

Appendix 4D

Half Year Report

for the half-year ended 31 December 2022

REA Group Ltd

ABN 54 068 349 066

RESULTS FOR ANNOUNCEMENT TO THE MARKET

For the half-year ended 31 December 2022 ("current period")

	31 Dec 2022	% Change from 6 months ended	31 Dec 2021
	A\$M	31 Dec 2021	A\$M
Revenue from ordinary activities¹	617.3	Up 5%	586.9
Revenue from core operations²	617.3	Up 5%	590.4
Net Profit after tax from ordinary activities for the period attributable to members	194.9	Down 10%	215.7
Net Profit after tax from core operations ³	204.9	Down 9%	225.8
Net Profit after tax from ordinary activities for the period attributable to members of parent (before non-controlling interest)	201.6	Down 9%	221.3

Dividend information

	Amount per share (cents)	Franked amount per share (cents)	Tax rate for franking credit
2022 interim dividend per share (paid 22 March 2022)	75.0	75.0	30%
2022 final dividend per share (paid 15 September 2022)	89.0	89.0	30%
2023 interim dividend per share	75.0	75.0	30%

2023 interim dividend dates

Record date	7 March 2023
Payment date	21 March 2023

	31 Dec 2022	30 Jun 2022
	Cents	Cents
Net tangible assets per security ⁴	447.9	394.3

¹ Revenue is defined as revenue from property and online advertising and revenue from financial services less expenses from franchisee commissions, as disclosed in the Consolidated Interim Financial Statements as operating income.

² Revenue from core operations is defined as reported revenue adjusted for significant non-recurring items such as integration costs.

³ Financial results from core operations are defined as reported results adjusted for significant non-recurring items such as integration and restructuring costs, recognition of financial assets and revaluation of financial liabilities held by an associate. The prior year comparative also excludes gain/loss on acquisitions, disposals and discontinued operations and related transaction costs.

⁴ Net tangible assets is calculated based on net assets excluding intangible assets and including right-of-use assets.

Details of associates and joint venture entities⁵

	% Interest 31 Dec 2022	% Interest 30 Jun 2022
Simpology Pty Ltd	35.2%	35.2%
Realtair Pty Ltd	35.8%	35.8%
Managed Platforms Pty Ltd	27.3%	27.5%
Campaign Agent Pty Ltd	29.8%	29.8%
Move, Inc.	20.0%	20.0%
ScaleUp Media Fund 2.0 Pty Ltd	16.7%	16.7%
PropertyGuru Pte Ltd	17.5%	17.5%

⁵ Shareholding %'s represent undiluted holdings.

Details of contributions to net profit are disclosed in Note 11 of the Consolidated Interim Financial Report.

Additional Appendix 4D disclosure requirements can be found in the notes to the Consolidated Interim Financial Report and the Directors' Report for the half-year ended 31 December 2022. Information should be read in conjunction with REA Group Ltd's 2022 Annual Report and the attached Consolidated Interim Financial Report.

This report is based on the Consolidated Interim Financial Report for the half-year ended 31 December 2022 which has been reviewed by Ernst & Young with the Independent Auditor's Review Report included in the Consolidated Interim Financial Report.

REA Group Ltd

ABN 54 068 349 066

**Interim Financial Report
for the half-year ended 31 December 2022**



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Corporate Information

Directors	Hamish McLennan (Chairman) Owen Wilson (Chief Executive Officer) Nick Dowling Tracey Fellows Richard Freudenstein Michael Miller Jennifer Lambert Kelly Bayer Rosmarin
Chief Financial Officer	Janelle Hopkins
Company Secretary	Tamara Kayser
Principal registered office	511 Church Street Richmond, VIC 3121 Australia Ph: +61 1300 853 440
Share register	Link Market Services Limited Tower 4, 727 Collins Street Melbourne, VIC 3000 Australia Ph: 1300 554 474 (within Australia) +61 1300 554 474 (outside Australia) Fax: 02 9287 0303
Auditor	EY 8 Exhibition Street Melbourne, VIC 3000 Australia
Bankers	National Australia Bank Limited
Securities Exchange Listing	REA Group Ltd shares are listed on the Australian Securities Exchange (ASX: REA)
Website	www.rea-group.com

Directors' Report

The Directors present their report together with the Interim Financial Statements of the consolidated entity ('the Group' or 'REA'), being REA Group Ltd (the 'Company') and its controlled entities, for the half-year ended 31 December 2022 and the Independent Auditor's Review Report thereon.

Directors

The names of Directors of the Group in office during the half-year and up to the date of the report, unless stated otherwise, are as follows:

- Hamish McLennan (Chairman)
- Owen Wilson (Chief Executive Officer)
- Nick Dowling
- Tracey Fellows
- Richard Freudenstein
- Michael Miller
- Jennifer Lambert
- Kelly Bayer Rosmarin

Principal activities

REA provides property and property-related services on websites and mobile apps across Australia and India.

The purpose of the Group is to 'change the way the world experiences property'. It fulfils this purpose by:

- Providing digital tools, information and data for people interested in property. REA refers to those who use these services 'consumers'.
- Helping real estate agents, developers, property-related businesses, and advertisers promote their services. REA refers to those who use these services 'customers'.
- Helping consumers finance their property needs through multi-channel digital and broker propositions.

REA's growth strategy is centred around four core objectives:

- Providing our customers with access to the largest and most engaged audience of property seekers
- Delivering unparalleled customer value
- Providing the richest content, data and insights to empower our customers and consumers throughout their property journey
- Creating the next generation of property and property-related marketplaces.

Further details are set out in the business strategies and future developments section of this Directors' Report.

Operating and financial review

Reconciliation of results from core operations

A summary of financial results from core operations for the half-year ended 31 December 2022 is set out below.

For the purposes of this report, core operations are defined as the reported results set out in the interim financial statements adjusted for significant non-recurring items such as integration and restructuring costs, recognition of financial assets and revaluation of financial liabilities held by an associate. The prior year comparative also excludes gain/loss on acquisitions, disposals and discontinued operations and related transaction costs. The classification of significant non-recurring items is consistent with the prior comparative period.

A reconciliation of results from core operations and non-IFRS (International Financial Reporting Standards) measures compared with the reported results in the Consolidated Income Statement on page 14 is set out below. The following non-IFRS measures have not been audited but have been extracted from the financial statements.

Reconciliation of results from core operations continued

A\$M (unless stated)	H1 FY19	H1 FY20	H1 FY21	H1 FY22	H1 FY23	Growth
Operating income from core operations	469.2	440.3	430.4	590.4	617.3	5%
EBITDA ¹ from core operations ²	289.1	267.2	290.2	368.0	347.3	(6%)
<i>EBITDA margin</i>	62%	61%	67%	62%	56%	
Net profit from core operations attributable to owners of the parent ²	176.4	152.9	172.1	225.8	204.9	(9%)
Dividend (cents per share)	55.0	55.0	59.0	75.0	75.0	0%
Earnings per share from core operations attributable to owners of the parent ² (cents)	134.1	116.1	130.7	170.9	155.1	(9%)

¹ The Directors believe the EBITDA measures to be relevant and useful in measuring the financial performance of the Group. EBITDA is defined as Earnings Before Interest, Tax, Depreciation and Amortisation.

² The Directors believe the additional information to IFRS measures included in the report is relevant and useful in measuring the financial performance of the Group.

<i>Reconciliation of core income to reported</i>	H1 FY23 \$M	H1 FY22 \$M	Growth
Core operating income	617.3	590.4	5%
Trail commission integration adjustment	-	(3.5)	n/a
Reported operating income	617.3	586.9	5%

<i>Reconciliation of core EBITDA to reported</i>	H1 FY23 \$M	H1 FY22 \$M	Growth
EBITDA from core operations (excluding share of gains and losses of associates) ¹	358.9	365.8	(2%)
Share of (losses)/gains of associates	(9.4)	1.4	<(100%)
Revaluation of financial liabilities held by an associate	(2.2)	-	n/a
Associate restructuring costs	-	0.8	n/a
EBITDA from core operations¹	347.3	368.0	(6%)
Net gain from divestment related activities	-	4.0	n/a
Revaluation of financial liabilities held by an associate	2.2	-	n/a
Recognition of financial asset	1.5	-	n/a
Associate restructuring costs	-	(0.8)	n/a
Restructuring costs	(2.6)	-	n/a
Integration costs (including trail commission integration adjustment)	(5.7)	(8.2)	(30%)
Reported EBITDA¹	342.7	363.0	(6%)

<i>Reconciliation of net profit from core operations to reported</i>	H1 FY23 \$M	H1 FY22 \$M	Growth
Net profit from core operations attributable to owners of the parent	204.9	225.8	(9%)
Net gain from divestment related activities	-	4.0	n/a
Associate restructuring costs	-	(0.8)	n/a
Revaluation of financial liabilities held by an associate	2.2	-	n/a
Recognition of financial asset	1.5	-	n/a
Restructuring costs	(1.9)	-	n/a
Integration costs (including trail commission integration adjustment)	(5.1)	(7.7)	(34%)
Reported net profit attributable to owners of the parent	201.6	221.3	(9%)

¹ The Directors believe the additional information to IFRS measures included in the report is relevant and useful in measuring the financial performance of the Group.

Group results from core operations

Group operating income increased by 5% to \$617.3 million. Revenue growth was underpinned by 3% growth in Australia, with yield growth across our advertising products more than offsetting a very challenging market environment and very strong prior year comparables. REA India performed strongly, with revenue up 48% against the prior comparative period.

In Australia, the residential property market was heavily impacted during the first half by the unprecedented consecutive interest rate rises. While underlying demand remained healthy, uncertainty around future interest rate movements caused some sellers to pause and buyers to re-calibrate as borrowing capacities fell.

Despite these conditions, residential revenue growth was driven by an 11% increase in buy yield from the contribution of Premiere+, in addition to a 6% average national price rise and increased depth penetration. This was partly offset by negative geographical mix from lower listings in higher yielding Melbourne and Sydney markets, resulting in an increase in Australian residential revenue of 5%.

The Group's EBITDA from core operations decreased 6% to \$347.3 million and net profit from core operations attributable to owners of the parent decreased 9% to \$204.9 million. Core operating costs (excluding share of gains and losses of associates) increased by 15%, driven by higher employee costs from wage inflation, continued investment to deliver strategic initiatives, and increased marketing and travel costs. The year on year growth rate also reflects reduced costs in the prior period due to lockdowns and the deferral of spending due to COVID-19 uncertainty. REA India also incurred higher operating costs from continued investment in people, marketing and increased revenue-related costs.

Australia continues to be the primary revenue driver for the business. The Group's result reflects an ongoing focus on continued innovation and the

release of new products and features to deliver excellent customer value and highly personalised consumer experiences.

realestate.com.au continues to remain the clear leader in online real estate with average monthly visits of 117.6 million¹, outperforming the closest competitor by 3.3 times² on average.

Strong operating cashflows were offset by a \$95 million partial repayment under the syndicated loan facility, and shareholder returns in the form of dividends, resulting in a cash and cash equivalents balance of \$142.3 million at 31 December 2022. The Group had net current assets of \$177.7 million as at 31 December 2022. The Group generated positive operating cashflows and traded profitably for the period. The Directors expect this to continue for the foreseeable future.

The Group has a \$600 million syndicated debt facility with two tranches, \$400 million maturing in September 2024 and \$200 million maturing in September 2025. As at 31 December 2022 the Group's total debt was \$318.7 million following repayment of \$95 million in December 2022 with \$281.3 million of the facility undrawn. Refer to Note 8 for further details.

Dividends

Dividends paid or determined to be paid by the Company during, and since, the end of the financial year are set out in Note 9 to the interim financial statements and below:

	Interim 2023	Final 2022
Per share (cents)	75.0	89.0
Total amount (\$M)	99.1	117.6
Franked*	100%	100%
Payment date	21 Mar 2023	15 Sep 2022

*All dividends are fully franked based on tax paid at 30%.

¹ Nielsen Digital Content Ratings (Monthly Tagged), Jul 22 - Dec 22 (average), P2+, Digital (C/M), text, realestate.com.au, Total Sessions.

² Nielsen Digital Content Ratings (Monthly Tagged), Jul 22 - Dec 22 (average), P2+, Digital (C/M), text, realestate.com.au vs Domain, Total Sessions.

Performance by region

Half-year ended 31 December 2022	Australia		India	International	Corporate	Total
	Property & Online Advertising	Financial Services				
	\$M	\$M				
Segment operating income						
Total segment operating income ¹	546.3	34.7	36.3	-	-	617.3
Operating income	546.3	34.7	36.3	-	-	617.3
Results						
Segment EBITDA from core operations (excluding share of losses of associates)	384.3	9.7	(22.8)	-	(12.3)	358.9
Share of gains / (losses) of associates	(2.3)	(1.0)	-	(6.1)	-	(9.4)
Revaluation of financial liabilities held by an associate ²	-	-	-	-	(2.2)	(2.2)
Segment EBITDA from core operations	382.0	8.7	(22.8)	(6.1)	(14.5)	347.3
Revaluation of financial liabilities held by an associate ²	-	-	-	-	2.2	2.2
Recognition of financial asset	-	-	-	-	1.5	1.5
Restructuring costs	-	-	-	-	(2.6)	(2.6)
Integration costs	-	-	-	-	(5.7)	(5.7)
EBITDA	382.0	8.7	(22.8)	(6.1)	(19.1)	342.7

¹ This represents revenue less commissions for Financial Services.

² Represents REA's share of the revaluation gain from financial liabilities held by PropertyGuru.

Performance by region (continued)

Half-year ended 31 December 2021	Australia		India	International	Corporate	Total
	Property & Online Advertising	Financial Services				
	\$M	\$M				
Segment operating income						
Total segment operating income ^{1,2}	524.6	41.3	24.5	-	-	590.4
Trail commission adjustment	-	-	-	-	(3.5)	(3.5)
Operating income	524.6	41.3	24.5	-	(3.5)	586.9
Results						
Segment EBITDA from core operations (excluding share of gains and losses of associates)	373.9	17.7	(14.8)	-	(11.0)	365.8
Share of gains / (losses) of associates	(1.6)	(0.6)	-	3.6	-	1.4
Associate restructuring costs ³	-	-	-	-	0.8	0.8
Segment EBITDA from core operations	372.3	17.1	(14.8)	3.6	(10.2)	368.0
Net gain from divestment related activities ⁴	-	-	-	-	4.0	4.0
Associate restructuring costs ³	-	-	-	-	(0.8)	(0.8)
Integration costs (including trail commission integration adjustment)	-	-	-	-	(8.2)	(8.2)
EBITDA	372.3	17.1	(14.8)	3.6	(15.2)	363.0

¹ This represents revenue less commissions for Financial Services.

² For Australia Property & Online Advertising, this includes the former Asia operations being Malaysia, Thailand, and Hong Kong, inclusive of MyFun revenue which was disclosed as 'Segment Operating Income – other' in the 31 December 2021 interim financial statements.

³ Associate restructuring costs reflect REA's share of restructuring costs incurred by PropertyGuru.

⁴ Comprised of \$15.8 million gain relating to the divestment of Malaysia, Thailand and 99 Group shareholder rights and \$11.8 million loss relating to the divestment of Hong Kong assets to 28Hse, closure of Hong Kong operations and rationalisation of the remaining Asia subsidiaries.

Performance by region (continued)

Australia

The Group operates Australia's leading residential and commercial sites, realestate.com.au³ and realcommercial.com.au⁴, data and insights business, Proptrack and a leading mortgage broking business, Mortgage Choice.

Australian operating income increased by 3% to \$581.0 million during the period largely driven by revenue growth within the Australian Property & Online advertising segment. This was partially offset by a decline in revenue within the Financial Services segment.

realestate.com.au continues to be the number one property portal in Australia³, attracting 117.6 million visits each month on average on all platforms¹. 12.1 million people visited the site each month on average⁵, reaching 55% of Australia's adult population⁶. This unrivalled audience of people looking to buy, sell, rent, or share property provides valuable insights to the Group on how people search and view property.

In addition, our audience comprises high intent property seekers, making it possible for REA to deliver more leads to its customers. Active members are proven to drive more value to our customers and our focus on personalisation and consumer experience has significantly accelerated the growth of this group with a 20% increase in active members⁷, and a 50% increase in active property owner tracks⁷ year on year⁷.

Property and Online Advertising

Property and Online Advertising operating income increased by 4% to \$546.3 million.

Australian residential revenue increased 5% to \$424.9 million, with an 11% increase in Buy yield more than offsetting the 9% decline in national listings. Buy yield benefited from the contribution from Premiere+, a 6% average national price rise, and increased depth and Premiere penetration, partly offset by a negative geographical mix impact from lower listings in the higher yielding Melbourne

and Sydney markets. Buy revenue also benefited from a positive impact from deferral. Rent revenue increased with a 5% price rise and growth in depth penetration, partly offset by a 3% decline in listings due to a continuing lack of supply.

Commercial and Developer revenue increased 5% to \$72.2 million. Commercial revenue increased YoY, driven by increased depth penetration and 1 July price increases. Developer revenue decreased YoY impacted by a 4% decline in project launches during the period with rising input costs, labour shortages and supply chain issues resulting in developers being less willing to take new projects to market.

realcommercial.com.au continues to be the leading commercial property app in Australia, with 18.6 times more app launches than the nearest competitor⁸.

Media, Data and Other revenue was flat at \$49.2 million during the half. Data revenues increased by 13%, with PropTrack continuing to strengthen key relationships with major banks and grow data & insights revenue. Media revenues decreased reflecting lower direct sales from Developer and Media display. Other revenues, which is largely flatmates.com, increased YoY.

Financial Services

Financial Services operating income declined 14%⁹ to \$34.7 million, with slowing market activity resulting in an 11% reduction in settlements. Momentum from the newly combined brand has continued, driving an acceleration in recruitment with 94 new brokers added during the half. The integration of Mortgage Choice is progressing well, with all brokers now on the same platform, and completion is on track for Q3 FY23.

³ Nielsen Digital Content Ratings (Monthly Total), Jul 22 – Dec 22, P2+, Digital (C/M), text, Real Estate/Apartments subcategory, Unique Audience.

⁴ Nielsen Digital Content Ratings (Monthly Tagged), Jul 22 – Dec 22 (average), P2+, Digital (C/M), text, realcommercial.com.au vs commercialrealestate.com.au, Unique Audience.

⁵ Nielsen Digital Content Ratings (Monthly Tagged), Jul 22 – Dec 22 (average), P2+, Digital (C/M), text, realestate.com.au, Unique Audience.

⁶ Nielsen Digital Content Ratings (Monthly Tagged), Dec 22, P18+, Digital (C/M), text, realestate.com.au, Active Reach %.

⁷ REA internal data Jul 22 – Dec 22 vs. Jul 21 – Dec 21.

⁸ Nielsen Digital Content Ratings (Monthly Tagged), Jul 22 – Dec 22 (average), P2+, Digital (C/M), text, realcommercial.com.au vs commercialrealestate.com.au, App Launches.

⁹ Growth rate excludes discontinued business (FinChoice).

India

RE A India delivered an impressive performance for the half, with revenue growth of 48% to \$36.3 million. Revenue growth was driven by strong growth in Housing.com's property advertising business, with increased search engine optimisation (SEO) driving audience growth of 36% year on year¹⁰. Revenue also benefited from growth in lower margin adjacency products on the Housing Edge platform, such as Rent Pay, Mortgages and Property management.

RE A's shareholding in RE A India increased from 73.3% to 75.0% at December 2022, with News Corp holding a non-controlling interest of 25.0%.

International

The International segment includes our equity accounted strategic investments comprising Move, Inc. ("Move") and the Property Guru Group Limited ("PropertyGuru"). Refer to Note 11.

Move

The Group holds a 20% investment in Move, a leading provider of online real estate services in the United States. News Corp holds the remaining 80%.

Move primarily operates realtor.com®, a leading property portal in the United States, under a perpetual agreement and trademark licence with the National Association of Realtors®, the largest trade organisation in the USA.

Move's reported revenue was 10% down¹¹ driven by higher interest rates, which has led to lower lead and transaction volumes, partially offset by higher home prices. Move also continued to reinvest to drive their core businesses and expand into adjacencies, which saw higher employee and marketing costs. Move contributed an equity-accounted loss of \$6.5 million in H1 FY23, down from a \$8.2 million gain in the prior period.

PropertyGuru

The Group also holds a 17.5% stake in PropertyGuru, which operates leading property marketplaces in Singapore, Vietnam, Malaysia and

Thailand, and is listed on the New York Stock Exchange (NYSE).

PropertyGuru contributed an equity-accounted loss of \$0.4 million in H1 FY23, down from a \$4.6 million loss in the prior period with strong marketplace revenue growth in all of its key markets¹².

Business strategies and future developments

The way people search and find property continues to evolve, and consumer expectations are shaped by their digital experience. RE A's goal is to provide an easy and highly relevant experience for both its customers and consumers across Australia and India, right throughout their property journey.

RE A Group has access to the largest audience of property seekers across Australia and increasing audience numbers in India. This provides the Group with rich data and insights about what people are searching for and their individual property needs, enabling the delivery of highly relevant and personalised experiences.

Property

The foundation of the business is the online advertising of property listings, supported by data on residential and commercial property. Agents continue to play a critical role in the success of the business.

The Group focuses on improving the way properties are displayed on its sites and apps, to ensure people are provided with the best and most up-to-date content. It does this by using rich data to support the development of innovative products and experiences. This creates more opportunities for customers to continue growing their business, while creating personalised experiences for consumers.

Finance

Home finance is an integral part of the property purchase journey. As part of the Group's Finance strategy, the Group combines searching for property and obtaining a home loan in a single experience and allows consumers the choice of a digital loan application or to be connected to a mortgage broker.

¹⁰ Similarweb data, average site visits Jul 22 – Dec 22 vs. Jul 21 – Dec 21 – excludes apps.

¹¹ NewsCorp's Form 10-Q stated in US Dollars for the six-month period ended 31 December 2022.

¹² PropertyGuru's Form 6-K stated in Singapore Dollars for the nine-months ended 30 September 2022.

The Group recognises the value mortgage brokers bring to people looking to finance their next property. The Group now has over 1,030 brokers in market. REA's audience, brand strength and digital expertise provides a unique position for long-term growth within the financial services industry.

Property-related services

REA Group's strength lies in the ability to understand its audience and it is continually looking for new ways to create value for its customers and consumers and remove any barriers for them to be able to realise, and achieve, their property dreams.

The Group does this by providing rich data and market insights to help customers and consumers make the most informed property-related decisions.

For consumers, this means REA Group provides a personalised experience, inspiring content and a range of tools, calculators and other information so that people are equipped to make the right decision depending on where they are in their journey.

And for customers, it's about giving them deep insight into market trends and consumer behaviour to support their business growth.

Rounding of amounts

The Company is of the kind referred to in *Australian Securities and Investments Commission Instrument 2016/191* pursuant to sections 341(1) and 992(B) of the *Corporations Act 2001*. Amounts in the Directors' Report and the accompanying Interim Financial Statements have been rounded off in accordance with the relief provided, to the nearest million and one decimal place, except where otherwise indicated.

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 on page 12.

Declaration

This Report is made in accordance with a resolution of Directors.



Hamish McLennan

Chairman



Owen Wilson

Chief Executive Officer

Melbourne

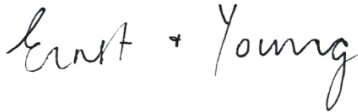
10 February 2023

Auditor's Independence Declaration to the Directors of REA Group Ltd

As lead auditor for the review of the half-year financial report of REA Group Ltd for the half-year ended 31 December 2022, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;
- b. No contraventions of any applicable code of professional conduct in relation to the review; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

This declaration is in respect of REA Group Ltd and the entities it controlled during the financial period.



Ernst & Young



Alison Parker
Partner
10 February 2023

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Consolidated Income Statement

for the half-year ended 31 December 2022

	Notes	2022 \$M	2021 \$M
Revenue from property and online advertising	3	582.6	549.1
Revenue from financial services	3	150.3	178.8
Expense from franchisee commissions	3	(115.6)	(141.0)
Revenue from financial services after franchisee commissions		34.7	37.8
Total operating income		617.3	586.9
Employee benefits expenses		(150.7)	(141.0)
Consultant and contractor expenses		(9.6)	(7.8)
Marketing related expenses		(38.2)	(33.5)
Technology and other expenses		(41.7)	(33.6)
Operations and administration expense		(25.0)	(13.4)
Share of (losses) / gains of associates	11	(9.4)	1.4
Net gain from divestment related activities		-	4.0
Earnings before interest, tax, depreciation and amortisation (EBITDA)		342.7	363.0
Depreciation and amortisation expense	4	(46.0)	(45.8)
Profit before interest and tax (EBIT)		296.7	317.2
Net finance expense	4	(5.5)	(3.4)
Profit before income tax		291.2	313.8
Income tax expense	6	(96.3)	(98.1)
Profit for the half-year		194.9	215.7
Profit / (loss) for the half-year is attributable to:			
Non-controlling interest		(6.7)	(5.6)
Owners of the parent		201.6	221.3
		194.9	215.7
Earnings per share attributable to the ordinary equity holders of REA Group Ltd			
Basic earnings per share		152.6	167.5
Diluted earnings per share		152.6	167.5

The above Consolidated Income Statement should be read in conjunction with the accompanying notes.

Consolidated Statement of Comprehensive Income

for the half-year ended 31 December 2022

	2022	2021
	\$M	\$M
Profit for the half-year	194.9	215.7
Other comprehensive income		
Items that may be reclassified subsequently to the Consolidated Income Statement		
Exchange differences on translation of foreign operations, net of tax	12.3	29.6
Other comprehensive income for the half-year, net of tax	12.3	29.6
Total comprehensive income for the half-year	207.2	245.3
Total comprehensive income / (loss) for the half-year is attributable to:		
Non-controlling interest	(5.8)	(2.4)
Owners of the parent	213.0	247.7
	207.2	245.3

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

as at 31 December 2022

	Notes	31 Dec 2022 \$M	30 Jun 2022 \$M
ASSETS			
Current assets			
Cash and cash equivalents		142.3	248.2
Trade and other receivables		145.4	155.7
Commission contract assets	7	158.4	156.1
Current tax assets		9.9	-
Total current assets		456.0	560.0
Non-current assets			
Property, plant and equipment		91.9	82.4
Intangible assets		858.9	842.3
Other non-current assets		31.0	23.9
Investment in associates	11	640.2	637.3
Commission contract assets	7	418.1	422.9
Total non-current assets		2,040.1	2,008.8
Total assets		2,496.1	2,568.8
LIABILITIES			
Current liabilities			
Trade and other payables		70.5	114.0
Current tax liabilities		-	2.0
Provisions		20.9	15.4
Contract liabilities		58.7	87.6
Interest bearing loans and borrowings	8	5.9	8.6
Commission liabilities	7	122.3	122.2
Total current liabilities		278.3	349.8
Non-current liabilities			
Other non-current payables		7.9	11.6
Deferred tax liabilities	6	26.5	20.2
Provisions		10.8	15.4
Interest bearing loans and borrowings	8	394.7	478.4
Commission liabilities	7	327.2	330.1
Total non-current liabilities		767.1	855.7
Total liabilities		1,045.4	1,205.5
Net assets		1,450.7	1,363.3
EQUITY			
Contributed equity		143.1	146.4
Reserves		101.2	88.5
Retained earnings		1,151.1	1,067.1
Parent interest		1,395.4	1,302.0
Non-controlling interest		55.3	61.3
Total equity		1,450.7	1,363.3

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

for the half-year ended 31 December 2022

	Notes	Contributed equity \$M	Reserves \$M	Retained earnings \$M	Parent interest \$M	Non- controlling interest \$M	Total equity \$M
Balance at 1 July 2022		146.4	88.5	1,067.1	1,302.0	61.3	1,363.3
Profit for the half-year		-	-	201.6	201.6	(6.7)	194.9
Other comprehensive income		-	11.4	-	11.4	0.9	12.3
Total comprehensive income/(loss) for the half-year		-	11.4	201.6	213.0	(5.8)	207.2
Transactions with owners							
Share-based payment expense		-	6.4	-	6.4	-	6.4
Acquisition of treasury shares		(8.4)	-	-	(8.4)	-	(8.4)
Settlement of vested performance rights		5.1	(5.1)	-	-	-	-
Dividends paid	9	-	-	(117.6)	(117.6)	(0.2)	(117.8)
Balance at 31 December 2022		143.1	101.2	1,151.1	1,395.4	55.3	1,450.7

	Notes	Contributed equity \$M	Reserves \$M	Retained earnings \$M	Parent interest \$M	Non- controlling interest \$M	Total equity \$M
Balance at 1 July 2021		152.1	40.4	876.5	1,069.0	70.2	1,139.2
Profit for the half-year		-	-	221.3	221.3	(5.6)	215.7
Other comprehensive income		-	26.4	-	26.4	3.2	29.6
Total comprehensive income/(loss) for the half-year		-	26.4	221.3	247.7	(2.4)	245.3
Transactions with owners							
Share-based payment expense		-	6.4	-	6.4	-	6.4
Acquisition of treasury shares		(12.5)	-	-	(12.5)	-	(12.5)
Settlement of vested performance rights		6.9	(6.9)	-	-	-	-
Dividends paid	9	-	-	(95.1)	(95.1)	(0.1)	(95.2)
Balance at 31 December 2021		146.5	66.3	1,002.7	1,215.5	67.7	1,283.2

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

for the half-year ended 31 December 2022

	Notes	2022 \$M	2021 \$M
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		686.4	645.1
Payments to suppliers and employees (inclusive of GST)		(374.4)	(327.1)
		312.0	318.0
Interest received		3.0	0.6
Interest paid		(8.4)	(3.5)
Income taxes paid		(101.2)	(102.0)
Net cash inflow from operating activities		205.4	213.1
Cash flows from investing activities			
Payment for investment in associates		(1.0)	(15.0)
Proceeds from sale of business assets		-	0.4
Payment for property, plant and equipment		(5.0)	(2.3)
Payment for intangible assets		(53.7)	(42.2)
Investment in short term funds		(19.4)	(16.0)
Payment for financial assets		(7.0)	(5.6)
Net cash outflow from investing activities		(86.1)	(80.7)
Cash flows from financing activities			
Dividends paid to company's shareholders	9	(117.6)	(95.1)
Dividends paid to non-controlling interests in subsidiaries		(0.2)	(0.1)
Payment for acquisition of treasury shares		(8.4)	(12.5)
Repayment of borrowings and leases	8	(99.3)	(4.3)
Related party loan to associate		(0.7)	-
Net cash outflow from financing activities		(226.2)	(112.0)
Net Increase / (decrease) in cash and cash equivalents		(106.9)	20.4
Cash and cash equivalents at the beginning of the period		248.2	168.9
Cash and cash equivalents held for sale at the beginning of the period		-	4.9
Effects of exchange rate changes on cash and cash equivalents		1.0	0.6
Cash and cash equivalents at end of the half-year		142.3	194.8

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Consolidated Interim Financial Statements

Corporate information

REA Group Ltd (the “Company”) is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange (“ASX”).

The Consolidated Interim Financial Statements of the Company as at and for the half-year ended 31 December 2022 comprise the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interests in associates.

The nature of the operations and principal activities of the Group are described in the Directors’ Report.

1. Basis of preparation

- REA Group Ltd and its controlled entities is a for-profit entity and is primarily involved in providing property and property-related services on websites and mobile apps across Australia and India.
- These Consolidated Interim Financial Statements for the half-year ended 31 December 2022 have been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.
- The Consolidated Interim Financial Statements do not include all the information and disclosures required in annual Financial Statements and should be read in conjunction with the Group’s annual Consolidated Financial Statements as of 30 June 2022.
- The accounting policies adopted in the preparation of the Consolidated Interim Financial Statements are consistent with those followed in the preparation of the Group’s annual Consolidated Financial Statements for the year ended 30 June 2022. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.
- The preparation of the Consolidated Interim Financial Statements requires the use of certain critical accounting estimates. It also requires the exercise of judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Consolidated Interim Financial Statements are the same as those described in the Group’s annual Consolidated Financial Statements as of 30 June 2022.

2. Segment information

Operating Segments are reported in a manner consistent with internal reporting provided to the chief operating decision maker, being the CEO, who provides the strategic direction and management oversight of the Company through the monitoring of results and approval of strategic plans for the business. The Group's operating segments are determined firstly based on location, and secondly by function, of the Group's operations. The Group's reporting segments are outlined below:

- Australia – Property & Online Advertising: includes property & online advertising across Australia and the equity investments of Campaign Agent Pty Ltd, Realtair Pty Limited and Managed Platforms Pty Ltd.
- Australia – Financial Services: includes financial services across Australia and equity investment of Simpology Pty Limited.
- India – includes REA India Pte Ltd.
- International – includes equity investments in Move Inc. and PropertyGuru Group Ltd.
- Corporate – includes the costs of certain head office functions that are not considered appropriate to be allocated to the Group's operating businesses.

The Group has two revenue streams, the first of which is the provision of advertising and other property-related services to the real estate industry. While the Group offers different brands to the market from this stream, it is considered that this offering is a single type of product/service, from which the Property & Online Advertising operating segments in each of Australia, India and International derive their revenues.

The second revenue stream comes from the Financial Services operating segment in Australia, which derives its revenue through commissions earned from mortgage broking and home financing solutions offered to consumers. Intersegment transactions are reported separately, with intersegment revenue eliminated from total reported revenue of the Group.

2. Segment information (continued)

The following tables present operating income and results by operating segments for the half-years ended 31 December 2022 and 2021.

Half-year ended 31 December 2022	Australia		India	International	Corporate	Total
	Property & Online Advertising	Financial Services				
	\$M	\$M	\$M	\$M	\$M	\$M
Segment operating income						
Total segment operating income ¹	546.3	34.7	36.3	-	-	617.3
Operating income	546.3	34.7	36.3	-	-	617.3
Results						
Segment EBITDA from core operations (excluding share of losses of associates)	384.3	9.7	(22.8)	-	(12.3)	358.9
Share of gains / (losses) of associates	(2.3)	(1.0)	-	(6.1)	-	(9.4)
Revaluation of financial liabilities held by an associate ²	-	-	-	-	(2.2)	(2.2)
Segment EBITDA from core operations	382.0	8.7	(22.8)	(6.1)	(14.5)	347.3
Revaluation of financial liabilities held by an associate ²	-	-	-	-	2.2	2.2
Recognition of financial asset	-	-	-	-	1.5	1.5
Restructuring costs	-	-	-	-	(2.6)	(2.6)
Integration costs	-	-	-	-	(5.7)	(5.7)
EBITDA	382.0	8.7	(22.8)	(6.1)	(19.1)	342.7
Depreciation and amortisation						(46.0)
EBIT						296.7
Net finance expense						(5.5)
Profit before income tax						291.2
Income tax expense						(96.3)
Profit after income tax						194.9

¹ This represents revenue less commissions for Financial Services.

² This reflects REA's share of revaluation gain from financial liabilities held by PropertyGuru.

2. Segment information (continued)

Half-year ended 31 December 2021	Australia		India	International	Corporate	Total
	Property & Online Advertising	Financial Services				
	\$M	\$M				
Segment operating income						
Total segment operating income ^{1,2}	524.6	41.3	24.5	-	-	590.4
Trail commission integration adjustment	-	-	-	-	(3.5)	(3.5)
Operating income	524.6	41.3	24.5	-	(3.5)	586.9
Results						
Segment EBITDA from core operations (excluding share of gains and losses of associates)	373.9	17.7	(14.8)	-	(11.0)	365.8
Share of gains/(losses) of associates	(1.6)	(0.6)	-	3.6	-	1.4
Associate restructuring costs ³	-	-	-	-	0.8	0.8
Segment EBITDA from core operations	372.3	17.1	(14.8)	3.6	(10.2)	368.0
Net gain from divestment related activities ⁴	-	-	-	-	4.0	4.0
Associate restructuring costs ³	-	-	-	-	(0.8)	(0.8)
Integration costs (including trail commission adjustment)	-	-	-	-	(8.2)	(8.2)
EBITDA	372.3	17.1	(14.8)	3.6	(15.2)	363.0
Depreciation and amortisation						(45.8)
EBIT						317.2
Net finance expense						(3.4)
Profit before income tax						313.8
Income tax expense						(98.1)
Profit after income tax						215.7

¹ This represents revenue less commissions for Financial Services.

² For Australia Property & Online Advertising, this includes the former Asia operations being Malaysia, Thailand and Hong Kong, inclusive of MyFun revenue which was disclosed as 'Segment Operating Income – other' in the 31 December 2021 interim financial statements.

³ Associate restructuring costs reflect REA's share of restructuring costs incurred by PropertyGuru.

⁴ Comprised of \$15.8 million gain relating to the divestment of Malaysia, Thailand and 99 Group shareholder rights and \$11.8 million loss relating to the divestment of Hong Kong assets to 28Hse, closure of Hong Kong operations and rationalisation of the remaining Asia subsidiaries.

3. Revenue from contracts with customers**(a) Revenue from contracts with customers reconciliation**

	Consolidated for the half-year ended 31 December 2022			
Total revenue for the Group:	Property & Online Advertising \$M	Financial Services \$M	India \$M	Total \$M
Timing of revenue				
Services transferred at a point in time	7.8	150.3	19.4	177.5
Services transferred over time	538.5	-	16.9	555.4
Total revenue	546.3	150.3	36.3	732.9

	Consolidated for the half-year ended 31 December 2021			
Total revenue for the Group:	Property & Online Advertising \$M	Financial Services \$M	India \$M	Total \$M
Timing of revenue				
Services transferred at a point in time	8.1	178.8	12.6	199.5
Services transferred over time	516.5	-	11.9	528.4
Total revenue	524.6	178.8	24.5	727.9

Reconciliation of operating income:

	31 Dec 2022 \$M	31 Dec 2021 \$M
Total revenue	732.9	727.9
Expense from franchisee commissions	(115.6)	(141.0)
Total operating income	617.3	586.9

(b) Contract liabilities

As of 1 July 2022, contract liabilities amounted to \$87.6 million (2021: \$75.8 million), of which \$83.9 million (2021: \$73.0 million) was recognised during the six months ended 31 December 2022.

4. Expenses

	31 Dec 2022	31 Dec 2021
	\$M	\$M
Profit before income tax includes the following specific expenses:		
Finance (income)/expense		
Interest income	(3.0)	(0.7)
Interest expense	8.5	4.1
Total finance expense	5.5	3.4
Depreciation of property, plant and equipment	8.1	8.5
Amortisation of intangibles	37.9	37.3
Total depreciation and amortisation expense	46.0	45.8
Advertising placement costs	20.7	17.0
Net foreign exchange (gain) / loss	-	(1.0)

5. Intangible assets and impairment

AASB 136 *Impairment of Assets* requires assets to be assessed for impairment indicators at the end of each reporting period. If any such indicators exist, the recoverable amount of the asset is estimated. An indicator of impairment was identified for the Australian – Financial Services segment driven by slowing market activity, impacting on settlements volume and decline in the underlying performance of the segment overall. Accordingly, the Group assessed the recoverable amount of the Financial Services segment in accordance with AASB 136 *Impairment of Assets*, with the recoverable amount assessed using the value in use methodology. The Financial Services carrying value is supported by the recoverable amount and as such, no impairment has been recognised.

No such indicators were identified for the remaining segments at either the cash generating unit or individual intangible asset levels for the half-year ended 31 December 2022.

6. Income tax

The Group calculates the half-year income tax expense using the tax rate that would be applicable to expected total annual earnings. The major components of income tax expense in the Consolidated Income Statement are:

	31 Dec 2022	31 Dec 2021
	\$M	\$M
Current income tax expense	89.2	99.2
Deferred income tax expense related to origination and reversal of deferred taxes	7.1	(1.1)
Total income tax expense	96.3	98.1

Deferred tax classification

Deferred tax assets and liabilities are presented on a net basis where the Group intends to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

	31 Dec 2022	30 Jun 2022
	\$M	\$M
Deferred tax assets	20.0	27.9
Deferred tax liabilities	(46.5)	(48.1)
Net deferred tax assets / (liabilities)	(26.5)	(20.2)

7. Fair value measurement

This note provides an update on the judgements and estimates made in determining the fair value measurement of the Group's assets and liabilities since the last annual financial report.

a) Commissions

On initial recognition at settlement, the Group recognises trailing commission revenue and a related commission contract asset representing management's estimate of the variable consideration to be received from completion of the performance obligation. The Group uses the 'expected value' method of estimating variable consideration which requires significant judgement. A corresponding expense and payable is also recognised, initially measured at fair value being the net present value of expected future trailing commission payable to brokers. These calculations require the use of assumptions that are unobservable inputs categorised as Level 3 within the fair value hierarchy. Any increase/decrease in the below assumptions would lead to a corresponding increase/decrease in the carrying value of the trailing commissions balance.

	31 Dec 2022	30 Jun 2022
Weighted average loan life	4.1 years	4.1 years
Weighted average discount rate	4.5 – 5.5%	4.5 – 5.5%
Percentage of commissions received paid to franchisees (10-year average)	78.0%	78.0%

b) Financial assets

On 30 July 2021, as part of the contractual arrangement between the Group and PropertyGuru, the Group divested the shareholder rights associated with the 27% interest in 99 Group and the associated convertible note, and therefore ceased to have significant influence over 99 Group. The financial asset is measured at fair value and uses assumptions that are unobservable inputs categorised as Level 3 within the fair value hierarchy. The Group uses the discounted cash flow method of estimating the fair value of the financial asset and is measured on a non-recurring basis.

At 31 December 2022 the Group continues to recognise this investment as a non-current financial asset as settlement for this transaction is not expected to occur within the next 12 months. The balance associated with 99 Group is \$26.5 million (June 2022: \$19.9 million), which includes the additional \$7.0 million committed funding paid during the period.

8. Interest bearing loans and borrowings

The Group holds a \$600 million syndicated facility with National Australia Bank Limited as Lead Arranger, Australia and New Zealand Banking Group Limited, HSBC Bank Australia Limited, ING Bank (Australia) Limited and Commonwealth Bank of Australia. The facilities were initially recognised at fair value net of directly attributable transaction costs.

Facility ¹	Interest rate	Maturity	31 Dec 2022 \$M	30 Jun 2022 \$M
Syndicated facility – Tranche A ²	BBSY +1.0 – 2.1%	September 2024	318.7	400.0
Syndicated facility – Tranche B ²	BBSY +1.15 – 2.25%	September 2025	-	13.7

¹ The carrying value of the debt approximates fair value.

² The undrawn amount at 31 December 2022 was \$281.3 million.

Reconciliation of liabilities arising from financing activities:

	Balance at 1 July 2022 \$M	Additions \$M	Principal Payments \$M	Other \$M	Balance at 31 December 2022 \$M
Current lease liabilities	8.6	-	(4.3)	1.6	5.9
Total current interest-bearing loans and borrowings	8.6	-	(4.3)	1.6	5.9
Non-current loans ¹	411.7	-	(95.0)	-	316.7
Non-current lease liabilities	66.7	-	-	11.3	78.0
Total non-current interest-bearing loans and borrowings	478.4	-	(95.0)	11.3	394.7

¹ Net of loan issuance costs of \$2.0 million.

9. Dividends

The following dividends were paid or determined to be paid by the Group:

	31 Dec 2022 \$M	31 Dec 2021 \$M
Paid during the period (fully-franked at 30%)		
Final dividend for 2022: 89.0 cents (2021: 72.0 cents)	117.6	95.1
Proposed and unrecognised as a liability (fully-franked at 30%)		
Interim dividend for 2023: 75.0 cents (2022: 75.0 cents). Proposed dividend is expected to be paid on 21 March 2023 out of retained earnings at 31 December 2022 but is not recognised as a liability at half-year end	99.1	99.1

10. Commitments and contingencies

(a) Claims

Various claims, including tax matters, arise in the ordinary course of business against the Group and its subsidiaries. The amount of the liability (if any) at 31 December 2022 cannot be reliably ascertained.

(b) Guarantees and Commitments

At 31 December 2022, the Group had bank guarantees totalling \$12.1 million in respect of various property leases for offices used by the Group. In addition, committed funding of \$7.0 million (US\$4.8 million) for 99 Group was paid in July 2022.

11. Investments in associates

A reconciliation of the carrying amounts of investments in associates is provided below:

	Move		PropertyGuru		Other	
	31 Dec 2022	30 Jun 2022	31 Dec 2022	30 Jun 2022	31 Dec 2022	30 Jun 2022
	\$M	\$M	\$M	\$M	\$M	\$M
Carrying amount of the investment	311.3	317.6	284.7	272.3	44.2	47.4

A reconciliation of the share of (gains) /losses in associates is provided below:

	Move		PropertyGuru		Other	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	\$M	\$M	\$M	\$M	\$M	\$M
Share of (gain)/losses of associate	6.5	(8.2)	(0.4) ¹	4.6 ²	3.2	2.2

¹ Includes REA's share of revaluation gain from financial liabilities held by PropertyGuru (\$2.2 million).

² Includes REA's share of restructuring costs incurred by PropertyGuru (\$0.8 million).

The Group holds a 17.5% undiluted interest in PropertyGuru, which is equity-accounted. At 31 December 2022 the share price of PropertyGuru (NYSE: PGRU) was USD \$4.31 (30 June 2022: USD \$4.50). The decline in the share price since IPO listing in March 2022 continues to be considered an indicator of impairment. The investment was tested for impairment as at 31 December 2022 and it was determined that the recoverable amount is greater than the carrying value albeit with limited headroom. The recoverable amount was based on a value in use calculation, which was determined using cash flow projections for PropertyGuru. The key assumptions for the value in use calculation include discount rates, revenue & EBITDA growth rates and terminal growth rates. The recoverable amount of PropertyGuru is sensitive to changes in key assumptions and continues to be a closely monitored investment.

The Group holds a 20% interest in Move, which is equity-accounted. The remaining 80% interest in Move is held by News Corp.

12. Events after the balance sheet date

From the end of the reporting period to the date of this report, no matters or circumstances have arisen which have significantly affected the operations of the Group, the results of the operations or the state of affairs of the Group.

Directors' Declaration

For the half-year ended 31 December 2022:

The Directors of REA Group Ltd (the Company) declare that in their opinion:

- (a) the Consolidated Interim Financial Statements and notes of the consolidated entity set out on pages 14 to 28 are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.



Hamish McLennan

Chairman



Owen Wilson

Chief Executive Officer

Melbourne

10 February 2023

Independent Auditor's Review Report to the members of REA Group Ltd

Conclusion

We have reviewed the accompanying half-year financial report of REA Group Ltd (the Company) and its subsidiaries (collectively the Group), which comprises the Consolidated Statement of Financial Position as at 31 December 2022, Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated 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.

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 the Group does not comply with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2022 and of its consolidated financial performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

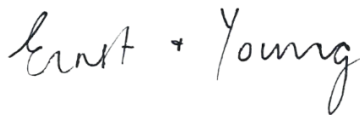
Directors' responsibilities for the half-year financial report

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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether 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 Group's financial position as at 31 December 2022 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*.

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.



Ernst & Young



Alison Parker
Partner
Melbourne
10 February 2023