RNS Number : 3138R
RentGuarantor Holdings PLC
06 June 2024

The information contained within this announcement is deemed by the Company to constitute inside information stipulated under the Market Abuse Regulation (EU) No. 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018. Upon the publication of this announcement via the Regulatory Information Service, this inside information is now considered to be in the public domain.

6 June 2024

RentGuarantor Holdings PLC

(the "**Company**" or "**RentGuarantor**")

Final Results

RentGuarantor (AQSE: RGG), a provider of rent guarantee services to prospective tenants across the socio-economic spectrum wishing to rent property in the UK private rental sector, is pleased to announce its results for the period ended 31 December 2023.

HIGHLIGHTS

- Revenue is up 79% from £414k to £741k year on year
- Tenant contracts are up 57% from 716 to 1,124 year on year
- Average contract price has increased by 14% from £578 to £660
- Arrear claims at 2.32% of revenue in 2023
- Channel Partners agreements now number 5
- Partnership Agreements with letting agents 42
- Industry events attended in 2023 was 37
- RentGuarantor nominated for AQUIS Company of the Year, at the "Small Cap Awards" in June 2023
- RentGuarantor finalist of the AQUIS Showcase Awards in November 2023
- Commenced the design and development of Fourth Generation RentGuarantor Platform

Paul Foy, CEO of RentGuarantor, commented: "We are pleased to report solid result showing further significant growth in revenue. Our increasing number of strategic partnerships and expanding marketing initiatives have contributed to a substantial rise in the number of rent guarantees. Together with recent investment into our technology, RentGuarantor is well positioned for the future."

For further information please contact:

RentGuarantor Holdings PLC
Paul Foy, Chief Executive Officer
+44 207 193 4418

Alfred Henry Corporate Finance Limited (AQSE Corporate Adviser)
Nick Michaels
Maya Klein Wassink
+44 20 3772 0021

Zeus (Joint Broker)
Simon Johnson (Corporate Broking)
James Hornigold (Investment Banking)
+44 203 829 5000

Oberon Capital (Joint Broker)
Mike Seabrook
Nick Lovering
+44 (0) 203 179 5300

BlytheRay (Financial PR)
Tim Blythe
Megan Ray
+44 207 138 3204

CHAIRMAN'S STATEMENT

I am pleased to present my Chairman's report and an update on our activities for the year ended 31 December 2023.

During 2023 we have continued to build on the growth achieved in 2022. We have successfully developed further strategic relationships and partnerships which have helped to drive our continued growth in revenues and an increased awareness of the Company amongst customers and the industry. Our technology has been further strengthened and our focus has continued to be on the provision of rent guarantee services.

With an increase in demand came the need to enhance the capabilities of our website. Further investment in our technology, including the implementation of a new internal reporting system from HubSpot, has facilitated improvements in the efficiency of our data handling and futureproofed the platform - the website now has a capacity of 1,000 applications per minute. These strategic initiatives should support our planned growth in the B2B market.

In March 2023, the Company joined the Apex segment of the Aquis Stock Exchange which we believe will further enhance our growth strategy. RentGuarantor Holdings Plc ("RentGuarantor") was nominated for an AQUIS Company of the Year award at the Small Cap Awards held in June which is recognition of the progress achieved through the hard work of everyone connected with the Company.

The results we are reporting today show further significant year on year growth in revenues. We have continued to invest in our technology, added depth to our staff and broadened our marketing coverage. Whilst this investment has increased our cost base, our revenues have increased by nearly 80% and operating losses have reduced by £52k to £815k.

Key milestones in the period include:

Signing of strategic contracts:

- Clever Student Lets

- X1 Property Management Ltd
- Vorensys Limited
- InsureStreet Limited T/a Canopy ("Canopy")
- Let Insurance Services Ltd T/a The Lettings Hub ("The Lettings Hub")

In addition to these strategic contracts, the Company also signed partnership agreements with a total of 42 letting agent entities or groups during 2023.

The Company attended 37 conferences and events throughout the year, including the National Landlord Investment Show in London and the Propertymark Scottish National Conference in Edinburgh.

RentGuarantor also held speaking engagements at two National Residential Landlord Association ("NRLA") regional meetings.

RentGuarantor released its 'Moving Stories' campaign this year, which served to reinforce the importance of the service and highlight the wide array of people that it can help support. You can view the short film here: https://youtu.be/_6MkfGIlyQ0

This has been achieved against the backdrop of increased interest rates and heightened (albeit now falling) inflation which has continued to put pressure on budgets and the rental marketplace generally. Landlords and tenants have both been impacted by this environment and we have been careful to manage the risks to our growth strategy. We have also carefully managed our cost base and working capital.

Again, the commitment and energy of all our staff has been critical in achieving this progress and I would like to warmly thank them for their enthusiasm for and commitment to the Company.

We have continued to build the business and increase awareness of the Company's products and these efforts are reflected in a continuation of our growth in revenues and an increased prominence in the market.

We have further strengthened our governance procedures and were delighted to have David Cliff join the Board as Non-Executive Director in October 2023. Peter Coleman, who joined the Board in February 2023, sadly had to resign his position in March 2024 following a prolonged period of ill health. The Board would like to thank Peter for his commitment and contributions and wish him a speedy recovery.

The changes we have made during the year are central to the growth of our business model as is our ongoing investment in our technology platform.

Financial Results

The Group delivered significant revenue growth in FY23 of 79% to £741k (from £414k last year), a further improvement on the growth rate of 71% achieved last year, and a reduced level of losses. As a result of the capital raised in the year, the Group has remained in a positive cash position and our balance sheet provides a strong platform to achieve further growth in 2024.

People

What we have achieved in the last year would not be possible without the passion and commitment shown by our staff and directors. Several new members have joined the team over the last year and I am delighted that they share the enthusiasm and vision for the business. These results are a reflection of that endeavour and on behalf of the Board, I offer them my sincere thanks.

Board and Governance

We have continued to review our governance procedures and the recent addition of Dave Cliff as a Non-Executive Director has added additional strength and oversight to the Board. I am grateful for the contributions that the management team has provided throughout the year.

Summary and Outlook

I am pleased to say that the investment in marketing, technology and people in 2023 is continuing to be reflected in our growth in the first few months of 2024. Inflation has fallen and real wage growth is a prospect for many. Interest rates remain high and are unlikely to fall as quickly as inflation has. We operate in an environment where the market can change quickly. Our careful management of these changes and the inherent risks underpin our approach to growing the business. We will continue to review market developments and to invest in our team and core services to support our growth plans.

The economic and geo-political environments are particularly difficult to anticipate, and we continue to take a cautious but considered approach to the Group's long-term strategy. We believe that the long-term opportunity remains significant.

I look forward to reporting to you on our progress over the coming year.

Graham Duncan
Non-Executive Chairman

5 June 2024

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023

		Year ended 31-Dec 2023	Year ended 31-Dec 2022
		£	£
Continuing operations	**Notes**		
Revenue from guarantee contracts		700,433	414,078
Revenue from application fees		40,595	-
Total revenue	**6**	741,028	414,078
Direct costs		(137,491)	(100,549)
Gross profit		603,537	313,529
Administrative expenses	**7**	(1,418,541)	(1,180,375)
Operating loss		(815,004)	(866,846)
Finance costs	**9**	(55,875)	(43,932)
Revaluation of convertible loan note		(358,458)	-
Loss on ordinary activities before taxation		(1,229,337)	(910,778)

Income tax expense	**10**	-	-
Loss for the year		(1,229,337)	(910,778)
Loss per share (expressed in pence per share)	**11**	**(10.61)**	**(8.03)**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Notes	2023 £	2022 £
Assets			
Non-current assets			
Intangible assets	**14**	272,751	272,027
Right of use assets	**15**	-	11,446
Tangible assets	**15**	9,192	9,708
		281,943	293,181
Current assets			
Trade and other receivables	**16**	22,726	28,983
Cash and cash equivalents	**17**	35,372	91,887
		58,098	120,870
Total assets		**340,041**	**414,051**
Equity and liabilities			
Equity attributable to owners of the parent			
Ordinary share capital	**18**	11,581,175	11,581,175
Share premium	**19**	796,621	796,621
Reorganisation reserve	**19**	(8,050,001)	(8,050,001)
Accumulated losses	**19**	(5,946,669)	(4,717,332)
		(1,618,874)	(389,537)
Liabilities			
Non-current liabilities			
Convertible loan notes	**20**	903,253	500,000
		903,253	500,000
Current liabilities			
Trade and other payables	**20**	1,055,662	289,900
Lease liability	**20**	-	13,688
		1,055,662	303,588
Total liabilities		1,958,915	803,588
Total equity and liabilities		**340,041**	**414,051**

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	2023	2022

	Notes	£	£
Cash outflows from operating activities			
Cash consumed in operations	**21**	(71,075)	(910,155)
Net cash outflows from operating activities		**(71,075)**	**(910,155)**
Expenditure on non-current assets		(5,322)	(8,737)
Expenditure on intangible assets		(116,246)	(77,938)
Net cash outflows from investing activities		**(121,568)**	**(86,675)**
Cash flows from financing activities			
Proceeds from issue of convertible loans		200,000	1,000,000
Finance costs paid		(51,372)	(43,932)
Lease repayments		(12,500)	(25,000)
Proceeds from issue of shares		-	15,616
Net cash inflows from financing activities		**136,128**	**946,684**
Net increase / (decrease) in cash and cash equivalents		**(56,515)**	**(50,146)**
Cash and cash equivalents at the beginning of the year		91,887	142,033
Cash and cash equivalents at the end of the year		**35,372**	**91,887**

NOTES TO PRELIMINARY RESULTS FOR THE PERIOD ENDED 31 DECEMBER 2023

1. The financial information set out above does not constitute statutory accounts for the purpose of Section 434 of the Companies Act 2006. The financial information has been extracted from the statutory accounts of RentGuarantor Holdings PLC and is presented using the same accounting policies, which have not yet been filed with the Registrar of companies, but on which the auditors gave an unqualified report on 5 June 2023.

   The preliminary announcement of the results for the year ended 31 December 2023 was approved by the board of directors on 5 June 2023.

2. Loss per share

Basic earnings per share is calculated by dividing the earnings attributable shareholders by the weighted average number of ordinary shares outstanding during the year. Reconciliations are set out below:

	2023	2022
Losses attributable to ordinary shareholders	(1,229,337)	(910,778)
Weighted average number of shares	11,581,175	11,349,158
Basic and diluted loss per share (pence)	(10.61)	(8.03)

As the Group is loss-making, any potentially dilutive instruments would be considered anti-dilutive, and are disregarded for the purposes of calculating diluted earnings per share.

- ends -

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact rns@lseg.com or visit www.rns.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our Privacy Policy.

END

NEXQKPBBOBKDNAK