renter Products grew 7% to \$1,312,912 and Advertising Sales grew by 27% to \$985,346.

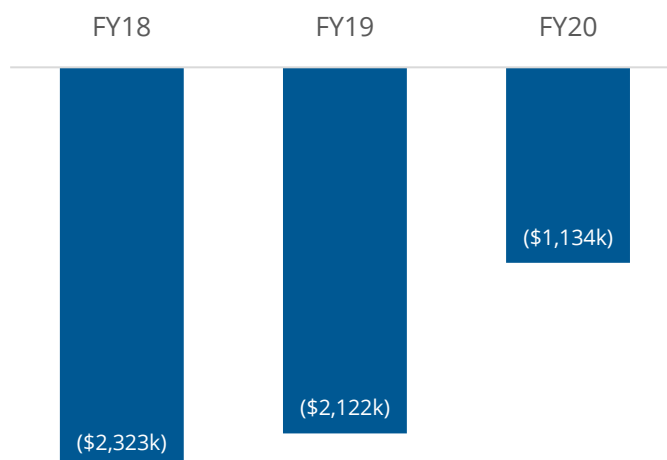
During the year, the Group continued to balance its goals of achieving profitability in the short term with industry disruption over the longer term. As rent.com.au achieves better brand awareness amongst renters, more people visited the website from non-paid means allowed the Group to reduce marketing expenditure by 55% in the year ended 30 June 2020 compared with the prior year. At the same time overall audience grew 19%, with almost three quarters of visitors coming from non-paid sources. The Groups renter app on the Apple and Android platforms continues to perform well and regularly achieves higher customer ratings than other leading real estate sector apps.

Existing Renter Products were enhanced during the year. RentCheck now also boasting an Endorsements feature whereby agents can provide a reference which is incorporated into the RentCheck. A 21-day interest and fee free period for RentBond was introduced in order to broaden the appeal of the product, and RentConnect has been overhauled, with a compelling customer offer under an exclusive arrangement with AGL.

The Group also continued its development of RentPay, its first product aimed at renters during their tenancy. \$185k of labour costs were incurred in this development during the year and the Novatti Group (ASX:NOV) acquired a 2.5% equity shareholding at a cost of \$250,000 in RentPay Technology Pty Ltd which is the subsidiary within the Group which owns the RentPay system. This \$250,000 will cover the development of RentPay's core digital wallet functionality and the first year's running costs. Development is almost complete as at the reporting date and a public launch of RentPay is anticipated during the 2021 financial year.

For personal use only

RNT EBITDA



Dividends

No dividends were paid during the financial year. The Board advises that it does not intend to declare a final dividend for the financial year, and it will consider its dividend policy in the future, subject to performance.

Net Tangible Assets / Earnings Per Share

	30 June 2020	30 June 2019
Net tangible assets/(liabilities) per ordinary share	0.06 cents per share	(0.12) cents per share
Basic loss per ordinary share	0.57 cents per share	1.05 cents per share

CONTROL GAINED OR LOST OVER ENTITIES IN THE YEAR

Control gained over entities

RentPay Technology Pty Ltd, a wholly-owned subsidiary, was incorporated on 17 September 2019.

Loss of control over entities

Not applicable

Audit Status

This report is based on accounts which are in the process of being audited. The Audited Annual Report is expected to be released by 30 September 2020.

Attachments forming part of the Appendix 4E:

Preliminary Financial Report of Rent.com.au Limited for the year ended 30 June 2020 is attached.

Yours faithfully

Dr. Garry Garside
 Chairman

For personal use only

Rent.com.au Limited
Preliminary Statement of Comprehensive Income
For the year ended 30 June 2020

	Consolidated	
	2020 \$	2019 \$
Revenue	2,452,239	2,164,192
Other income	357,390	81,520
Total Income	2,809,629	2,245,712
Administration charges	(404,657)	(526,949)
Consulting & business development costs	(22,595)	(81,775)
Depreciation and amortisation expense	(882,943)	(566,750)
Employee benefit expenses	(1,859,402)	(1,955,014)
Finance costs	(10,593)	(455)
Information technology costs	(385,610)	(416,953)
Share based payment expenses	4,372	107,676
Sales and marketing expenses	(398,092)	(887,044)
Others	(515,324)	(415,631)
Loss before income tax expense	(1,665,215)	(2,497,183)
Income tax expense	-	-
Loss after income tax expense for the year	(1,665,215)	(2,497,183)
Other comprehensive income	-	-
Total comprehensive loss for the year	(1,665,215)	(2,497,183)
Total comprehensive income for the year is attributable to:		
Non-controlling interest	(230)	-
Owners of Rent.com.au Limited	(1,664,985)	(2,497,183)
Total comprehensive loss for the year	(1,665,215)	(2,497,183)
Earnings Per Share	Cents	Cents
Basic and diluted (loss) per share	(0.57)	(1.05)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

For personal use only

Rent.com.au Limited
Preliminary Statement of Financial Position
As at 30 June 2020

	Consolidated	
	2020	2019
Assets	\$	\$
Current assets		
Cash and cash equivalents	631,771	151,534
Trade and other receivables	381,542	313,905
Total current assets	<u>1,013,313</u>	<u>465,439</u>
Non-current assets		
Plant and equipment	19,400	36,254
Right-of-use assets	96,970	-
Intangible assets	1,523,357	1,707,567
Total non-current assets	<u>1,639,727</u>	<u>1,743,821</u>
Total assets	<u>2,653,040</u>	<u>2,209,260</u>
Liabilities		
Current liabilities		
Trade and other payables	556,823	593,177
Borrowings	8,602	8,602
Lease liabilities	80,988	-
Employee benefits	184,403	177,503
Total current liabilities	<u>830,816</u>	<u>779,282</u>
Non-current liabilities		
Borrowings	5,734	14,335
Lease Liabilities	21,365	-
Total non-current liabilities	<u>27,099</u>	<u>14,335</u>
Total liabilities	<u>857,915</u>	<u>793,617</u>
Net Assets	<u>1,795,125</u>	<u>1,415,643</u>
Equity		
Issued capital	37,114,067	35,313,752
Share based payments reserve	6,314,856	6,319,226
Other reserve	243,726	-
Accumulated losses	(41,883,534)	(40,217,335)
Equity attributable to the owners of Rent.com.au Ltd	<u>1,789,115</u>	<u>1,415,643</u>
Non-controlling interest	6,010	-
Total equity	<u>1,795,125</u>	<u>1,415,643</u>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

For personal use only

Rent.com.au Limited
Preliminary Statement of Changes in Equity
For the year ended 30 June 2020

	Issued capital	Share based payment reserves	Other Reserve	Accumulated loss	Non Controlling Interest	Total equity
Consolidated	\$	\$	\$	\$	\$	\$
Balance at 1 July 2019	35,313,752	6,319,226	-	(40,217,335)	-	1,415,643
Adjustment for Impact of AASB 16 [note 1]	-	-	-	(1,214)	-	(1,214)
Restated Balance	35,313,752	6,319,226	-	(40,218,549)	-	1,414,429
Loss after income tax expense for the year	-	-	-	(1,664,985)	(230)	(1,665,215)
Total comprehensive loss for the year	-	-	-	(1,664,985)	(230)	(1,665,215)
<i>Transactions with owners in their capacity as owners:</i>						
Shares issued	2,016,984	-	-	-	-	2,016,984
Changes in ownership	-	-	243,726	-	6,240	249,966
Share issue costs	-	(4,370)	-	-	-	(4,370)
Share based payments	(216,669)	-	-	-	-	(216,669)
Balance at 30 June 2020	37,114,067	6,314,856	243,726	(41,883,534)	6,010	1,795,125

	Issued capital	Share based payment reserves	Other Reserve	Accumulated loss	Non Controlling Interest	Total Equity
Consolidated	\$	\$	\$	\$	\$	\$
Balance at 1 July 2018	34,912,935	6,426,905	-	(37,720,152)	-	3,619,688
Loss after income tax expense for the year	-	-	-	(2,497,183)	-	(2,497,183)
Total comprehensive loss for the year	-	-	-	(2,497,183)	-	(2,497,183)
<i>Transactions with owners in their capacity as owners:</i>						
Share issues	500,003	-	-	-	-	500,003
Share issue costs	(99,186)	-	-	-	-	(99,186)
Share based payments	-	(107,679)	-	-	-	(107,679)
Balance at 30 June 2019	35,313,752	6,319,226	-	(40,217,335)	-	1,415,643

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

For personal use only

Rent.com.au Limited
Preliminary Statement of Cash Flows
For the year ended 30 June 2020

	Consolidated	
	2020	2019
	\$	\$
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	2,704,473	2,436,335
Payments to suppliers and employees (inclusive of GST)	(3,810,099)	(4,428,233)
	<u>(1,105,626)</u>	<u>(1,991,898)</u>
Other income	355,437	71,283
Interest received	1,952	10,237
Interest and other finance costs paid	(10,593)	(455)
Net cash used in operating activities	<u>(758,830)</u>	<u>(1,910,833)</u>
Cash flows from investing activities		
Payments for plant and equipment	(3,354)	(13,724)
Payments for intangible assets (net)	(477,164)	(594,639)
Proceeds from disposal of plant and equipment	100	4,785
Proceeds from disposal of investment	-	-
Net cash used in investing activities	<u>(480,418)</u>	<u>(603,578)</u>
Cash flows from financing activities		
Proceeds from issue of share capital	2,016,981	500,000
Share issue costs	(216,703)	(99,186)
Proceeds from borrowings	2,850	-
Repayment of borrowings	(83,644)	(24,472)
Net cash provided by financing activities	<u>1,719,484</u>	<u>376,342</u>
Net decrease in cash and cash equivalents	480,237	(2,138,069)
Cash and cash equivalents at the beginning of the financial year	151,534	2,289,603
Cash and cash equivalents at the end of the financial year	<u>631,771</u>	<u>151,534</u>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

For personal use only

Note 1. Basis of Preparation

This preliminary final report has been prepared in accordance with ASX Listing Rule 4.3A and the disclosure requirements of ASX Appendix 4E. This report is to be read in conjunction with any public announcements made by Rent.com.au Limited during the reporting period in accordance with the continuous disclosure obligations arising under the Corporations Act 2001 and Australian Securities Exchange Listing Rules.

The Preliminary Financial Statements of Rent.com.au Limited ('The Company') and it is controlled entities ('The Group'), comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Note 2. Segment reporting

Segment information

Identification of reportable segments

The Group operates as a single operating segment with different revenue streams. The Board (the Chief Operating Decision Makers ('CODM') of the business) reviews performance of the Group as a whole.

Note 3. Contingent Assets

There are no contingent assets at the date of this report.

Note 4. Contingent Liabilities

There are no contingent liabilities at the date of this report.