

The Manager
Company Announcements
Australian Securities Exchange
Level 5, 20 Bridge Street
SYDNEY NSW 2000
By E-Lodgement

17 April 2020

Appendix 4D and Half-Year Report

In accordance with the ASX Listing Rules, RESA Group Limited (ASX:RE1) (Formerly iBuyNew Group Limited (ASX: IBN)) encloses for immediate release the following information:

1. Appendix 4D; and
2. Report for the half-year report ended 31 December 2019.

Authorised for release by the board

Ends



Bill Nikolouzakis

CEO and Executive Director

RESA Group Limited (Formerly iBuyNew Group Limited)

P: 1300 851 017

RESA GROUP LIMITED

(ASX:RE1)

(Formerly iBuyNew Group Limited (ASX: IBN))

Appendix 4D

Half Year Report

Details of reporting period

ABN or equivalent company reference	20 108 958 274
Financial year end ("current period")	31 December 2019
Previous corresponding period	31 December 2018

Results for announcement to market

Financial Results				December 2019 \$'000
Revenue – Discontinued Operations	Down	91.84%	to	143
(Loss) after tax attributable to members	Down	59.70%	to	(1,330)
Net loss attributable to members	Down	59.70%	to	(1,330)

Dividends

The Directors do not propose that iBuyNew Group Limited will pay a dividend.

Earnings/(loss) per share	December 2019	December 2018 (restated)
Basic and diluted loss per ordinary share - Continuing Operations	(2.76) cents	(4.00) cents
Basic and diluted loss per ordinary share – Discontinued Operations	(3.34) cents	(11.92) cents

Net tangible asset backing	December 2019	December 2018 (restated)
Net tangible asset backing per ordinary share	(0.14052) cents	(0.01098) cents

Financial Information	December 2019 \$'000	December 2018 \$'000
Revenue and other income - Continuing Operations	-	-
Revenue and other income - Discontinued Operations	143	1,753
Capital, transaction and other one off costs	(113)	(2018)
EBITDA - Continuing Operations	(384)	(669)
EBITDA - Discontinued Operations	(705)	(624)
NPAT	(1,330)	(3,469)

Other explanatory notes

For further information refer to the review of operations and financial performance contained in the Director's report.

Audit

The financial statements on which this Interim Half Year Report is based have been reviewed.

The information required by listing rule 4.2A.3 is contained in this Appendix 4D and Half Year Report.

Compliance statement

Information should be read in conjunction with the Company's 2019 Annual Report and the attached Half-Year Financial Report. This report is based on the consolidated half-year financial Report for the six months ended 31 December 2019 which has been reviewed by Stantons International in accordance with AASB and AUASB Standards with the qualified Independent Auditor's Review Report included in the Half-Year Financial Report. The review opinion includes qualification on the restatement of prior period financials and the Statement on the material uncertainty regarding going concern and carrying value of other assets.

Attachments Forming Part of Appendix 4D

1. Half Year Financial Report
2. Audit Review Report

Signed by Executive Director



Bill Nikolouzakis

Date 17 April 2020

RESA Group Limited (Formerly iBuyNew Group Limited)

ABN 20 108 958 274

Consolidated Interim Report for the Half-Year
Ended 31 December 2019

RESA Group Limited

CONSOLIDATED INTERIM REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

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DIRECTORS

Mr Bill Nikolouzakis (CEO and Executive Director (Appointed Executive Director 8 October 2019))
Mr Stephen Quantrill (Non - Executive Director)
Mr Kar Wing (Calvin) Ng (Non - Executive Director) (Resigned 5 September 2019)

CHIEF EXECUTIVE OFFICER

Mr Bill Nikolouzakis (Appointed 24 August 2018)

COMPANY SECRETARY

AUDITORS

Stantons International
6 Middlemiss Street
Lavender Bay NSW 2000

SOLICITORS

Sundaraj & Co
Level 36, Australia Square
264 George Street
Sydney NSW 2000

BANKERS

National Australia Bank Limited
Level 32, 100 Miller Street
North Sydney NSW 2060

REGISTERED OFFICE

RESA Group Limited
1/45 Stirling Hwy
Nedlands WA 6009

SHARE REGISTRY

Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000

STOCK EXCHANGE LISTING

The company's shares are listed and quoted on the Australian Securities Exchange Limited ("ASX").
Home Exchange: Sydney, NSW
ASX code: RE1 (previously IBN)
Web Site: www.resagrouplimited.com.au

RESA Group Limited

CONSOLIDATED INTERIM REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

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RESA Group Limited

DIRECTORS' REPORT

The Directors of RESA Group Limited (Formerly iBuyNew Group Limited ASX:IBN) (“RE1” or the “Company” and, together with its controlled entities, the “Group”) submit herewith the consolidated financial statements of the Group for the financial period ended 31 December 2019 (“H1 FY20”).

DIRECTORS

- Mr Bill Nikolouzakis (CEO and Executive Director (Appointed Executive Director 8 October 2019))
- Mr Stephen Quantrill (Non - Executive Director)
- Mr Kar Wing (Calvin) Ng (Non - Executive Director) (Resigned 5 September 2019)

Directors have been in office since the start of the financial year (i.e. 1 July 2019) to the date of this report, unless otherwise stated.

REVIEW OF STRATEGIC RESTRUCTURE

During H1 FY20 the Group initiated a group wide strategic restructure to reduce operating costs and to improve the overall position of the Group due to the decline in new property sales. Forming part of the strategic restructure, several of the initiatives completed during H1 FY20 with several completing subsequent to 31 December 2019:

- Group name change from iBuyNew Group Limited to RESA Group Limited with a change in ASX ticker code to RE1;
- Appointment of CEO Bill Nikolouzakis as executive director of RESA Group Limited;
- Disposal of iBuyNew and Nyko Property brands, approved by way of shareholder vote at the FY19 AGM. Further to this, on 16 January 2020 the Group announced the completion of the asset sale where all conditions precedent to the transaction have been satisfied, waived or become conditions subsequent;
- Continued settlement and collection of the Group's future receivables commission book from the previous property sales;
- Reduction in fixed operating expenses as a result of the disposal of assets, services and subscriptions relating to the operations of iBuyNew and Nyko Property which have either been assigned to the vendors or removed;
- Improvement to the health of the Group's balance sheet. \$400k of the asset sale proceeds have been used to repay the Group's secured loan facility (the facility currently stands at \$1.485m). A further \$31k from the asset sale proceeds was used to repay service providers of the Group;
- Restructure of the Company's secured loan facility where 66% of gross commissions received from property settlements are to be repaid towards interest and principal of the facility until the facility is repaid;
- Completion of tranche 1 of the Group's placement shares. At the FY19 AGM the Group received approval to issue up to a maximum of 125,000,000 fully paid ordinary shares, each issued at \$0.02 per share in two components.
 1. Up to \$1.5m as cash to fund working capital and address the Group's existing debts (Cash Placement); and
 2. Up to \$1m in placement shares to be issued to settle some of the Group's existing debts (Debt-to-Equity (D2E)).

Group Placement Shares	Cash Placement	D2E	Notes
Tranche 1	\$800,000	\$86,676	Complete, shares issued.
Tranche 2	\$700,000	\$694,459	Incomplete, indicative based off remaining capacity.
Related Parties		\$218,865	Subject to further shareholder approval
Total Placement (if maximum capacity is reached)	\$1,500,000	\$1,000,000	Maximum Placement Capacity of 125,000,000 fully paid ordinary shares, each issued at \$0.02 per share

The approval received for the Cash Placement and the D2E is currently the subject of an application for extension to the Australian Securities Exchange (ASX) as the due date for the issue was 13 March 2020. The extension application is expected to be considered on 22 April 2020. On the basis that the extension is granted, the Company will proceed with the issue of the shares.

Pleasingly, during H1 FY20 the Group continued to settle and collect funds from historical property sales in the Group's future receivables commission book. Management remains committed to collecting commissions from as many settled properties as possible as the Group continues to navigate through the volatile markets. The Group is hopeful that part of the provisions and bad debt booked in the H1 FY20 review will be recoverable during H2 FY20. These provisions have been accounted for in the Group's balance sheet at H1 FY20.

RESA Group Limited

DIRECTORS' REPORT

At 31 December 2019 the Group had \$900,000 of other liabilities on its balance sheet which relate to placement funds received in October and December 2019. In January 2020, the Group issued \$800,000 in placement shares as announced on 22 January 2019. This reduces its other liabilities position by the same amount. At the release date of this report, \$100,000 remains on the balance sheet as other liabilities relating to placement shares, the issuance of these shares are subject to certain conditions.

Continued efforts to reduce costs and interest associated with the secured debt facility were successful during H2 FY20. The secured debt facility was reduced by \$400,000 (post the principal payment the facility was at \$1,485,000) via the sale of selected iBuyNew and Nyko Property assets. The goodwill associated with these assets had been written off by the Group in previous periods. The balance sheet was further improved with a reduction of \$86,767 via the debt-to-equity swap where trade creditors agreed to convert existing debt into placement shares. Further, on the 17 of February 2020 the Company announced changes to CEO and executive director Bill Nikolouzakis remuneration. Under the new arrangement, Mr Nikolouzakis reduced his hours from 38 to 8 hours per week representing a 78% reduction in annual remuneration from \$240,000 plus superannuation per annum to \$50,526 per annum.

RE1's shares remain suspended as at 31 December 2019 and as at the date of this report is pending the outcome of a broad-based strategic review of RE1. The Board remains focused on improving the overall health and balance sheet of RE1 as the Company continues to explore potential acquisitions and the collection and realisation of the commissions receivable book. The Company will update the market as soon as any material outcomes arise.

Significant events after balance sheet date

On 16 January 2020, the Group announced the completion of the iBuyNew and Nyko asset sale where all conditions precedent to the transaction were satisfied as of the 14 January 2020. From the proceeds, \$400,000 was used to repay principal of the Group's secured loan facility and \$31,000 used to repay service providers of the Group. The remaining \$69,000 associated with this transaction is pending satisfaction of several conditions subsequent deliverables and the Board considers the collection of this balance to be uncertain.

On 22 January 2020, the Group announced an update regarding the placement shares. The Group confirmed that the placement shares will be raised in two tranches with the first tranche complete raising a total of \$800,000 cash before costs (working capital placement) and \$86,676 committed through debt-to-equity swap for current trade creditors where no funds were received. The Group's balance sheet liability position improved markedly following the issue of the shares for the first tranche of the capital raising.

On 17 February 2020, the Group announced remuneration adjustments for Executive Director and CEO, Mr Bill Nikolouzakis. Mr. Bill Nikolouzakis will reduce his hours as CEO from 38 hours to 8 hours per week, commencing from 17 February 2020. Under the new arrangement, Mr Bill Nikolouzakis' annual remuneration will be pro-rated and reduced from \$240,000 plus superannuation per annum to \$50,526 per annum, representing a 78% reduction in annual remuneration.

Apart from the matters noted above, no other matters or circumstances have arisen since the end of the half-year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Dividends paid or recommended

Nil.

Auditor's independence declaration

The lead auditor's independence declaration for the half-year ended 31 December 2019 can be found on page 3 for the financial report.

On behalf of the Directors,



Bill Nikolouzakis
CEO and Executive Director

17 April 2020

Board of Directors
RESA Group Limited (Formerly iBuyNew Group Limited)
1/45 Stirling Hwy
Nedlands WA 6009

Dear Sirs

RE: RESA Group Limited (Formerly iBuyNew Group Limited)

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of iBuyNew Group Limited.

As Audit Director for the review of the financial statements of RESA Group Limited for the half year ended 31 December 2019, 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.

Yours faithfully

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LIMITED
(Trading as Stantons International)
(An Authorised Audit Company)



Samir Tirodkar
Director

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
RESA GROUP LIMITED (FORMERLY IBUYNEW GROUP LIMITED)**

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of RESA Group Limited, which comprises the consolidated statement of financial position as at 31 December 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, and consolidated statement of cash flows for the half-year ended on that date, condensed notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration for RESA Group Limited (the consolidated entity). The consolidated entity comprises both RESA Group Limited (the Company) and the entities it controlled during the half year.

Directors' Responsibility for the Half-Year Financial Report

The directors of RESA Group Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) 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 2019 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 iBuyNew Group 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.

Whilst we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by the directors or management.

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*, has been provided to the directors of RESA Group Limited on 17 April 2020.

Qualified Review Conclusion

Based on our review, which is not an audit, with the exception of the matter described in the Basis for Qualified Review Conclusion, nothing has come to our attention that causes us to believe that the 31 December 2019 financial report of RESA Group Limited does not present fairly, in all material respects, the financial position of RESA Group Limited as at 31 December 2019, and of its financial performance and its cash flows for the half year period ended on that date, in accordance with Corporations Act 2001 except for the effects of the matter described in the Basis for Qualified Review Conclusion section of our report: including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2019 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standards AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

Basis for Qualified Review Conclusion

Due to limitations in the client reporting management system (CRM) of the consolidated entity relating to expected settlement book receivables data (and related commissions payable data), our testing found that the expected settlement dates to be inconsistent with actual invoicing by the consolidated entity. As a result of these errors we are unable to verify the accuracy of the client's settlement book and the adequacy of the approximate 16% bad debt provision booked by the consolidated entity. Consequently, we were unable to determine whether any adjustments that may be required to the settlement books (other assets in the financial report) and related bad debt provisions and commissions payable are material to the financial report.

Material Uncertainty Regarding Going Concern

In addition to the qualified review conclusion expressed above, attention is drawn to the following matter:

As referred to in Note 1 to the financial report, the financial report has been prepared on a going concern basis. As at 31 December 2019, the consolidated entity had a working capital deficiency of \$3,373,664 and had incurred a loss after tax for the period of \$1,329,785. The ability of the consolidated entity to continue as a going concern is subject to the successful recapitalisation of the consolidated entity. In the event that the Board is not successful in recapitalising the consolidated entity and in raising further funds, the consolidated entity may not be able to pay its debts as and when they become due, and may be required to realise its assets and discharge its liabilities other than in the normal course of business, and at amounts different to those stated in the financial report. The financials were prepared by management prior to the recent market uncertainty arising from the spread of the COVID-19 virus and its effects on the business environments. Management are reviewing what impact, if any, this will have on their business, and the stated balances.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

Stantons International Audit and Consulting Pty Ltd


Samir Tirodkar
Director
West Perth, Western Australia
17 April 2020

RESA Group Limited

DIRECTORS' DECLARATION

1. In the opinion of the Directors of RESA Group Limited (the "**Company**"):
 - (a) the accompanying financial statements, notes and the additional disclosures 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 2019 and of its performance for the six months then ended; and
 - (ii) complying with Australian Accounting Standard AASB134 Interim Financial Reporting and the Corporations Regulations 2001; and
 - (b) As referred to in Note 1, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

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

Dated: 17 April 2020



Bill Nikolouzakis
CEO and Executive Director

RESA Group Limited

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

		31 December 2019	31 December 2018
	Note	\$	\$
Other Income		126	1
Administration expenses		(104,068)	(65,858)
Operating expenses		(71,024)	(91,301)
Employee expenses		(145,863)	(141,193)
Directors and external consultant expenses		(55,936)	(166,284)
Depreciation and amortisation		(47,541)	(130,015)
Loss on investments		(7,662)	(169,278)
Share based payments		-	(35,000)
Operating (loss) before financing costs		(431,968)	(798,928)
Financial income		235	-
Financial expenses		(169,650)	(72,292)
Net financing costs		(169,415)	(72,292)
(Loss) from continuing operations before income tax		(601,383)	(871,220)
Income tax expense		-	-
Net (Loss) from continuing operations after income tax		(601,383)	(871,220)
Net (Loss) from discontinued operations	13	(728,402)	(2,597,690)
Total Net Loss after income tax		(1,329,785)	(3,468,910)
Other Comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Asset revaluation reserve		-	169,277
Other Comprehensive loss for the half-year		-	169,277
Total comprehensive (loss) for the half-year		(1,329,785)	(3,299,633)
Profit/(loss) attributable to:			
Members of Parent entity		(1,329,785)	(3,468,910)
Total comprehensive (loss) attributable to:		(1,329,785)	(3,468,910)
Members of Parent entity		(1,329,785)	(3,299,633)
		(1,329,785)	(3,299,633)
		Cents	Cents
Basic (loss) per share (cents)	9	(2.76)	(4.00)
Continuing operations			
Basic (loss) per share (cents)	9	(3.34)	(11.92)
Discontinued operations			
Diluted (loss) per share (cents)	9	(2.76)	(4.00)
Continuing operations			
Diluted (loss) per share (cents)	9	(3.34)	(11.92)
Discontinued operations			

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

RESA Group Limited

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

		31 December 2019	30 June 2019 Restated
	Note	\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	424,365	277,598
Trade and other receivables		7,700	122,431
Other assets	6	1,637,359	2,472,544
TOTAL CURRENT ASSETS		2,069,424	2,872,573
NON-CURRENT ASSETS			
Plant and equipment		995	24,112
Other assets	6	345,078	310,008
Financial assets	5	38,309	31,924
TOTAL NON-CURRENT ASSETS		384,382	366,044
TOTAL ASSETS		2,453,806	3,238,617
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		1,837,160	1,870,205
Loans and borrowings	16	1,885,000	1,885,000
Other liabilities	7	1,678,662	1,037,112
Employee provisions		42,266	55,684
TOTAL CURRENT LIABILITIES		5,443,088	4,848,001
NON-CURRENT LIABILITIES			
Other liabilities	7	73,148	89,308
TOTAL NON-CURRENT LIABILITIES		73,148	89,308
TOTAL LIABILITIES		5,516,236	4,937,309
NET LIABILITIES		(3,062,430)	(1,698,692)
EQUITY			
Issued capital	8	53,332,294	53,380,294
Reserves		194,499	180,453
Accumulated losses		(56,589,223)	(55,259,439)
TOTAL EQUITY		(3,062,430)	(1,698,692)

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

*Restated Comparative Information has been restated as a result of the correction of error in respect of settlement balance (Refer to Note 18 for details).

RESA Group Limited

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

	Share Capital	Accumulated Losses	Share-based Payment Reserve	Total
	\$	\$	\$	\$
Balance as at 1 July 2019	53,380,294	(55,582,564)	180,453	(2,021,817)
Restatement Amount (Note 17)	-	323,126	-	323,126
Balance as at 1 July 2019 – restated	53,380,294	(55,259,439)	180,453	(1,698,692)
Total comprehensive income for the period				
- (Loss) from continuing and discontinued operations	-	(1,329,785)	-	(1,329,785)
Total comprehensive (loss) for the period	-	(1,329,785)	-	(1,329,785)
Transactions with owners in their capacity as equity holders				
- Share Based Payments	-	-	14,046	14,046
- Share Issue Costs	(48,000)	-	-	(48,000)
Balance as at 31 December 2019	53,332,294	(56,589,223)	194,499	(3,062,430)

	Share Capital	Accumulated Losses	Share-based Payment Reserve	Total
	\$	\$	\$	\$
Balance as at 1 July 2018	53,292,740	(49,852,981)	(9,778)	3,429,981
Total comprehensive income for the period				
- (Loss) from continuing operations	-	(3,468,910)	-	(3,468,910)
- Other comprehensive income	-	-	169,277	169,277
Total comprehensive (loss) for the period	-	(3,468,910)	169,277	(3,299,633)
Transactions with owners in their capacity as equity holders				
- Shares Issued	91,407	-	-	91,407
- Option Issued	-	-	35,000	35,000
- Share Issue Costs	(3,853)	-	-	(3,853)
Balance as at 31 December 2018	53,380,294	(53,321,891)	194,499	252,902

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

RESA Group Limited

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

	31 December 2019	31 December 2018
	\$	\$
Cash flows from operating activities		
Cash receipts from customers	573,400	2,527,570
Cash paid to creditors and suppliers	(1,129,806)	(3,111,533)
Cash generated from / (used in) operations	(556,406)	(583,963)
Interest received	-	1,403
Interest paid	(88,572)	(89,974)
Net cash (used in) / provided by operating activities	(644,978)	(672,534)
Cash flows from investing activities		
Investment in property, plant and equipment	(5,455)	(9,566)
Net cash inflow/(outflow) from restricted cash	-	48,381
Net cash provided by / (used in) investing activities	(5,455)	38,815
Cash flows from financing activities		
Repayment of borrowings	-	(250,000)
Cost of share issue	(67,800)	(3,853)
Proceeds from issued shares	865,000	-
Net cash provided by financing activities	797,200	(253,853)
Net change in cash for period	146,767	(887,572)
Cash and cash equivalents at the beginning of period	277,598	1,176,923
Cash and cash equivalents at the end of period	424,365	289,351

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

RESA Group Limited

CONDENSED NOTES TO FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

1. GENERAL INFORMATION

RESA Group Limited formerly iBuyNew Group Limited (the “**Company**”) is a group limited by shares, incorporated and domiciled in Australia. Its shares are listed on the Australian Securities Exchange. RE1 shares are currently in suspension from quotation pending the outcome of a broad-based strategic review.

The financial statements cover the Group as a consolidated entity consisting of RESA Group Limited and the entities it controlled from time to time during the period (the “**Group**” or “**Consolidated Entity**”). The Financial Report of the Group for the period ended 31 December 2019 was authorised for issue in accordance with a resolution of the Board of Directors on 8 April 2020.

Going concern

The Group incurred a net loss of \$1,329,785 and experienced total cash outflows from operating activities of \$644,978 for the period ended 31 December 2019, and at that date, had net liabilities of \$3,062,430 (30 June 2019: restated net liabilities of \$1,698,692).

The directors are currently in the process of exploring acquisition opportunities and continue to explore options to raise additional capital funds from existing or new shareholders in the form of additional issuance of equity or approved debt. As part of the strategic restructure announced on the 10th October 2019 the Company proposed the sale of its main undertaking consisting of the iBuyNew and Nyko Property business assets. The transaction was approved by shareholders at the FY19 AGM held in December 2019 and the completion took place in January 2020. Upon completion, the financial impact of the transaction assisted the Company to reduce its secured loan facility principal by \$400,000 and repay \$31,000 towards service providers of the Group. The balance of the secured loan facility after the \$400,000 repayment stood at \$1,485,000.

At the end of H1 FY20 the Group held \$900,000 of other liabilities on its balance sheet relating to placement funds received but where shares had not been issued yet. The \$900,000 comprises of two placements where:

1. The Group exhausted its placement capacity to raise \$100,000 in the form of a loan. The issuance of these shares is subject to several conditions relating to the Group reaching certain milestones relating to the cash and debt-to-equity placements; and
2. Tranche 1 of the placement shares which were approved at the FY19 AGM. During H1 FY20 \$800,000 in cash (before costs) was received and \$86,767 of debt-to-equity swap was agreed on by existing trade creditors. The Group did not receive any funds under the debt-to-equity swap.

At the FY19 AGM, a total of 125,000,000 fully paid ordinary shares, to be issued at \$0.02 per share in two components of \$1,500,000 cash and up to \$1,000,000 in debt-to equity swap shares were approved by shareholders and granted to the Group. During H2 FY20 a total of 44,338,383 or \$886,767 worth of shares were issued to new and existing investors and 2 creditors of the Group which completed tranche 1 of the placement shares. The Group continues its efforts to complete tranche 2 of the placement shares of both cash and debt-to-equity swap which includes seeking shareholder approval for shares to be issued to related parties of the Group as part of the debt-to-equity swap. Related parties consist of current and past directors within the past 12 months. All related parties have agreed to convert a total of c. \$218,000 of debt-to-equity swap where they will not receive cash for the owed debts. The issuance of shares to related parties is subject to further shareholder approval which will be held at a future date.

The Group’s cash flow forecast indicates that if all anticipated capital raising initiatives and settlements are met in accordance with the time-frames provided by the builders/developers, the Group will have sufficient cash flows to meet all loan servicing commitments of repaying 66% of all gross commissions towards debts of the facility and working capital requirements for a period of at least 12 months from the date of signing the financial report. During H2 FY20 the Group continues to receive settlement funds from builders and developers and accordingly, the directors are satisfied that the going concern basis of preparation is appropriate.

The financial report has therefore been prepared on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

RESA Group Limited

CONDENSED NOTES TO FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

On 11 March 2020, COVID-19 (Coronavirus) was declared a pandemic by the World Health Organisation, with resulting significant impacts on local and world economies. At this point in time given the rapidly evolving situation, the Group is unable to quantify the impact the Coronavirus pandemic will have on the future financial performance of its businesses. However, both cash collections and originations are likely to slow down as the Australian government has implemented quarantine initiatives and economic activity in general has slowed down.

Whilst the Group continues to actively monitor the situation and its impacts, it is likely that the cash collection covenants in the Group's financial facilities will be greatly impacted which will make it more difficult for the Group to meet its obligations over the next few months. The Group is working with each of its financiers in advance of these potential challenges in order to obtain standstill and or forbearance agreements during this time. These discussions are ongoing and the Group will update the market as and when appropriate in accordance with its continuous disclosure obligations.

2. SIGNIFICANT ACCOUNTING POLICIES

Accounting Policies

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent financial statements.

The Group has adopted all the new and amended Accounting Standards and Interpretations that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2019. It has been determined that there is no material impact of the new and revised Accounting Standards and Interpretations on its business.

The Group has not early adopted new Accounting Standards and Interpretations that are not yet mandatory in this reporting period. No significant impact on the Group's financial performance or position is expected when they are adopted.

RESA Group Limited

CONDENSED NOTES TO FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

3. SEGMENT INFORMATION

The Group is organised into two operating segments:

- Real Estate sales and services direct to the consumer (B2C Sales (iBuyNew)); and
- Property advisory services and sales through intermediaries (B2B Sales (Nyko)).

These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (identified as the Chief Operating Decision Makers (CODM)) in assessing performance and in determining the allocation of resources. The CODM reviews both adjusted earnings before interest, tax, depreciation and amortisation (segment result) and profit before income tax.

The primary geographic segment within which the Group operates is Australia as at 31 December 2019. On 3 December 2019 the Group announced the business asset licence agreement with Ibuildnew Agency Sales Pty Ltd (IBU) for the immediate rights to access the iBuyNew and Nyko Property platform and Brands. Subsequently, on 14 January 2020 the Group announced the completion of the iBuyNew and Nyko Property Australia asset sale, effectively disposing the Group's main undertaking. The Group is still managing the future receivables settlement book generated from sales historically made by the Group.

	Corporate		Real Estate		Property Advisory		Consolidated	
	December 2019	December 2018						
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue								
Sales to external customers	126	-	11,506	1,102,293	131,180	650,624	142,812	1,752,917
Interest revenue	235	1	-	1,403	-	-	235	1,404
Other revenue	-	-	-	28,953	-	-	-	28,953
Total revenue	361	1	11,506	1,132,649	131,180	650,624	143,047	1,783,274
Operating expenses	(376,891)	(464,636)	(384,776)	(1,678,249)	(412,948)	(962,622)	(1,174,615)	(3,105,507)
Impairment expense	-	-	-	(1,718,226)	(50,542)	-	(50,542)	(1,718,226)
Loss on investments	(7,662)	(169,278)	-	-	-	-	(7,662)	(169,278)
Loss on disposal fixed assets	-	-	-	(5,224)	-	-	-	(5,224)
Share based compensation	-	(35,000)	-	-	-	-	-	(35,000)
Depreciation and amortisation	(47,541)	(130,015)	-	-	-	-	(47,541)	(130,015)
Finance costs	(169,650)	(72,292)	(11,068)	(10,083)	(11,754)	(6,559)	(192,472)	(88,934)
Loss before income tax	(601,383)	(871,220)	(384,338)	(2,279,133)	(344,064)	(318,557)	(1,329,785)	(3,468,910)
	December 2019	June 2019 Restated						
	\$	\$	\$	\$	\$	\$	\$	\$
Assets								
Segment assets	67,317	87,988	2,122,666	2,602,589	263,823	548,040	2,453,806	3,238,617
Liabilities								
Segment liabilities	3,336,734	2,388,510	1,123,565	1,446,275	1,055,937	1,102,524	5,516,236	4,937,309

RESA Group Limited

CONDENSED NOTES TO FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

4. CASH AND CASH EQUIVALENTS

	Consolidated	
	31 December 2019	30 June 2019
	\$	\$
Cash at bank and on hand	424,365	120,930
Term deposit	-	40,000
Restricted cash**	-	116,668
	424,365	277,598

* Term deposit held as guarantee against credit card facility

** Restricted Cash relates to client funds held on trust by the group.

5. FINANCIAL ASSETS

	Consolidated	
	31 December 2019	30 June 2019
	\$	\$
Australian listed equity securities*	38,309	31,924
	38,309	31,924

*The financial assets are valued at fair value through the profit and loss.

6. OTHER ASSETS

	Consolidated	
	31 December 2019	30 June 2019 Restated
Current	\$	\$
Prepayments	23,066	52,015
Asset acquired from Indo-Pacific Property*	184,785	265,920
Settlement book assets - Gross	1,755,388	2,407,564
Settlement book assets - Provision	(325,880)	(252,955)
	1,637,359	2,472,544
Non-Current		
Bank Guarantee	-	16,940
Asset acquired from Indo-Pacific Property*	123,190	66,480
Settlement book – Gross	221,888	257,288
Settlement book - Provision	-	(30,700)
	345,078	310,008

*The breakdown of the asset Acquired from the Indo-Pacific Property

	31 December 2019	30 June 2019
	\$	\$
Current		
IPG Settlements & Other Assets	348,352	464,470
Less: IPG Amortisation	(163,567)	(198,550)
Total IPG Settlements & Other Assets	184,785	265,920
Non-Current		
IPG Settlements & Other Assets	232,235	116,117
Less: IPG Amortisation	(109,045)	(49,637)
Total IPG Settlements & Other Assets	123,190	66,480

RESA Group Limited

CONDENSED NOTES TO FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

7. OTHER LIABILITIES

	Consolidated	
	31 December 2019	30 June 2019 Restated
Current	\$	\$
Funds held by the group for issue of shares*	900,000	-
Settlement book liabilities	778,662	1,037,113
	1,678,662	1,037,113
Non-Current		
Settlement book liabilities	73,148	89,308
	73,148	89,308

*The funds are in relation to funds held by the group for issue of shares and \$800,000 worth of the shares were issued on 22 January 2020 and the remaining \$100,000 worth of shares issuance remains subject to conditions.

8. CONTRIBUTED EQUITY

(a) Issued share capital

	Consolidated	
	31 December 2019 Shares	30 June 2019 Shares- Restated
Ordinary shares fully paid	21,793,505	21,792,888

(b) Movement in ordinary share capital

Date	Details	Number of shares	\$
01/07/2019	Opening balance	21,792,888	53,380,294
HY1 FY20	Transaction Costs	-	(48,000)
HY1 FY20	Historic Error *	617	-
31/12/2019	Balance at the end of the period	21,793,505	52,332,294

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Group in proportion to the number of and amounts paid on the shares held. On a show of hands or on a poll every holder of ordinary shares present at a meeting in person or by proxy is entitled to one vote.

*There was a historic error of 617 shares which has now been amended with the ASX.

Unlisted Options and Performance Rights

At 31 December 2019, the following unlisted options and performance rights were on issue;

Class of Security	Number	Expiry
Performance rights	600,000	31/12/2020
Unlisted options	605,000	14/09/2020

RESA Group Limited

CONDENSED NOTES TO FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

9. LOSS PER SHARE

The following reflects the income and data used in the calculations of basic and diluted (loss) per share. Potential fully paid ordinary shares were not considered to be dilutive as the consolidated entity made a loss for the period ended 31 December 2019 and the exercise of potential ordinary shares would not increase that loss.

	31 December 2019	31 December 2018
	\$	\$
(Loss) from continuing operations	(601,383)	(871,220)
(Loss) from discontinued operations	(728,402)	(2,597,690)
(Loss) after income tax	(1,329,785)	(3,468,910)
(Loss) used in calculating basic and diluted loss per share	(1,329,785)	(3,468,910)

	31 December 2019	31 December 2018 Restated*
	Number of Shares	Number of Shares
Weighted average number of ordinary shares used in calculating:		
Basic (loss) per share	21,793,505	21,792,888
Diluted (loss) per share:	21,793,505	21,792,888

	(Cents)	Cents (Restated)
Basic (loss) per share from continuing operations	(2.76)	(4.00)
Basic (loss) per share from discontinued operations	(3.34)	(11.92)
Diluted (loss) per share attributable to ordinary equity holders continuing	(2.76)	(4.00)
Diluted (loss) per share attributable to ordinary equity holders discontinued	(3.34)	(11.92)

*Restate to reflect changes in share consolidation according to AASB133.

10. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Group is subject to various legal proceedings by trade creditors which are currently under negotiations. The Group has no other contingent liabilities or contingent assets at 31 December 2019 (30 June 2019: NIL)

11. SUBSEQUENT EVENTS

On 16 January 2020, the Group announced the completion of the iBuyNew and Nyko Property asset sale where all conditions precedent to the transaction were satisfied as of the 14 January 2020. From the proceeds, \$400,000 was used to repay principal of the Group's secured loan facility and \$31,000 used to repay service providers of the Group. The remaining \$69,000 associated with this transaction is pending satisfaction of several conditions subsequent deliverables and the Board considers the collection of this balance to be uncertain.

At 31 December 2019 the Group had \$900,000 of other liabilities on its balance sheet which relate to placement funds received in October and December 2019. In January 2020, the Group issued \$800,000 in placement shares as announced on the 22nd of January 2019. This reduces its other liabilities position by the same amount. At the release date of this report, \$100,000 remains on the balance sheet as other liabilities relating to placement shares, the issuance of these shares is subject to certain conditions.

Continued efforts to reduce costs, improve the balance sheet and interest associated with the secured debt facility were successful during H2 FY20. The secured debt facility was reduced by \$400,000 (post principal payment the facility was at \$1,485,000) via the sale of selected iBuyNew and Nyko Property assets. The goodwill associated with these assets had been written off by the Group in previous periods. The balance sheet was further improved with a reduction of \$86,767 via the debt-to-equity swap where trade creditors agreed to convert existing debt into placement shares.

RESA Group Limited

CONDENSED NOTES TO FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

11. SUBSEQUENT EVENTS (Continued)

Under the new arrangement, commencing from 17 February 2020, Mr Bill Nikolouzakis' annual remuneration will be pro-rated and reduced from \$240,000 plus superannuation per annum to \$50,526 per annum, representing a 78% reduction in annual remuneration.

Apart from the matters noted above, no other matters or circumstances have arisen since the end of the half-year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

On 11 March 2020, COVID-19 (Coronavirus) was declared a pandemic by the World Health Organisation, with resulting significant impacts on local and world economies. At this point in time given the rapidly evolving situation, the Group is unable to quantify the impact the Coronavirus pandemic will have on the future financial performance of its businesses. However, both cash collections and originations are likely to slow down as the Australian government has implemented quarantine initiatives and economic activity in general has slowed down.

Whilst the Group continues to actively monitor the situation and its impacts, it is likely that the cash collection covenants in the Group's financial facilities will be greatly impacted which will make it more difficult for the Group to meet its obligations over the next few months. The Group is working with each of its financiers in advance of these potential challenges in order to obtain standstill and or forbearance agreements during this time. These discussions are ongoing and the Group will update the market as and when appropriate in accordance with its continuous disclosure obligations.

12. RELATED PARTY DISCLOSURES

The amount owing to related parties at the reporting date is \$218,865. All related parties have agreed to participate in the Group's proposed Debt-to-Equity swap which is subject to further shareholder approval. The amounts owing to related parties remain as liabilities on the Group's balance sheet at the end of H1 FY20.

\$29,000 is owed to Bill Nikolouzakis as expenses relating to travel and general business expenses.

\$22,373 is owed to entities partially controlled by Calvin Ng for Director fees and \$31,000 is owed to entities partially controlled by Calvin Ng for consultancy fees relating to acquisition services.

\$12,910 is owed to entities related to Warren McCarthy for Directors fees and travel expenses.

\$123,582 is owed to McRae Investments, an entity related to Stephen Quantrill for Management fees including the rental of office space and shared facilities, prior property management consulting fees and travel expenses.

RESA Group Limited

CONDENSED NOTES TO FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

13. DISCONTINUED OPERATIONS

On 3 December 2019 the Group announced the business asset licence agreement with Ibuildnew Agency Sales Pty Ltd (IBU) for the immediate rights to access the IBuyNew and Nyko Property platform and Brands. Subsequently, on 14 January 2020 the Group announced the completion of the iBuyNew and Nyko Property Australia asset sale, effectively disposing the Group's main undertaking. The Group is still managing the future receivables settlement book generated from sales historically made by the Group.

	31 December 2019	31 December 2018
	\$	\$
Revenue	142,686	1,752,917
Direct Costs	-	(997,451)
Gross profit from discontinued Operations	142,686	755,466
Other Income	-	28,953
Administration expenses	(77,776)	(439,188)
Operating expenses	(105,082)	(215,973)
Employee expenses	(168,704)	(774,895)
Directors and external consultant expenses	(70,140)	(88,803)
Occupancy expenses	(35,773)	(124,561)
Doubtful debts	(340,249)	-
Impairment expense	(50,542)	(1,718,226)
Loss on disposal of fixed assets	-	(5,224)
Operating (loss) before financing costs	(705,580)	(2,582,451)
Financial income	-	1,403
Financial expenses	(22,822)	(16,642)
Net financing costs	(22,822)	(15,239)
(Loss) before tax	(728,402)	(2,597,690)
Income tax expense	-	-
Net (loss) from discontinued operations	(728,402)	(2,597,690)

No assets or liabilities were included in the sale as at 31 December 2019.

RESA Group Limited

CONDENSED NOTES TO FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

14. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to several financial risks as described below. The Group's overall risk management program seeks to minimise potential adverse effects on the financial performance of the Group. To date, the Group has not had the need to utilise derivative financial instruments such as foreign exchange contracts or interest rate swaps to manage any risk exposures identified.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	31 December 2019	30 June 2019 Restated
	\$	\$
Financial Assets		
Cash and cash equivalents	424,365	277,598
Trade and other receivables	7,700	122,431
Financial assets	38,309	31,923
Other assets	1,959,371	2,730,537
Total financial assets	2,429,745	3,162,489
Financial Liabilities		
Financial liabilities at amortised cost		
- Trade and other payables	1,837,160	1,870,205
- Loans and borrowings	1,885,000	1,885,000
- Other liabilities	1,751,810	1,126,420
Total financial liabilities	5,473,970	4,881,625

The fair value of financial assets and liabilities equate approximately to the carrying value.

15. INCOME TAX

Any income tax benefit arising from tax losses will only be realised if the Group derives future assessable income of a nature and of an amount sufficient to enable the Group to benefit from the deductions for the losses to be realised, the Group continues to comply with the conditions for deductibility imposed by tax legislation and no changes in tax legislation adversely affect the Group in realising the benefit from the deductions for the losses.

16. FINANCING FACILITIES

	Consolidated	
	31 December 2019	30 June 2019 Restated
	\$	\$
Current	1,885,000	1,885,000
	1,885,000	1,885,000

RESA Group Limited

CONDENSED NOTES TO FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

16. FINANCING FACILITIES (Continued)

Movements in the Loans and Borrowings during the period

	31 December 2019 \$	30 June 2019 \$
Opening balance	1,885,000	1,591,750
Repayment of Loans & Borrowings	-	(1,100,000)
Loan Advanced during the period	-	1,350,000
Other Movements	-	43,250
Closing balance	1,885,000	1,885,000

On 15 January 2019, the Group announced that it had entered into a \$2,450,000 senior secured loan facility ("Secured Facility"). The Secured Facility is a first ranking secured loan facility against the Group, its settlement book and rent rolls for a term of 12 months. The Secured Facility attracts an interest rate of 18 percent per annum accruing on a daily basis with a minimum interest period of 6 months. The loan is repayable on 4th January 2020.

The Secured Facility is available to be drawn over two tranches:

- Tranche 1: Drawn \$1,950,000 in January 2019 made up of a combination of new lenders and \$600,000 of the Group's convertible bond holders rolling into the Secured Facility; and
- Tranche 2: Undrawn \$500,000 commitment on arms' length terms with entities associated with Non-executive Director Stephen Quantrill, namely McRae Investments Pty Ltd. Tranche 2 of the facility will be drawn down at the election of RE1 against settlement income payable to McRae in relation to past Indo Pacific property sales.

The proceeds from the drawn loan facility were used to repay all debt obligations to Mark Mendel and nominees; the vendors of Find Solutions Australia. Mark Mendel and nominees were repaid \$250,000 on the 16 January 2019. The convertible bond balance of \$1,100,000 was reduced as a further \$500,000 from the drawn Secured Facility were used to repay a portion of the existing convertible bond holders on 24 January 2019. \$600,000 of the remaining convertible bond holders elected to roll into the Secured Facility.

In addition to repaying debt obligations and convertible bonds, the remaining proceeds from the Secured Facility were allocated towards working capital to complete the strategic initiatives announced on the 8 October 2018.

On 16 April 2019, the Group entered into an arrangement to dispose of its Western Australia based rent roll asset. As consideration for the sale \$65,000 plus GST was received for: 100% of properties under management (52 managements) in Western Australia held under the subsidiary iBuyNew Australia Pty Ltd. These properties were acquired as part of the Indo-Pacific property acquisition. The proceeds of \$65,000 were used to repay a portion of secured loan facility.

As at the date of this report, the covenants under the Secured Facility have been breached by the Group. On 14 January 2020, the Group signed a forbearance deed with the lenders under the Secured Facility. Under the arrangement the Group agreed to repay 66% of gross commissions received from property settlements to be repaid towards interest and principal of the facility.

17. CORRECTION OF PRIOR PERIOD ERROR

During the period the Group reviewed the basis for calculating the balance of the future settlement books and determined that the books were understated as at 30 June 2019. The commissions payable relating to the futures settlements book to referrers and agents was overstated as at 30 June 2019. The majority of that understatement and overstatement respectively was related to commissions data and how it was captured and provided. The error has been adjusted retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. As a result of this:

- The balance of other assets (which includes the future settlement books asset) has been increased by \$228,275 as at 30 June 2019 as a prior period adjustment
- The balance of the other liabilities (which includes the future settlement books commissions liability) has been decreased by \$94,851 as at 30 June 2019 as a prior period adjustment.

RESA Group Limited

CONDENSED NOTES TO FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

There was impact on the Statement of Comprehensive Income and Statement of Cash Flows or earnings per share reported in prior periods.