

For personal use only



Rent.com.au Limited
ABN 25 062 063 692

Interim Financial Report
for the half-year ended
31 December 2021

Contents

Director's Report	3
Auditor's Independence Declaration	5
General Information	6
Statement of Profit or Loss and Other Comprehensive Income	7
Statement of Financial Position	8
Statement of Changes in Equity	9
Statement of Cash Flows	10
Notes to The Financial Statements	11
Directors' Declaration	15
Independent Auditor's Review Report to The Members of Rent.com.au Limited	16

Rent.com.au Limited
Director's Report
31 December 2021

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'the Group') consisting of Rent.com.au Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2021.

Directors

The following persons were directors of Rent.com.au Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Dr. Garry Garside	(Non-Executive Chairman)
Mr. John Wood	(Non-Executive Director)
Mr. Sam McDonagh	(Non-Executive Director)
Mr. Philip Warren	(Non-Executive Director)

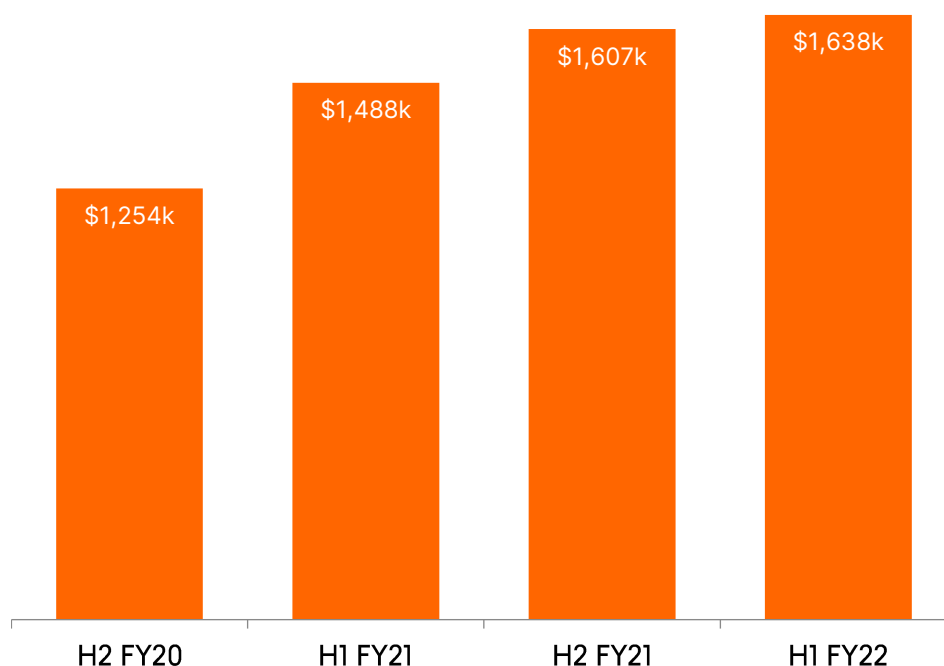
Principal Activities

The Group operates real estate websites focusing on the rental property market. The primary website operated by the Group is www.rent.com.au.

Review of Operations

The Consolidated Statement of Profit or Loss and Other Comprehensive Income shows a net operating loss after tax of \$1,341,612 (31 December 2020: \$389,306). The net operating loss for the half-year ended 31 December 2021 included non-cash share-based payments expenses of \$69,479 (31 December 2020: share-based payments expenses of \$203,417) associated with performance based convertible securities issued to staff. Earnings Before Interest, Tax, Depreciation, and Amortisation (and excluding non-cash share-based payments or sundry income such as JobKeeper payments) ("EBITDA") for the half-year ended 31 December 2021 was a loss of \$819,260 (31 December 2020: \$284,284).

RNT Group Revenue



The Group's revenue increased by 10% compared to the prior comparative period (the half-year ended 31 December 2020) driven mainly by advertising sales which increased 51% compared to the prior comparative period.

The Group released an early version of its new RentPay rental payments platform in May 2021. During the half-year ended 31 December 2021, the Group incurred \$744,591 of capitalised development costs (31 December 2020: \$471,671) and a net operating loss (Earnings Before Interest, Tax, Depreciation, and Amortisation) of \$956,553 (31 December 2020: \$304,844) in developing and market testing this new platform including developing additional security measures and making improvements to the customer onboarding workflows. It is expected that further development costs will be incurred during the half-year to 30 June 2022 in completing these improvements to the platform.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Group during the financial half-year.

Events since the end of the financial reporting period

On 19 January 2022 the Company issued 42 million new fully paid ordinary shares ("Placement Shares") at an issue price of \$0.06 per Share ("the Placement") to sophisticated, professional and other exempt investors pursuant to section 708 of the Corporations Act 2001 (Cth) to raise \$2,500,000 (before costs). The funds will be applied towards increasing RentPay and Rent.com.au business marketing and developing new features and functionality to RentPay.

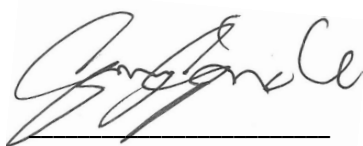
Other than the above, there has been no other matter or circumstance which has arisen since the end of the half-year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent financial periods.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Dr. Garry Garside
Non-executive Chairman
Perth, 24 February 2022

RSM Australia Partners

Level 32, Exchange Tower
2 The Esplanade Perth WA 6000
GPO Box R1253 Perth WA 6844

T +61(0) 8 92619100
F +61(0) 8 92619111

www.rsm.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Rent.com.au Limited for the half-year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.



RSM AUSTRALIA PARTNERS



AIK KONG TING
Partner

Perth, WA
Dated: 24 February 2022

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation

For personal use only

Rent.com.au Limited
General Information
31 December 2021

General information

The financial statements cover Rent.com.au Limited as a Group, consisting of Rent.com.au Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Rent.com.au Limited's functional and presentation currency.

Rent.com.au Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office	Principal place of business
945 Wellington Street West Perth WA 6005	3 Craig Street Burswood WA 6100

A description of the nature of the Group's operations and its principal activities are included in the director's report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 24 February 2022.

Rent.com.au Limited
Statement of Profit or Loss and Other Comprehensive Income
For the half-year ended 31 December 2021

	Note	Consolidated	
		31 Dec 2021 \$	31 Dec 2020 \$
Revenue	3	1,638,054	1,487,773
Other income	4	18,501	567,348
		1,656,555	2,055,121
Administration charges		(295,986)	(242,170)
Consulting costs		(35,441)	(46,750)
Depreciation and amortisation expense		(466,153)	(450,210)
Employee benefit expenses		(932,519)	(794,365)
Finance costs		(5,222)	(5,543)
Information technology costs		(225,214)	(158,842)
Share based payment expenses		(69,479)	(203,417)
Sales and marketing expenses		(500,802)	(157,182)
Other cost of sales		(467,351)	(372,748)
Loss before income tax expense		(1,341,612)	(376,106)
Income tax expense		-	(13,200)
Loss after income tax expense for the half-year		(1,341,612)	(389,306)
Other comprehensive income		-	-
Total comprehensive loss for the half-year		(1,341,612)	(389,306)
Total comprehensive (loss) attributable to:			
Non-controlling interest		(32,412)	(1,419)
Owners of Rent.com.au Limited		(1,309,200)	(387,887)
Total comprehensive loss for the half-year		(1,341,612)	(389,306)
Earnings Per Share		Cents	Cents
Basic and diluted (loss) per share		(0.33)	(0.12)

The above 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
Statement of Financial Position
As at 31 December 2021

	Note	Consolidated	
Assets		31 Dec 2021	30 Jun 2021
		\$	\$
Current assets			
Cash and cash equivalents		1,556,814	2,918,306
Trade and other receivables		544,022	503,685
Total current assets		2,100,836	3,421,991
Non-current assets			
Plant and equipment		31,612	43,467
Right of use asset		305,274	20,149
Intangible assets		2,315,533	2,426,630
Total non-current assets		2,652,419	2,490,246
Total assets		4,753,255	5,912,237
Liabilities			
Current liabilities			
Trade and other payables		571,321	736,796
Borrowings		6,995	13,018
Lease liability		72,323	22,511
Employee benefits		218,571	218,934
Total current liabilities		869,210	991,259
Non-current liabilities			
Borrowings		9,287	10,131
Lease liability		236,045	-
Total non-current liabilities		245,332	10,131
Total liabilities		1,114,542	1,001,390
Net Assets		3,638,713	4,910,847
Equity			
Issued capital	5	41,492,271	41,468,040
Share based payments reserve		6,415,866	6,370,618
Other reserve		243,726	243,726
Accumulated losses		(44,464,339)	(43,155,138)
Equity attributable to the owners		3,687,524	4,927,246
Non-controlling interest		(48,811)	(16,399)
Total equity		3,638,713	4,910,847

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

Rent.com.au Limited
Statement of Changes in Equity
For the half-year ended 31 December 2021

	Issued Capital	Share Based payments Reserves	Other Reserve	Accumulated losses	Non- Controlling Interest	Total equity
Consolidated	\$	\$	\$	\$	\$	\$
Balance at 1 July 2021	41,468,040	6,370,618	243,726	(43,155,138)	(16,399)	4,910,847
Loss after income tax expense or the year	-	-	-	(1,309,201)	(32,412)	(1,341,613)
Total comprehensive loss for the half-year	-	-	-	(1,309,201)	(32,412)	(1,341,613)
<i>Transactions with owners in their capacity as owners:</i>						
Share Issues	24,231	(24,231)	-	-	-	-
Share based payments	-	69,479	-	-	-	69,479
Balance at 31 December 2021	41,492,271	6,415,866	243,726	(44,464,339)	(48,811)	3,638,713

	Issued Capital	Share Based payments Reserves	Other Reserve	Accumulated losses	Non- Controlling Interest	Total equity
Consolidated	\$	\$	\$	\$	\$	\$
Balance at 1 July 2020	37,114,067	6,314,856	243,726	(41,883,534)	6,010	1,795,125
Adjustment for Impact of AASB 16	-	-	-	(387,887)	(1,419)	(389,306)
Restated Balance	-	-	-	(387,887)	(1,419)	(389,306)
<i>Transactions with owners in their capacity as owners:</i>						
Share Issues	1,753,054	-	-	-	-	1,753,054
Share issue costs	(109,837)	-	-	-	-	(109,837)
Share based payments	-	(20,474)	-	-	-	(20,474)
Balance at 31 December 2020	38,757,284	6,294,382	243,726	(42,271,421)	4,591	3,028,562

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

Rent.com.au Limited
Statement of Cashflows
For the half-year ended 31 December 2021

	Note	Consolidated	
		31 Dec 2021	31 Dec 2020
Cash flows from operating activities		\$	\$
Receipts from customers (inclusive of GST)		1,843,761	1,611,911
Payments to suppliers and employees (inclusive of GST)		(2,864,732)	(1,921,615)
		(1,020,971)	(309,704)
Other income		18,375	567,052
Interest received		126	296
Interest and other finance costs paid		(5,222)	(5,543)
Income tax paid		-	(13,200)
Net cash (used in)/from operating activities		(1,007,692)	238,901
Cash flows from investing activities			
Payments for plant and equipment		(1,526)	(29,649)
Payments for intangible assets		(301,173)	(371,473)
Net cash used in investing activities		(302,699)	(401,122)
Cash flows from financing activities			
Proceeds from issue of share capital (net)		-	1,390,163
Proceeds from borrowings		-	26,510
Repayment of borrowings		(51,101)	(74,656)
Net cash (used in)/provided by financing activities		(51,101)	1,342,017
Net (decrease)/increase in cash and cash equivalents		(1,361,492)	1,179,796
Cash and cash equivalents at the beginning of the financial half-year		2,918,306	631,771
Cash and cash equivalents at the end of the financial half-year		1,556,814	1,811,567

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

Note 1. Significant Accounting Policies

These general-purpose financial statements for the interim half-year reporting period ended 31 December 2021 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general-purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2021 and any public announcements made by the Group during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

New or amended Accounting Standards and Interpretations adopted

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

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

Note 2. Operating Segments

Identification of reportable operating 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.

The Board evaluates Group performance by reference to revenue and profit and loss which are measured consistently with these consolidated financial statements. In addition, the Board evaluates EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the Board are consistent with those adopted in the financial statements. The information is reported to the Board monthly.

Rent.com.au Limited
Notes to the Financial Statements
31 December 2021

Note 3. Revenue

	Consolidated 31 Dec 2021			Consolidated 31 Dec 2020		
	Timing of revenue recognition		Total	Timing of revenue recognition		Total
	Goods transferred at a point in time	Services transferred over a period of time		Goods transferred at a point in time	Services transferred over a period of time	
	\$	\$	\$	\$	\$	\$
Fees from agents and landlords	9,753	49,356	59,109	10,897	56,999	67,896
Renter Products Revenue	681,383	297	681,680	790,028	-	790,028
Payment Services	13,677	54,524	68,201	4,900	76,894	81,794
Advertising Sales	371,760	457,304	829,064	121,819	426,236	548,055
Total	1,076,573	561,481	1,638,054	927,644	560,129	1,487,773

Note 4. Other Income

	Consolidated	
	31 Dec 2021 \$	31 Dec 2020 \$
Interest Revenue	126	296
R&D Incentive recognised in income	18,375	263,052
Government Grants	-	304,000
Total Other Income	18,501	567,348

Note 5. Issued Capital

	Consolidated	
	31 Dec 2021 \$	30 Jun 2021 \$
Ordinary shares fully paid	41,492,271	41,468,040
	Shares	Shares
Ordinary shares fully paid	398,192,688	397,654,227

Rent.com.au Limited
Notes to the Financial Statements
31 December 2021

Movements in ordinary share capital:

Ordinary Shares	31 Dec 2021		30 Jun 2021	
	Shares	\$	Shares	\$
At the beginning of the reporting period:	397,654,226	41,468,040	302,635,759	37,114,067
Issue of shares – September 2020	-	-	33,333,333	1,500,000
Conversion of performance shares on 22 Oct 2020	-	-	3,768,467	113,054
Conversion of performance shares on 3 Dec 2020	-	-	2,916,667	140,000
Issue of shares – February 2021	-	-	55,000,000	2,750,000
Conversion of performance shares on 4 August 2021	538,462	24,231	-	-
Transaction costs relating to share issues	-	-	-	(149,081)
At the end of the reporting period	398,192,688	41,492,271	397,654,226	41,468,040

Note 6. Contingent assets and liabilities

There were no material changes to contingent liabilities or assets since 30 June 2021.

Note 7. Commitments

There are no changes to operating lease commitments since 30 June 2021.

Note 8. Events after the reporting period

On 19 January 2022 the Company issued 42 million new fully paid ordinary shares (“Placement Shares”) at an issue price of \$0.06 per Share (“the Placement”) to sophisticated, professional and other exempt investors pursuant to section 708 of the Corporations Act 2001 (Cth) to raise \$2,500,000 (before costs). The funds will be applied towards increasing RentPay and Rent.com.au business marketing and developing new features and functionality to RentPay.

Apart from share issue noted above, no other matter or circumstance has been arisen since 31 December 2021 that has significantly affected, or maybe significantly affect the Group’s operations, the results of those operations or the Group’s state of affairs in future financial years.

Note 9. Dividends

The directors do not recommend the payment of a dividend in respect of the half-year ended 31 December 2021.

Note 10. Options, Performance Rights and Performance Shares

During the half-year ended 31 December 2021, 3,750,000 options and 2,025,000 performance right were cancelled/lapsed in accordance with their terms of issuance.

During the half-year ended 31 December 2021, pursuant to Rent.com.au Limited Employee Long-Term Incentive Plan, the Company issued the following performance rights:

Rent.com.au Limited
Notes to the Financial Statements
31 December 2021

Grant Date	Number of rights	Vesting conditions
28 October 2021	333,333	Remain employed with the Company until 30 June 2022.
26 October 2021	2,975,000	Achieve 100% TSR by 30 June 2024
26 October 2021	743,750	Achieve 150% TSR by 30 June 2024
26 October 2021	743,750	Achieve 200% TSR by 30 June 2024
26 October 2021	525,000	Achieve >\$5 million revenue in FY22 (61% annual growth)
26 October 2021	131,250	Achieve >\$5.5 million revenue in FY22 (77% annual growth)
26 October 2021	131,250	Achieve >\$6 million revenue in FY22 (94% annual growth)
26 October 2021	1,312,500	Achieve 200k paying RentPay customers by 30 June 2023
26 October 2021	1,312,500	Achieve >50% of FY24 revenue from new (since FY21) sources.

For personal use only


Rent.com.au Limited
Director's Declaration
31 December 2021

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Dr. Garry Garside
Non-executive Chairman
Perth, 24 February 2022

RSM Australia Partners

Level 32, Exchange Tower
2 The Esplanade Perth WA 6000
GPO Box R1253 Perth WA 6844

T +61(0) 8 9261 9100
F +61(0) 8 9261 9111

www.rsm.com.au

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
RENT.COM.AU LIMITED**

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Rent.com.au Limited which comprises the statement of financial position as at 31 December 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Rent.com.au Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation

For personal use only

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Rent.com.au Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Rent.com.au Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Rsm

RSM AUSTRALIA PARTNERS



AIK KONG TING
Partner

Perth, WA
Dated: 24 February 2022

For personal use only