Appendix 4D

Half Year Report

for the half-year ended 31 December 2023

REA Group Ltd

ABN 54 068 349 066

RESULTS FOR ANNOUNCEMENT TO THE MARKET

For the half-year ended 31 December 2023 (“current period”)

	31 Dec 2023 A$M	% Change from 6 months ended 31 Dec 2022	31 Dec 2022 A$M
Revenue[1]	**725.5**	Up 18%	617.3
Net Profit after tax from ordinary activities for the period attributable to members	**122.6**	Down 37%	194.9
Net Profit after tax from core operations[2]	**249.7**	Up 22%	204.9
Net Profit after tax from ordinary activities for the period attributable to members of parent (before non-controlling interest)	**127.4**	Down 37%	201.6

Dividend information

	Amount per share (cents)	Franked amount per share (cents)	Tax rate for franking credit
2023 interim dividend per share (paid 21 March 2023)	**75.0**	75.0	30%
2023 final dividend per share (paid 21 September 2023)	**83.0**	83.0	30%
2024 interim dividend per share (to be paid 19 March 2024)	**87.0**	87.0	30%

2024 interim dividend dates

Record date	5 March 2024
Payment date	19 March 2024

	31 Dec 2023 Cents	30 Jun 2023 Cents
Net tangible assets per security[3]	**442.1**	485.9

[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] Financial results from core operations are defined as reported results adjusted for significant non-recurring items such as impairment expense, net gains/losses on acquisition activity, share of associates non-recurring items and integration costs. The prior year comparative also excludes recognition of financial assets and restructuring costs.

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

Details of associates and joint venture entities[4]

	% Interest 31 Dec 2023	% Interest 30 Jun 2023
Move, Inc.	20.0%	20.0%
Managed Platforms Pty Ltd[5]	-	26.8%
ScaleUp Mediafund 2.0 Pty Ltd	16.7%	16.7%
ScaleUp Mediafund Management Pty Ltd	16.7%	16.7%
ScaleUp Mediafund 3.0 Trust	16.7%	16.7%
Realtair Pty Ltd	37.1%	37.1%
Campaign Agent Pty Ltd[6]	100.0%	29.4%
Simpology Pty Ltd	36.0%	35.2%
PropertyGuru Pte Ltd	17.3%	17.3%
Empirical CRE Pte. Ltd[7]	35.9%	-
Easiloan Techno Solutions Private Limited[8]	20.7%	-

[4] Shareholding %'s represent undiluted holdings.
[5] On 19 December 2023, the Group disposed of its interest in Managed Platforms Pty Ltd.
[6] On 5 July 2023, the Group obtained 100% interest in Campaign Agent Pty Ltd.
[7] On 11 October 2023, the Group acquired a 35.9% interest in Empirical CRE Pte. Ltd.
[8] On 1 November 2023, the Group acquired a 20.7% interest in Easiloan Techno Solutions Private Limited.

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 2023. Information should be read in conjunction with REA Group Ltd's 2023 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 2023 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 2023

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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 Marygrace DeGrazio (alternate for Richard Freudenstein – ceased 11 August 2023)
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 2023 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
- Marygrace DeGrazio (alternate for Richard Freudenstein – ceased 11 August 2023)

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 as 'consumers'.
- Helping real estate agents, developers, property-related businesses, and advertisers promote their services. REA refers to those who use these services as '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 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 2023 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 costs, impairment expense, gain on acquisition related activities and share of non-core costs in associates. The prior year comparative also excludes restructuring 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 FY20	H1 FY21	H1 FY22	H1 FY23	H1 FY24	HY23 vs HY24 Growth
Operating income from core operations	440.3	430.4	590.4	617.3	725.5	18%
EBITDA[1] from core operations[2]	267.2	290.2	368.0	347.3	426.0	23%
EBITDA margin	*61%*	*67%*	*62%*	*56%*	*59%*	
Net profit from core operations attributable to owners of the parent[2]	152.9	172.1	225.8	204.9	249.7	22%
Dividend (cents per share)	55.0	59.0	75.0	75.0	87.0	16%
Earnings per share from core operations attributable to owners of the parent[2] (cents)	116.1	130.7	170.9	155.2	189.0	22%

[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.

Reconciliation of core EBITDA to reported	**H1 FY24 $M**	H1 FY23 $M	**Growth**
EBITDA from core operations (excluding share of gains and losses of associates) [1]	**438.7**	358.9	22%
Share of (losses) of associates	**(13.4)**	(9.4)	(43%)
Share of associate non-core costs	**0.7**	(2.2)	>100%
EBITDA from core operations[1]	**426.0**	347.3	23%
Non-core impairment expense	**(122.5)**	-	n/a
Share of associate non-core costs	**(0.7)**	2.2	<(100%)
Net gain from acquisition activities	**3.1**	1.5	>100%
Integration costs	**(3.0)**	(5.7)	47%
Restructuring costs	**-**	(2.6)	n/a
Reported EBITDA[1]	**302.9**	342.7	(12%)

Reconciliation of net profit from core operations to reported	**H1 FY24 $M**	H1 FY23 $M	**Growth**
Net profit from core operations attributable to owners of the parent	**249.7**	204.9	22%
EBITDA impact from non-core transactions	**(123.1)**	(4.6)	<(100%)
Non-core D&A, net interest and minority interest	**-**	(1.0)	n/a
Tax effect	**0.8**	2.3	(65%)
Reported net profit attributable to owners of the parent	**127.4**	201.6	(37%)

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

Compared with the same period in FY23, Group operating income increased by 18% to $725.5 million. Revenue growth was underpinned by 17% growth in Australia, due to yield growth across our advertising products and an increase in national listings. REA India continues to deliver strong results, with revenue up 21% against the prior comparative period.

The Group's EBITDA from core operations increased 23% to $426.0 million and net profit from core operations attributable to owners of the parent increased 22% to $249.7 million. Core operating costs (excluding share of gains and losses of associates) increased by 11%, driven by remuneration increases, growth in technology costs and higher revenue-related variable costs. REA India also incurred higher operating costs due to higher employee and marketing spend.

Australia continues to be the primary revenue driver for the business. The Group's result reflects continuing investment in personalisation and new experiences for our audience, additional products that deliver further value for our customers and the increasing demands of consumers around privacy and data security.

realestate.com.au continues to remain the clear leader in online real estate[1] with average monthly visits of 126.1 million[2]. Visitors spent 3.0 times longer on realestate.com.au each month on average compared to the nearest competitor[3].

Strong operating cashflows were partially offset by shareholder returns in the form of dividends and the acquisition of CampaignAgent, resulting in a cash and cash equivalents balance of $314.0 million at 31 December 2023. The Group had net current assets of $411.9 million as at 31 December 2023. 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, $200 million and $400 million maturing in September 2025 and September 2028 respectively, and a $83 million bi-lateral facility maturing in September 2025. As at 31 December 2023 the Group's total drawn debt was $398.2 million. Refer to Note 7 for further details.

Dividends

Dividends paid or determined to be paid by the Company during the current financial year are set out in Note 8 to the interim financial statements and below:

	Interim 2024	Final 2023
Per share (cents)	**87.0**	83.0
Total amount ($M)	**114.9**	109.7
Franked*	**100%**	100%
Payment date	**19 Mar 2024**	21 Sep 2023

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

[1] Ipsos iris Online Audience Measurement Service, July - Dec 2023 (average), P14+, PC/laptop/smartphone/tablets, text only, Homes and Property Category, Brand Group, Audience (000's).
[2] Ipsos iris Online Audience Measurement Service, July - Dec 2023 (average), P14+, PC/laptop/smartphone/tablets, text only, Homes and Property Category, Brand Group, Realestate.com.au, Monthly visits.
[3] Ipsos iris Online Audience Measurement Service, July - Dec 2023 (average), P14+, PC/laptop/smartphone/tablets, text only, Homes and Property Category, Brand Group, realestate.com.au vs. Domain, Average minutes per person.

Performance by region

Half-year ended 31 December 2023	Australia		India	International	Corporate	Total
	Property & Online Advertising	Financial Services				
	$M	$M	$M	$M	$M	$M
Segment operating income						
Total segment operating income	645.4	36.1	44.0	-	-	725.5
Operating income	645.4	36.1	44.0	-	-	725.5
Results						
Segment EBITDA from core operations (excluding share of gains / (losses) of associates)	461.0	8.8	(19.0)	-	(12.1)	438.7
Share of gains / (losses) of associates[1]	(0.2)	(1.3)	-	(11.9)	0.7	(12.7)
Segment EBITDA from core operations	460.8	7.5	(19.0)	(11.9)	(11.4)	426.0
Non-core impairment expense[2]	-	-	-	-	(122.5)	(122.5)
Share of associate non-core costs[1]	-	-	-	-	(0.7)	(0.7)
Net gain from acquisition activities	-	-	-	-	3.1	3.1
Integration costs	-	-	-	-	(3.0)	(3.0)
EBITDA	460.8	7.5	(19.0)	(11.9)	(134.5)	302.9
Depreciation and amortisation						(54.0)
EBIT						248.9
Interest income						5.7
Interest expense						(15.0)
Profit before income tax						239.6

[1] Inclusive of REA's share of restructuring and impairment costs ($1.8 million) and revaluation gains from financial liabilities ($1.1 million) incurred by PropertyGuru.
[2] Inclusive of PropertyGuru impairment ($120.3 million), Realtair impairment ($3.0 million) and reversal of impairment against loan receivable ($0.8 million).

Performance by region (continued)

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	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 gains / (losses) of associates)	384.3	9.7	(22.8)	-	(12.3)	358.9
Share of gains / (losses) of associates[1]	(2.3)	(1.0)	-	(6.1)	(2.2)	(11.6)
Segment EBITDA from core operations	382.0	8.7	(22.8)	(6.1)	(14.5)	347.3
Share of associate non-core costs[1]	-	-	-	-	2.2	2.2
Net gain from acquisition activities	-	-	-	-	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
Interest income						3.0
Interest expense						(8.5)
Profit before income tax						291.2

[1] Inclusive of $2.2 million which reflects REA's share of revaluation gain from financial liabilities held by PropertyGuru.

Performance by region (continued)

Australia

The Group operates Australia's leading residential and commercial sites, realestate.com.au and realcommercial.com.au[4], data and insights business, PropTrack and a leading mortgage broking business, Mortgage Choice.

Australian operating income increased by 17% to $681.5 million during the period, largely driven by revenue growth within the Australian Property & Online advertising segment.

realestate.com.au continues to be the number one property portal in Australia[1], attracting 126.1 million visits each month on average on all platforms[2]. 10.6 million people visited the site each month on average[5], with 52% exclusively using realestate.com.au[5]. 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 17% increase in active members[6], and a 41% increase in active property owner tracks[7] year on year.

Property and Online Advertising

Property and Online Advertising operating income increased by 18% to $645.4 million.

Australian residential revenue increased 19% to $505.5 million with a 19% increase in buy yield and 4% increase in national listings. Buy yield benefited from a 13% average national price rise, increased Premiere+ and total depth penetration, and a 3% positive impact from geographical mix due to outperformance of the higher yielding Sydney and Melbourne markets. Rent revenue increased with an 8% average price rise and growth in depth penetration, partly offset by a 2% decline in listings.

Commercial and Developer revenue increased 11% to $80.3 million. Commercial revenue growth was driven by an average 11% price rise, increased depth penetration and higher listings across both sale and lease channels. Developer revenues were up modestly on prior year, with increased Project Profile duration and a price rise in the prior year offsetting the 23% decline in project commencements.

Media, Data and Other revenue increased 21% to $59.6 million, or flat excluding the impact of the CampaignAgent acquisition. Growth in Data revenue due to higher data & insights and valuations revenues was partially offset by lower programmatic Media and Developer display revenue. CampaignAgent, which has been consolidated from July 2023, delivered strong revenue growth.

In October 2023, the Group acquired a 35.9% share in Empirical CRE Pte. Ltd. (Arealytics), a provider of commercial real estate information and technology in Australia.

Financial Services

Financial Services revenue increased 4% to $36.1 million. Settlements declined by 4%, however this was more than offset by increased penetration of higher-margin white label products including the Mortgage Choice Freedom product (powered by Athena), and a stabilisation of run-off rates. While still subdued, the market is showing signs of improvement, with Mortgage Choice submissions up 1% in the half.

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[4] Ipsos iris Online Audience Measurement Service, July - Dec 2023 (average), P14+, PC/laptop/smartphone/tablets, text only, Residential Property Search Category and Commercial Property Search Category, Brand Group, Audience (000's).
[5] Ipsos iris Online Audience Measurement Service, July - Dec 2023 (average), P14+, PC/laptop/smartphone/tablets, text only, Homes and Property Category, Brand Group, Realestate.com.au vs Domain, Audience (000's) and Exclusive Audience (000's).
[6] REA internal data, Jul 23 - Dec 23 (average) and vs. Jul 22 - Dec 22 (average).
[7] REA internal data Dec 23 and vs. Dec 22.

India

REA India continues to deliver strong results with revenue growth of 21% to $44.0 million. Revenues from property and advertising increased 32%, with Housing.com benefitting from price rises, increased depth penetration and customer growth. Improving market conditions have also driven higher PropTiger commissions. Revenues from adjacent services on Housing Edge were in line with the prior year, with some user attrition following increased convenience fees.

Continued focus on search engine optimisation, improved mobile experience and targeted marketing has seen Housing.com maintain its #1 position throughout H1 FY24[8]. REA India's app-first strategy has driven app traffic growth of 43%[9], with share of app downloads at 46%[10] compared to 42% in the prior period[10].

In November 2023, the Group acquired a 20.7% share in Easiloan Techno Solutions Private Limited (Easiloan), a technology platform for end-to-end digital processing of home loans in India.

International

The International segment includes our equity accounted strategic investments comprising Move, Inc. ("Move") and PropertyGuru 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 15% down impacted by the current challenging macroeconomic environment in the United States which has led to a 9% decline in leads and lower transaction volumes[11]. This was partly offset by cost savings related to the announced 5% headcount reduction initiative, resulting in an equity accounted loss of $11.0 million in H1 FY24, an increase from the $6.5 million loss in prior period.

PropertyGuru

The Group also holds a 17.3% stake in PropertyGuru, which operates leading property sites in Malaysia, Singapore, Thailand and Vietnam and is listed on the New York Stock Exchange (NYSE).

PropertyGuru contributed an equity-accounted loss of $0.2 million in H1 FY24, an improvement on the $1.8 million loss in the prior period, with growth in Singapore and Malaysia offsetting market challenges in Vietnam[12].

The property market in Vietnam continues to be affected by Government policy interventions, negatively impacting consumer sentiment and transaction volumes. In addition, macro-economic pressures have affected the outlook for PropertyGuru's Malaysian business. These conditions, combined with the uncertain timing of a recovery, has reduced the Group's valuation of these businesses. This has resulted in a $120.3 million impairment charge in H1 FY24.

Strategies and future developments

The way people search and find property continues to evolve, and consumer expectations are shaped by their digital experience. REA'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.

[8] Similarweb, average site visits Jul 23 – Dec 23 vs. nearest competitor - excludes app.
[9] data.ai, monthly active app users Jul 23 – Dec 23 vs. Jul 22 – Dec 22.
[10] data.ai, app downloads as a % of top 4 online real estate classifieds in India, Jul 23 - Dec 23 and vs. Jul 22 - Dec 22.
[11] NewsCorp's Form 10-Q stated in US Dollars for the six-month period ended 31 December 2023.
[12] PropertyGuru's Form 6-K stated in Singapore Dollars for the nine-months ended 30 September 2023.

REA 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.

The Group recognises the value mortgage brokers bring to people looking to finance their next property. The Group continued to grow the broker network during the period with over 1,060 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 Consolidated 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 13.

Declaration

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

Hamish McLennan

Chairman

Owen Wilson

Chief Executive Officer

Melbourne

8 February 2024

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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 2023, 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

Ernst & Young

Alison Parker

Alison Parker
Partner
8 February 2024

Consolidated Income Statement

for the half-year ended 31 December 2023

	Notes	2023 $M	2022 $M
Revenue from property and online advertising	3	**689.4**	582.6
Revenue from financial services	3	**158.1**	150.3
Expense from franchisee commissions	3	**(122.0)**	(115.6)
Revenue from financial services after franchisee commissions		**36.1**	34.7
Total operating income	3	**725.5**	617.3
Employee benefits expenses		**(169.5)**	(150.7)
Consultant and contractor expenses		**(10.2)**	(9.6)
Marketing related expenses		**(39.3)**	(38.2)
Technology and other expenses		**(23.9)**	(21.1)
Advertising placement costs		**(10.6)**	(9.7)
Operations and administration expense		**(30.4)**	(35.0)
Impairment expense	4	**(125.3)**	(0.9)
Share of (losses) / gains of associates	11	**(13.4)**	(9.4)
Earnings before interest, tax, depreciation and amortisation (EBITDA)		**302.9**	342.7
Depreciation and amortisation		**(54.0)**	(46.0)
Profit before interest and tax (EBIT)		**248.9**	296.7
Interest income		**5.7**	3.0
Interest expense		**(15.0)**	(8.5)
Profit before income tax		**239.6**	291.2
Income tax expense	5	**(117.0)**	(96.3)
Profit for the half-year		**122.6**	194.9
Profit / (loss) for the half-year is attributable to:			
Non-controlling interest		**(4.8)**	(6.7)
Owners of the parent		**127.4**	201.6
		122.6	194.9
Earnings per share attributable to the ordinary equity holders of REA Group Ltd			
Basic earnings per share		**96.5**	152.6
Diluted earnings per share		**96.4**	152.6

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 2023

	2023 $M	2022 $M
Profit for the half-year	**122.6**	194.9
Other comprehensive income		
Items that may be reclassified subsequently to the Consolidated Income Statement		
Exchange differences on translation of foreign operations, net of tax	**(6.6)**	12.3
Other comprehensive income for the half-year, net of tax	**(6.6)**	12.3
Total comprehensive income for the half-year	**116.0**	207.2
Total comprehensive income / (loss) for the half-year is attributable to:		
Non-controlling interest	**(5.0)**	(5.8)
Owners of the parent	**121.0**	213.0
	116.0	207.2

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 2023

	Notes	31 Dec 2023 $M	30 Jun 2023 $M
ASSETS			
Current assets			
Cash and cash equivalents		**314.0**	259.8
Trade and other receivables		**241.4**	169.2
Commission contract assets	6	**151.1**	151.2
Current financial assets	6	**26.5**	26.5
Current tax assets		**-**	6.0
Total current assets		**733.0**	612.7
Non-current assets			
Property, plant and equipment		**84.1**	90.4
Intangible assets		**935.5**	875.0
Other non-current assets		**10.0**	2.5
Investment in associates	11	**502.8**	642.7
Commission contract assets	6	**413.0**	403.3
Total non-current assets		**1,945.4**	2,013.9
Total assets		**2,678.4**	2,626.6
LIABILITIES			
Current liabilities			
Trade and other payables		**87.7**	123.0
Current tax liabilities		**17.9**	-
Provisions		**14.7**	17.7
Contract liabilities		**74.7**	92.1
Interest bearing loans and borrowings	7	**8.3**	10.5
Commission liabilities	6	**117.8**	117.5
Total current liabilities		**321.1**	360.8
Non-current liabilities			
Other non-current payables		**8.6**	10.9
Deferred tax liabilities	5	**22.8**	21.0
Provisions		**12.6**	10.1
Interest bearing loans and borrowings	7	**471.2**	392.7
Commission liabilities	6	**322.6**	314.1
Total non-current liabilities		**837.8**	748.8
Total liabilities		**1,158.9**	1,109.6
Net assets		**1,519.5**	1,517.0
EQUITY			
Contributed equity		**146.1**	148.1
Reserves		**104.4**	112.2
Retained earnings		**1,224.2**	1,206.5
Parent interest		**1,474.7**	1,466.8
Non-controlling interest		**44.8**	50.2
Total equity		**1,519.5**	1,517.0

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 2023

	Notes	Contributed equity $M	Reserves $M	Retained earnings $M	Parent interest $M	Non-controlling interest $M	Total equity $M
Balance at 1 July 2023		**148.1**	**112.2**	**1,206.5**	**1,466.8**	**50.2**	**1,517.0**
Profit / (loss) for the half-year		**-**	**-**	**127.4**	**127.4**	**(4.8)**	**122.6**
Other comprehensive income		**-**	**(6.3)**	**-**	**(6.3)**	**(0.3)**	**(6.6)**
Total comprehensive income/(loss) for the half-year		**-**	**(6.3)**	**127.4**	**121.1**	**(5.1)**	**116.0**
Transactions with owners							
Share-based payment expense		**-**	**6.1**	**-**	**6.1**	**-**	**6.1**
Acquisition of treasury shares		**(9.6)**	**-**	**-**	**(9.6)**	**-**	**(9.6)**
Settlement of vested performance rights		**7.6**	**(7.6)**	**-**	**-**	**-**	**-**
Dividends paid	8	**-**	**-**	**(109.7)**	**(109.7)**	**(0.3)**	**(110.0)**
Balance at 31 December 2023		**146.1**	**104.4**	**1,224.2**	**1,474.7**	**44.8**	**1,519.5**

	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 / (loss) 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	8	-	-	(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

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 2023

	Notes	2023 $M	2022 $M
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		**764.6**	686.4
Payments to suppliers and employees (inclusive of GST)		**(396.7)**	(374.4)
		367.9	312.0
Interest received		**5.7**	3.0
Interest paid		**(13.3)**	(8.4)
Income taxes paid		**(88.8)**	(101.2)
Net cash inflow from operating activities		**271.5**	205.4
Cash flows from investing activities			
Payment for investment in subsidiaries, net of cash acquired	10	**(31.1)**	-
Payment for investment in associates and joint ventures		**(12.3)**	(1.0)
Payment for property, plant and equipment		**(1.6)**	(5.0)
Payment for intangible assets		**(58.4)**	(53.7)
Redemption / (investment) in short term funds		**1.6**	(19.4)
Payment for financial assets		**(3.8)**	(7.0)
Net cash outflow from investing activities		**(105.6)**	(86.1)
Cash flows from financing activities			
Dividends paid to company's shareholders	8	**(109.7)**	(117.6)
Dividends paid to non-controlling interests in subsidiaries		**(0.3)**	(0.2)
Payment for acquisition of treasury shares		**(9.5)**	(8.4)
Proceeds from borrowings		**415.0**	-
Repayment of borrowings and leases	7	**(406.9)**	(99.3)
Related party loan to associate		**-**	(0.7)
Net cash outflow from financing activities		**(111.4)**	(226.2)
Net Increase / (decrease) in cash and cash equivalents		**54.5**	(106.9)
Cash and cash equivalents at the beginning of the period		**259.8**	248.2
Effects of exchange rate changes on cash and cash equivalents		**(0.3)**	1.0
Cash and cash equivalents at end of the half-year		**314.0**	142.3

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 2023 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 2023 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 2023.
- 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 2023. 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 2023.

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 Realtair Pty Limited and Empirical CRE Pte. Ltd.
- Australia – Financial Services: includes financial services across Australia and equity investment of Simpology Pty Limited.
- India – includes REA India Pte. Ltd. and the equity investment of Easiloan Techno Solutions Private Limited.
- International – includes equity investments in Move, Inc. and PropertyGuru Group Limited.
- Corporate – includes the costs 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 Australia and India 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.

2. Segment information (continued)

The following tables present operating income and results by operating segments for the half-years ended 31 December 2023 and 2022.

Half-year ended 31 December 2023	Australia		India	International	Corporate	Total
	Property & Online Advertising	Financial Services				
	$M	$M	$M	$M	$M	$M
Segment operating income						
Total segment operating income	645.4	36.1	44.0	-	-	725.5
Operating income	645.4	36.1	44.0	-	-	725.5
Results						
Segment EBITDA from core operations (excluding share of gains / (losses) of associates)	461.0	8.8	(19.0)	-	(12.1)	438.7
Share of gains / (losses) of associates[1]	(0.2)	(1.3)	-	(11.9)	0.7	(12.7)
Segment EBITDA from core operations	460.8	7.5	(19.0)	(11.9)	(11.4)	426.0
Non-core impairment expense[2]	-	-	-	-	(122.5)	(122.5)
Share of associate non-core costs[1]	-	-	-	-	(0.7)	(0.7)
Net gain from acquisition activities	-	-	-	-	3.1	3.1
Integration costs	-	-	-	-	(3.0)	(3.0)
EBITDA	460.8	7.5	(19.0)	(11.9)	(134.5)	302.9
Depreciation and amortisation						(54.0)
EBIT						248.9
Interest income						5.7
Interest expense						(15.0)
Profit before income tax						239.6
Income tax expense						(117.0)
Profit after income tax						122.6

[1] Inclusive of REA's share of restructuring and impairment costs ($1.8 million) and revaluation gains from financial liabilities ($1.1 million) incurred by PropertyGuru.
[2] Inclusive of PropertyGuru impairment ($120.3 million), Realtair impairment ($3.0m) and reversal of impairment against loan receivable ($0.8m).

2. Segment information (continued)

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	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 gains / (losses) of associates)	384.3	9.7	(22.8)	-	(12.3)	358.9
Share of gains / (losses) of associates[1]	(2.3)	(1.0)	-	(6.1)	(2.2)	(11.6)
Segment EBITDA from core operations	382.0	8.7	(22.8)	(6.1)	(14.5)	347.3
Share of associate non-core costs[1]	-	-	-	-	2.2	2.2
Net loss from acquisition activities	-	-	-	-	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
Interest income						3.0
Interest expense						(8.5)
Profit before income tax						291.2
Income tax expense						(96.3)
Profit after income tax						194.9

[1] Inclusive of $2.2 million which reflects REA's share of revaluation gain from financial liabilities held by PropertyGuru.

3. Revenue from contracts with customers

(a) Revenue from contracts with customers reconciliation

	Consolidated for the half-year ended 31 December 2023			
Total revenue for the Group: Timing of revenue	**Property & Online Advertising $M**	**Financial Services $M**	**India $M**	**Total $M**
Services transferred at a point in time	**6.4**	**158.1**	**20.9**	**185.4**
Services transferred over time	**639.0**	**-**	**23.1**	**662.1**
Total revenue	**645.4**	**158.1**	**44.0**	**847.5**

	Consolidated for the half-year ended 31 December 2022			
Total revenue for the Group: Timing of revenue	**Property & Online Advertising $M**	**Financial Services $M**	**India $M**	**Total $M**
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

Reconciliation of operating income:

	31 Dec 2023 $M	31 Dec 2022 $M
Total revenue	**847.5**	732.9
Expense from franchisee commissions	**(122.0)**	(115.6)
Total operating income	**725.5**	617.3

(b) Contract liabilities

As of 1 July 2023, contract liabilities amounted to $92.1 million (2022: $87.6 million), of which $86.3 million (2022: $83.9 million) was recognised during the six months ended 31 December 2023.

4. Impairment

a) Impairment assessment and expense recognised

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. The below table summarises impairment recognised for the half-year ended 31 December 2023.

	31 Dec 2023 $M	31 Dec 2022 $M
Associates	**123.3**	-
Other non-current assets	**2.0**	0.9
Total impairment expense	**125.3**	0.9

b) Goodwill

An indicator of impairment was identified for the Australia – Financial Services segment with continued challenging market conditions impacting loan settlements and the underlying performance of the segment. The Group assessed the recoverable amount of the Financial Services segment in accordance with AASB 136 *Impairment of Assets*, using the value in use methodology. The key assumptions used to determine the recoverable amount of the segment were disclosed in the annual consolidated financial statements for the year ended 30 June 2023. The Financial Services carrying value is supported by the recoverable amount and accordingly no impairment has been recognised.

No indicators were identified for the remaining segments for the half-year ended 31 December 2023.

c) Associates

PropertyGuru

The Group holds a 17.3% undiluted interest in PropertyGuru Group Limited ("PropertyGuru"), which is equity-accounted. At 31 December 2023 PropertyGuru (NYSE: PGRU) had a market capitalisation of USD $544 million (30 June 2023: USD $722 million) based on the quoted share price of USD $3.34 (30 June 2023: USD $4.44) and the latest publicly available number of issued shares. The continued decline in the share price since June 2023, coupled with PropertyGuru's recent revenue downgrade are considered indicators of impairment.

The Vietnam property market continues to be impacted by Government policy interventions, negatively impacting consumer sentiment and transaction volumes, as reflected in PropertyGuru's FY23 Q3 results. In addition, macro-economic impacts have affected the Malaysian business. The impact of these macroeconomic conditions, combined with the uncertain timing of a recovery, has reduced the Group's valuation of these businesses, with the carrying value exceeding the recoverable amount. As a result, an impairment charge of $120.3 million was recognised in the Consolidated Income Statement.

The recoverable amount of the investment was calculated based on a value-in-use calculation, which was calculated using the Group's independent cash flow projections for PropertyGuru. The key assumptions for the value-in-use calculation include revenue and EBITDA margins, in addition to discount rates and terminal growth rates noted in the table below.

These cash flow projections cover a ten-year period to appropriately reflect the internally generated growth profile of the business. The cash flow projections require judgement and are based on estimates with reference to key structural and market factors, past experience, external data and analysis. Cash flows beyond the final year of the cash flow projections are calculated using a terminal growth rate.

	Discount rates		Terminal growth rates	
	31 Dec 2023	30 Jun 2023	**31 Dec 2023**	30 June 2023
PropertyGuru	**11.7%**	11.1%	**3.5%**	3.5%

Following the impairment, the recoverable amount of the investment is equal to the carrying value. Therefore, any adverse change in key assumptions or PropertyGuru's performance may result in further impairment.

Realtair

An indicator for impairment was identified following a revision of the recoverable amount of the investment in Realtair Pty Ltd ("Realtair") at 31 December 2023. The recoverable amount of Realtair was calculated at 31 December 2023 using the fair value less cost of disposal method. Inputs to management's valuation are categorised as Level 2 within the fair value hierarchy. The assessment resulted in a $3.0 million reduction to the carrying value which was recognised in the Consolidated Income statement.

Equity investment impairment charges are recognised as an impairment expense in the Consolidated Income Statement and in the Corporate segment for segment reporting purposes.

5. 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 2023 $M	31 Dec 2022 $M
Current income tax expense	**112.6**	89.2
Deferred income tax expense related to origination and reversal of deferred taxes	**4.4**	7.1
Total income tax expense	**117.0**	96.3

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 2023 $M	30 Jun 2023 $M
Deferred tax assets	**27.1**	27.1
Deferred tax liabilities	**(49.9)**	(48.1)
Net deferred tax assets / (liabilities)	**(22.8)**	(21.0)

6. 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 2023	30 Jun 2023
Weighted average loan life	4.0 years	4.0 years
Discount rate per annum	4.5 – 6.5%	4.5 – 6.5%
Average percentages paid to franchisees	77.8%	77.8%

b) Financial assets

99 Group

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 2023, the balance associated with 99 Group was $26.5 million (June 2023: $26.5 million) and is classified as a current financial asset. In January 2024, the 30-month settlement period matured and the asset remains outstanding. Consequently, in accordance with the original sale contract, an independent agent has been appointed to initiate an open market sale process to seek potential buyers for the 99 Group securities. The Group expects this process to complete within a 6-month period and the amount received by the Group will be determined by the final outcome of the sales process.

Athena Joint Funding Facility

In September 2023, the Group expanded its strategic partnership with Athena Financial Pty Ltd (Athena), and as part of this arrangement the Group has committed $20 million in capital funding. In return the Group receives notes which are recognised as a financial asset and classified as non-current. The financial asset is measured at fair value and uses assumptions that are unobservable inputs categorised as Level 3 in the fair value hierarchy. The balance associated with the notes is $3.7 million at 31 December 2023 (June 2023: $nil).

7. Interest bearing loans and borrowings

The Group holds a $600m syndicated facility with National Australia Bank Limited as the Lead Arranger, Australia and New Zealand Banking Group Limited, HSBC Bank Australia Limited, ING Bank (Australia) Limited and Commonwealth Bank of Australia. The Group extended the maturity date of Tranche A under the syndicated facility to September 2028. Financial close occurred on 28 September 2023 and Westpac Banking Corporation was introduced to the syndication.

In addition, CampaignAgent's existing warehouse facility was refinanced with a new two-year bilateral facility with National Australia Bank Limited.

As at 31 December 2023, the Group was in compliance with all applicable debt covenants.

Facility	**Interest rate**	**Maturity**	**31 Dec 2023 $M**	30 Jun 2023 $M
Syndicated facility – Tranche A[1]	BBSY +1.45 – 2.35%	September 2028	**118.7**	318.7
Syndicated facility – Tranche B[2]	BBSY +1.15 – 2.25%	September 2025	**200.0**	-
Bilateral facility[3]	BBSY +1.40%	September 2025	**79.5**	-

[1] The undrawn amount at 31 December 2023 was $281.3 million (30 June 2023: $81.3 million).
[2] The undrawn amount at 31 December 2023 was $nil (30 June 2023: $200 million).
[3] The undrawn amount at 31 December 2023 was $3.5 million.

Reconciliation of liabilities arising from financing activities:

	Balance at 1 July 2023 $M	**Additions**[1] **$M**	**Principal Payments $M**	**Other $M**	**Balance at 31 December 2023 $M**
Current loans	-	78.3	(78.3)	-	**-**
Current lease liabilities	10.5	0.4	(6.8)	4.2	**8.3**
Total current interest-bearing loans and borrowings	**10.5**	**78.7**	**(85.1)**	**4.2**	**8.3**
Non-current loans	316.7	401.2	(321.7)	2.0	**398.2**
Non-current lease liabilities	76.0	1.1	-	(4.1)	**72.9**
Total non-current interest-bearing loans and borrowings	**392.7**	**402.3**	**(321.7)**	**(2.1)**	**471.2**

[1] Additions include $62.1 million relating to a warehouse facility and $1.4 million relating to lease liabilities, both acquired as part of the CampaignAgent business combination.

8. Dividends

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

	31 Dec 2023 $M	31 Dec 2022 $M
Paid during the period (fully-franked at 30%)		
Final dividend for 2023: 83.0 cents (2022: 89.0 cents)	**109.7**	117.6
Proposed and unrecognised as a liability (fully-franked at 30%)		
Interim dividend for 2024: 87.0 cents (2023: 75.0 cents). Proposed dividend is expected to be paid on 19 March 2024 out of retained earnings at 31 December 2023 but is not recognised as a liability at half-year end	**114.9**	99.1

9. Commitments and contingencies

a) Claims

Various claims, including tax matters, arise in the ordinary course of business against the Group and its subsidiaries. It is expected that any liabilities arising from such claims would not have a material adverse effect on the Group's financial position.

b) Guarantees and Commitments

At 31 December 2023, the Group had bank guarantees totalling $11.5 million (30 June 2023: $11.8 million) in respect of various property leases for offices used by the Group and has remaining commitments of $16.3 million in capital funding as part of the strategic partnership with Athena, refer to note 6 for further details.

10. Business Combinations

(a) Acquisition of CampaignAgent

On 5 July 2023, the Group acquired the remaining shares in Campaign Agent Pty Ltd ("CampaignAgent"). On completion, CampaignAgent moved from an equity accounted investment to a fully consolidated subsidiary of the Group. CampaignAgent is a market leader in vendor paid advertising and home preparation finance, offering vendors choice and flexibility around the payment for their campaign. The innovative products address a clear market need, benefitting both our customers and consumers, and providing a significant ongoing opportunity to remove friction from the property selling process.

(i) Consideration transferred

The following table summarises the acquisition date fair value of each major class of consideration transferred:

	$M
Cash paid	38.7
Settlement of pre-existing relationship	4.6
Total consideration transferred	**43.3**

Cash paid
Cash consideration was paid in two instalments of $37.3 million on 6 July 2023 and $1.4 million on 24 August 2023.

Settlement of pre-existing relationships
At the acquisition date, CampaignAgent held liabilities on the balance sheet which related to working capital funding provided by the Group to CampaignAgent and interest accrued on convertible preference shares held by the Group. These pre-existing relationships were effectively settled as part of the transaction, with no gain or loss recognised in the profit and loss as the recorded amount materially approximated fair value.

Post combination services
In addition to the upfront cash consideration paid, a portion was withheld and is payable at the end of a two-year period, subject to the business achieving certain revenue and earnings before tax targets and service conditions. Accordingly, the withheld component is not classified as purchase consideration on acquisition date, but expensed as incurred over the earn-out period as it is considered remuneration for post combination services. As of 31 December 2023, post combination services expense of $2.8 million was recognised in the Statement of Comprehensive Income.

(ii) Acquisition related costs

Acquisition related costs of $0.8 million relating to transaction costs and advisory services were accounted for as expenses within operations and administration expenses and consultant and contractor expenses in the period in which they were incurred.

(iii) Fair value of CampaignAgent

	$M
Total consideration transferred (i)	43.3
Fair value of previously held equity interest	13.8
Fair value of CampaignAgent	**57.1**

The remeasurement to fair value of the Group's existing 29.4% equity interest in CampaignAgent resulted in a gain of $7.0 million which has been recognised as operations and administrative expenses in the Consolidated Income Statement.

(iv) Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired, and liabilities assumed at the date of acquisition. The net identifiable assets acquired will be finalised within twelve months of the acquisition date, in line with accounting standards. Provisional accounting in the determination of net assets acquired has been applied pending completion of the tax cost base reset of CampaignAgent's assets, and is detailed below:

	$M
Current assets	
Cash and cash equivalents	7.6
Trade and other receivables	63.3
Total current assets	**70.9**
Non-current assets	
Property, plant and equipment	1.3
Deferred tax asset	2.3
Other non-current assets	0.2
Total non-current assets	**3.8**
Current liabilities	
Trade and other payables	1.5
Provisions	0.6
Interest bearing loans and borrowings	62.4
Contract liabilities	2.5
Total current liabilities	**67.0**
Deferred tax liabilities	0.4
Provisions	0.2
Interest bearing loans and borrowings	1.1
Total non-current liabilities	**1.7**
Net identifiable assets acquired	**6.0**
Add: goodwill (v)	51.1
Net assets	**57.1**
Cash flows on acquisition	
Cash consideration	38.7
Less: cash acquired	(7.6)
Outflow of cash	**31.1**

The fair value of trade and other receivables is $63.3 million and includes trade receivables with a fair value of $63.2 million. The trade receivables comprise gross contractual amounts due of $67.2 million, of which $4.0 million was expected to be impaired at the time of acquisition.

(v) Goodwill on acquisition

	$M
Fair value of CampaignAgent (iii)	57.1
Less: net identifiable assets acquired, and liabilities assumed (iv)	6.0
Goodwill	**51.1**

The Goodwill acquired is attributed to CampaignAgent's established market position, the high long-term growth potential of this market and the expected synergies and other benefits from combining the assets and activities of CampaignAgent with the Group. Goodwill is not deductible for tax purposes.

(vi) Revenue and profit before tax from continuing operations

From the date of acquisition and the beginning of the year, the CampaignAgent acquisition contributed $10.3 million to total revenue and $0.9 million to profit before tax from continuing operations of the Group. These results are recognised with the Australian Property & Online business segment.

(b) Other transactions

In September 2023, the Group entered into an agreement to acquire 100% of Dynamic Methods Pty Ltd. The transaction remains subject to approval from the Australian Competition and Consumer Commission ('ACCC'). As the transaction is contingent on ACCC approval, and had not completed at 31 December 2023 the acquisition has not been reflected in the Consolidated Interim Financial Statements.

11. Investments in associates

The carrying amounts of investments in associates is provided below:

	Move $M	PropertyGuru $M	Other $M[1]
Opening carrying amount (as at 30 June 2023)	**314.9**	**286.1**	**41.7**
Additions to associates	-	-	12.3
Share of gain/(loss) of associate	(11.0)	(0.9)[2]	(1.5)
Derecognition	-	-	(16.6)
Impairment	-	(120.3)	(3.0)
Gain on acquisition	-	-	7.0
Other	(6.3)	0.6	(0.2)
Closing carrying value (as at 31 December 2023)	**297.6**	**165.5**	**39.7**

[1] Includes associates CampaignAgent, Realtair, Simpology, Arealytics and Easiloan
[2] Includes REA's share of non-core restructuring and impairment costs, and gains from financial liabilities incurred by PropertyGuru ($0.7m).

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

The Group holds a 17.3% undiluted interest in PropertyGuru, which is equity-accounted. At 31 December 2023 an impairment charge of $120.3 million was recognised to reduce the investment carrying value to the recoverable amount of $165.5 million. Refer to Note 4 for details of the impairment assessment.

In July 2023, the Group acquired the remaining shares in CampaignAgent, and on completion, CampaignAgent moved from an equity accounted investment to a fully consolidated subsidiary of the Group. As part of the step-acquisition, the Group recognised a $7.0 million net gain, representing the revaluation of the original investment. Refer to Note 10 for further details.

In October 2023, the Group invested an additional $2.1 million into Simpology Pty Ltd, taking the Group's undiluted interest to 36.0%.

In October 2023, the Group acquired a 35.9% share in Empirical CRE Pte. Ltd. ("Arealytics"), a provider of commercial real estate information and technology in Australia. The purchase price of the investment was $7.8 million.

In November 2023, the Group acquired a 20.7% share in Easiloan Techno Solutions Private Limited ("Easiloan"), a technology platform for end-to-end digital processing of home loans in India. The purchase price of the investment was $2.4 million.

12. Events after the balance sheet date

99 Group SPV
At 31 December 2023, the balance associated with 99 Group was $26.5 million (June 2023: $26.5 million), and is classified as a current financial asset. In January 2024, the 30-month settlement period matured, and the asset remains outstanding. Consequently, in accordance with the original sale contract, an independent agent has been appointed to initiate an open market sale process to seek potential buyers for the 99 Group securities. The Group expects this process to complete within a 6-month period, and the amount received by the Group will be determined by the final outcome of the sales process.

From the end of the reporting period to the date of this report, no other 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, other than the above.

Directors' Declaration

For the half-year ended 31 December 2023:

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 32 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 2023 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

Hamish McLennan

Chairman

Owen Wilson

Chief Executive Officer

Melbourne

8 February 2024

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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 2023, the 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 2023 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 2023 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*.

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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

Ernst & Young

Alison Parker

Alison Parker
Partner
Melbourne
8 February 2024