

Real Estate Investar Group Ltd

Appendix 4D

Half-year information given to ASX under listing rule 4.2A

COMPANY DETAILS

Name of entity: Real Estate Investar Group Ltd
ABN: 39 141 276 959
Reporting period: For the half-year ended 31 December 2017
Previous period: For the half-year ended 31 December 2016

RESULTS FOR ANNOUNCEMENT TO THE MARKET

(All comparisons to half-year ended 31 December 2016)

	Up / down	Movement %		\$
Revenues from ordinary activities	down	10.1%	to	2,012,457
Revenues from ordinary activities excluding interest income	down	10.0%	to	2,002,192
Net Loss for the half-year after tax from ordinary activities	up	15.3%	to	(1,610,912)

DIVIDEND INFORMATION

There were no dividends declared or paid during the period.

NET TANGIBLE ASSETS

	31 Dec 2017 Cents		31 Dec 2016 Cents
Net tangible assets per ordinary security	0.22		1.20

CONTROL GAINED OVER ENTITIES / LOSS OF CONTROL OVER ENTITIES

Not applicable.

This information should be read in conjunction with the 2017 Annual Financial Report of Real Estate Investar Group Ltd and its controlled entities and any public announcements made in the period by Real Estate Investar Group Ltd in accordance with the continuous disclosure requirements of the Corporations Act 2001 and Listing Rules.

Additional information supporting the Appendix 4D disclosure requirements can be found in the attached Directors' Report and the consolidated financial statements for the half-year ended 31 December 2017.

This report is based on the consolidated financial statements for the half-year ended 31 December 2017 of Real Estate Investar Group Ltd and its controlled entities, which have been reviewed by RSM Australia Partners. The Independent Auditor's Report provided by RSM Australia Partners includes a paragraph on a material uncertainty related to going concern, and is included in the consolidated financial statements for the half-year ended 31 December 2017.

SIGNED



Signed _____

Date: 27 February 2018

Simon Baker
Chairman

REAL ESTATE INVESTAR GROUP LIMITED
ACN 141 276 959

INTERIM FINANCIAL REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2017

DIRECTORS' REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2017

The directors present their report, together with the financial statements, on the consolidated entity consisting of Real Estate Investar Group Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2017.

Directors

The following persons were directors of Real Estate Investar Group Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Mr Simon Baker

Mr Clinton Greaves

Mr Ian Penman

Mr Antony Catalano (resigned 1 September 2017)

Mr Joe Hanna

Principal activities

The Real Estate Investar Group Limited is a leading data driven provider of investment property analysis, tracking and transaction services to Australian and New Zealand property investors.

The consolidated entity offers property investors a comprehensive suite of free online services to grow its member base and increase its knowledge of members as they engage with these services. It then monetises this base by selling investment grade property to its member base. It also monetises this base via its Software as a Service (SaaS) offering by providing members with paid memberships for advanced tools and services.

During the financial half-year the principal activities of the consolidated entity were in the investment in development, sales and support of software and lead nurturing platforms to provide integrated solutions for property investors to generate new members and to increase the profiling of existing members, to ultimately grow commission revenues from the sale of investment grade real estate to these members.

These activities focused on:

- Increasing the number of members using free and paid products and services;
- Increasing the volume of engagement and profile data captured around each member to allow for better matching of investment grade property; and
- Structuring the business around four key functions involved in selling high quality investment property direct to the registered member base and the general public, being Sourcing Listings, Marketing, Lead Management, and Sales Closing.

Review of operations

As at 31 December 2017, the consolidated entity had 289,173 registered property investors (members), a 16% year on year increase (31 December 2016: 250,124).

The consolidated entity is continuing to increase the number of registered property investors and, more importantly, improving the level of detailed information on each one. Engagement and profile data collected on registered property investors has reached over 6.4m records, an average of 22 data points per investor. This information is used to identify high quality leads from the database for real estate transactions.

The database of almost 290,000 registered property investors provides a strong base for the consolidated entity to capture significant value from an investment property transaction business model.

REAL ESTATE INVESTAR GROUP LTD AND ITS SUBSIDIARIES

ACN 141 276 959

DIRECTORS' REPORT (CONTINUED)

Review of operations (continued)

To capture this value, Real Estate Investar Group is now structured around the four key functions involved in selling high quality investment property direct to its registered member base and the general public, and expects this to have significant benefits to efficiency and effectiveness:

- **Sourcing Listings:** Identify high quality investment opportunities by leveraging the consolidated entities expertise, channel relationships and market leading property investment analytical tools;
- **Marketing:** Continue profiling of the registered member base and the execution of a broad marketing plan to target existing members and the general public with high quality investment property opportunities;
- **Lead Management:** Coordinated approach to nurturing and managing all investment property transaction leads; and
- **Sales Closing:** Facilitate final investment between developer and high-quality leads to generate transaction revenue.

The loss for the consolidated entity after providing for income tax amounted to \$1,610,912 (31 December 2016: \$1,397,056).

Outlook and strategy update

Real Estate Investar Group Limited will continue to resource the move from the traditional SaaS subscription model to a data driven transaction model generating property sales commission revenues by focusing on member profiling and engagement to increase conversion of free members into paying customers. The new organisational structure and focus is leading to a growing pipeline of highly qualified leads for the Sales Closing team to close.

The Directors believe that Real Estate Investar Group Limited, in conjunction with the opportunities provided by the Australian and New Zealand property investment markets and the expertise of the Board and management, now has a strong platform for future growth.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the consolidated entity during the period.

Subsequent events

There are no significant matters or circumstances that have arisen since the end of the financial period which significantly affected or could significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future periods.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is included following this directors' report.

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

On behalf of the Directors



Simon Baker

Chairman

27 February 2018

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Real Estate Investar Limited for the half year ended 31 December 2017, 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.

A handwritten signature in blue ink, appearing to be "RSM".

RSM AUSTRALIA PARTNERS

A handwritten signature in blue ink, appearing to be "J S Croall".

J S CROALL

Partner

Dated: 27 February 2018
Melbourne, Victoria

INTERIM FINANCIAL REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2017

Contents

- Consolidated Statement of Profit or Loss and Other Comprehensive Income
- Consolidated Statement of Financial Position
- Consolidated Statement of Changes in Equity
- Consolidated Statement of Cash Flows
- Notes to the Consolidated Financial Statements
- Directors' Declaration
- Independent Auditor's Review Report to the Members of Real Estate Investar Group Ltd

General Information

The financial report covers Real Estate Investar Group Limited as a consolidated entity consisting of Real Estate Investar Group Limited and the entities it controlled. The financial report is presented in Australian dollars, which is Real Estate Investar Group Limited's functional and presentation currency.

The financial report consists of the financial statements, notes to the financial statements and the directors' declaration.

Real Estate Investar Group Limited is an ASX public listed company limited by shares, incorporated and domiciled in Australia.

The financial report was authorised for issue, in accordance with a resolution of directors. The directors have the power to amend and reissue the financial report.

The address of the registered office is:

Level 6
330 Collins St
Melbourne, Victoria 3000

The address of the principal place of business is:

40 Commercial Drive
Ashmore Qld 4214

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

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

FOR THE HALF YEAR ENDED 31 DECEMBER 2017

	Consolidated Entity Half Year	
	2017	2016
	\$	\$
Revenue		
Revenue	2,002,192	2,223,923
Expenses		
Commissions	(724,134)	(537,006)
Costs of website and data	(564,370)	(623,201)
Employee benefits expense	(1,067,162)	(1,441,710)
Depreciation and amortisation	(306,707)	(283,034)
Occupancy	(76,997)	(76,099)
Marketing	(166,766)	(249,711)
IT and legal	(81,523)	(61,188)
Impairment expense	(359,833)	-
Other Expenses	(259,471)	(350,002)
	(3,606,963)	(3,621,951)
Finance costs	(16,385)	(12,515)
Finance income	10,265	13,487
Net finance Costs	(6,120)	972
Loss before income tax expense from continuing operations	(1,610,891)	(1,397,056)
Income tax expense	(21)	-
Loss after income tax expense for the year	(1,610,912)	(1,397,056)
Other comprehensive income / (loss)		
Items that will be reclassified to profit or loss:		
Foreign currency translation differences	(8,692)	31
Total comprehensive loss for the year	(1,619,604)	(1,397,025)
Earnings per share	Cents	Cents
Basic and diluted loss per share (cents per share)	(3.24)	(3.28)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2017

	Note	Consolidated Entity	
		31 December 2017	30 June 2017
Assets			
Current assets			
Cash and cash equivalents		483,246	599,823
Receivables	3	1,467,748	1,650,819
Prepayments	3	149,176	132,781
Total current assets		2,100,170	2,383,423
Non-current assets			
Receivables	3	670,467	1,000,966
Property, plant and equipment		43,196	56,656
Intangible assets		1,082,308	1,287,301
Total non-current assets		1,795,971	2,344,923
Total Assets		3,896,141	4,728,346
Liabilities			
Current liabilities			
Trade and other payables	4	2,044,464	2,375,642
Current tax liabilities		-	22
Borrowings	5	234,955	234,955
Provision for employee entitlements		21,279	20,356
Total current liabilities		2,300,698	2,630,975
Non-current liabilities			
Trade and other payables	4	231,814	321,135
Provision for employee entitlements		26,289	22,421
Total non-current liabilities		258,103	343,556
Total Liabilities		2,558,801	2,974,531
Net Assets		1,337,340	1,753,815
Equity			
Contributed equity	6	12,469,579	11,285,121
Accumulated losses		(11,471,036)	(9,860,124)
Reserves		338,797	328,818
Total Equity		1,337,340	1,753,815

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 2017

	Note	Contributed Equity	Accumulated Losses	Share Based Payment Reserve	Foreign Currency Translation Reserve	Total Equity
		\$	\$	\$	\$	\$
Balance at 1 July 2016		11,285,121	(7,637,374)	92,374	8,298	3,748,419
Loss after income tax expense for the half year		-	(1,397,056)	-	-	(1,397,056)
<i>Other comprehensive income for the half year</i>						
Exchange difference on translation of foreign operations		-	-	-	31	31
Total comprehensive loss for the half year		-	(1,397,056)	-	31	(1,397,025)
<i>Transaction with owners in their capacity as owners:</i>						
Options issued		-	-	154,229	-	154,229
Shares issued, net of transaction costs		-	-	-	-	-
Balance at 31 December 2016		11,285,121	(9,034,430)	246,603	8,329	2,505,623
Balance at 1 July 2017		11,285,121	(9,860,124)	323,992	4,826	1,753,815
Loss after income tax expense for the half year		-	(1,610,912)	-	-	(1,610,912)
<i>Other comprehensive income for the half year</i>						
Exchange difference on translation of foreign operations		-	-	-	(8,692)	(8,692)
Total comprehensive loss for the half year		-	(1,610,912)	-	(8,692)	(1,619,604)
<i>Transaction with owners in their capacity as owners:</i>						
Options issued		-	-	18,671	-	18,671
Shares issued, net of transaction costs	6	1,184,458	-	-	-	1,184,458
Balance at 31 December 2017		12,469,579	(11,471,036)	342,663	(3,866)	1,337,340

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 2017

	Consolidated Entity Half Year	
	2017	2016
	\$	\$
Cash flows from operating activities		
Receipts from customers	2,051,457	2,448,462
Payments to suppliers and employees	(3,414,724)	(3,377,318)
Income tax paid	(43)	-
Interest paid	(9,514)	(1,362)
Interest received	928	4,080
Net cash flow used in operating activities	(1,371,896)	(926,138)
Cash flows from investing activities		
Payment for website development	(89,068)	(162,653)
Receipt of research and development claim	160,742	-
Payment for property, plant and equipment	(813)	-
Payment for acquisition of business	-	(382,424)
Net cash flow from / (used in) investing activities	70,861	(545,077)
Cash flows from financing activities		
Repayment of borrowings	-	(3,150)
Proceeds from issue of shares	1,284,318	-
Payments for equity raising costs	(99,860)	-
Proceeds from issue of convertible notes	-	-
Net cash flow from / (used in) financing activities	1,184,458	(3,150)
Net decrease in cash and cash equivalents	(116,577)	(1,474,365)
Cash and cash equivalents at the beginning of the financial period	599,823	2,271,908
Cash and cash equivalents at the end of the financial period	483,246	797,543

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2017

Note 1. Basis of Preparation of Half-Year Financial Statements

These interim financial statements for the half-year reporting period ended 31 December 2017 have been prepared in accordance with Australian Accounting Standard 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

These half-year financial statements do not include all the notes of the type normally included in annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial statements. Accordingly, these half-year financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2017 and any public announcements made by Real Estate Investar Group Ltd during the half-year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The consolidated entity has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current annual reporting period. The adoption of these new and revised Standards and Interpretations did not have any material impact on the amounts recognised in the financial statements of the consolidated entity for the current or prior periods.

The same accounting policies and methods of computation have generally been followed in these half-year financial statements as compared with the most recent annual financial statements.

Significant Judgements

The preparation of the interim financial report required management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported assets and liabilities, income and expenses. The significant judgements made by management in applying the consolidated entity accounting policies were the same as those applied to the annual financial report for the year ended 30 June 2017.

Going Concern

The consolidated financial statements have been prepared on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and liabilities in the ordinary course of business.

The consolidated entity has incurred a loss after tax of \$1,610,912 (2016: \$1,397,056) and had net cash outflows from operations of \$1,371,896 (2016: net outflows \$926,138). At 31 December 2017, current liabilities exceeded current assets by \$200,528 (30 June 2017: by \$247,552). Included in current liabilities is income in advance of \$337,817 and included in current assets is prepayments of \$149,176. Excluding these items, current liabilities exceeds current assets by \$11,886 (30 June 2017: current assets exceeded current liabilities by \$70,777).

The Board is of the view that the going concern basis is appropriate for the following reasons:

- The continued shift towards transaction-focused business including reorganising the team around Listings, Marketing, Lead Management, and Sales Closing is expected to generate more direct property enquires and sales opportunities;
- The Group has actively targeted cost reductions in operating expenses to reduce monthly outflows, with approximately \$1.0M in annualised savings from January 2018 via staff changes and a reduction in platform and data costs; and
- The company intends to seek to raise further funds in the next 12 months.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE HALF YEAR ENDED 31 DECEMBER 2017

Note 1. Basis of Preparation of Half-Year Financial Statements (continued)

Going Concern (continued)

The reliance on further capital raising and / or property transactions settling when expected give rise to the existence of a material uncertainty that cast significant doubt on the ability of the consolidated entity to continue as a going concern, and therefore whether it will realise its assets and discharge its liabilities in the normal course of business and at the amounts shown in this financial report.

The financial statements do not include any adjustments relating to the recoverability or classification of recorded asset amounts, or to the amounts or classification of liabilities which might be necessary should the consolidated entity not be able to continue as a going concern.

Impairment Non-Financial Assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE HALF YEAR ENDED 31 DECEMBER 2017

Note 2. Segment Reporting

The consolidated entity has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources. Operating segments are determined on the basis of financial information reported to the Board.

Accordingly, management currently identifies the consolidated entity as having the following operating segments:

Reportable Segments	Operation
Subscriptions	Online subscription services offering tools, resources and news services to property investors to assist in the identification, analysis, acquisition, tracking and accounting of residential investment property.
Transaction Services	Casual non-subscription services provided to members via a paid marketing referral model with accredited partners, including real estate transaction services, finance and mortgage brokerage, insurance brokerage, accounting and SMSF services, financial and estate planning, depreciation reports, and courses and education.
Property	Facilitating sales of newly built and off-the-plan properties from developers or project marketers to investors.

	Reportable Segments						Total	
	Subscriptions		Transaction Services		Property		Total	
	Half Year		Half Year		Half Year		Half Year	
	2017	2016	2017	2016	2017	2016	2017	2016
	\$	\$	\$	\$	\$	\$	\$	\$
Segment Revenue - from external customers	1,281,107	1,624,414	3,761	156,786	717,324	442,723	2,002,192	2,223,923
Gross Profit	342,372	708,016	3,761	147,933	367,555	207,767	713,688	1,063,716
<i>Other segment information</i>								
Interest income	10,265	13,487	-	-	-	-	10,265	13,487
Interest expense	(16,385)	(12,515)	-	-	-	-	(16,385)	(12,515)
Depreciation and amortisation	(299,919)	(276,546)	-	-	(6,788)	(6,488)	(306,707)	(283,034)
Impairment	(359,833)	-	-	-	-	-	(359,833)	-
Assets								
Segment assets	1,213,693	1,976,829	147,123	167,210	2,052,079	1,984,484	3,412,895	4,128,523
<i>Unallocated Assets:</i>								
Cash and cash equivalents							483,246	599,823
Deferred tax asset							-	-
Total Assets							3,896,141	4,728,346
Additions to non-current assets (other than financial assets and deferred tax)	89,068	141,993	-	-	813	2,395	89,881	144,388

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE HALF YEAR ENDED 31 DECEMBER 2017

Note 2. Segment Reporting (continued)

	Reportable Segments						Total Half Year	
	Subscriptions Half Year		Transaction Services Half Year		Property Half Year			
	2017	2016	2017	2016	2017	2016	2017	2016
	\$	\$	\$	\$	\$	\$	\$	\$
Liabilities								
Segment Liabilities	1,426,534	1,646,287	-	-	897,312	1,093,267	2,323,846	2,739,554
<i>Unallocated Liabilities:</i>								
Current tax liabilities							-	22
Deferred tax liability							-	-
Borrowings							234,955	234,955
Total Liabilities							2,558,801	2,974,531

The reconciliation of Gross Profit to loss before income tax is as follows:

	Consolidated Entity Half Year	
	2017	2016
	\$	\$
Gross Profit	713,688	1,063,716
Operating Expenses	(1,651,919)	(2,178,710)
Depreciation	(13,278)	(17,924)
Amortisation	(293,429)	(265,110)
Impairment	(359,833)	-
Interest income	10,265	13,487
Interest expense	(16,385)	(12,515)
Loss before income tax	(1,610,891)	(1,397,056)

Geographic location	Revenues From External Customers		Non-current Assets ¹	
	Half Year 2017	Half Year 2016	Half Year 2017	Half Year 2016
	\$	\$	\$	\$
Australia	1,815,368	1,918,017	1,098,172	1,309,023
New Zealand	186,824	305,906	27,332	34,934
Total	2,002,192	2,223,923	1,125,504	1,343,957

¹ These non-current assets exclude financial instruments.

Major customers

During the half year ended 31 December 2017, no single customer accounted for greater than 10% of the Group's revenue.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE HALF YEAR ENDED 31 DECEMBER 2017

Note 3. Trade and Other Receivables

Current

Trade and other receivables

Trade receivables

Provision for doubtful debts

Dec 2017	Jun 2017
\$	\$
819,604	908,095
-	-
819,604	908,095

Accrued income

Research and development claim

Subscriptions

Transaction services

Property transactions

-	164,516
4,743	6,241
-	10,613
643,401	561,354
648,144	742,724
1,467,748	1,650,819

Prepayments

Dec 2017	Jun 2017
\$	\$
149,176	132,781
149,176	132,781

Non Current

Trade and other receivables

Other debtors

Loan - South Mapleton Pty Ltd

Provision for impairment

Dec 2017	Jun 2017
\$	\$
16,904	14,700
359,833	350,496
(359,833)	-
16,904	365,196

Accrued income

Property sales commissions

653,563	635,770
670,467	1,000,966

Non current accrued income relates to property transaction commissions that are earned however the payment terms are such that they are not due for payment until property settlement which is scheduled in a future period greater than 12 months.

The South Mapleton Pty Ltd loan relates to a loan provided to a related party.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE HALF YEAR ENDED 31 DECEMBER 2017

Note 4. Trade and other payables

Current

	Dec 2017	Jun 2017
	\$	\$
Trade creditors	929,558	1,129,729
Accruals	752,095	776,200
Income in advance	337,817	451,110
Other payables	24,994	18,603
	2,044,464	2,375,642

Non Current

	Dec 2017	Jun 2017
	\$	\$
Accruals - Property Sales Commissions	231,814	321,135
	231,814	321,135

Trade creditors are unsecured and are normally settled within 30 to 60 days.

Note 5. Borrowings

Current

	Dec 2017	Jun 2017
	\$	\$
Convertible notes	234,955	234,955
	234,955	234,955

Real Estate Investar Group Ltd issued \$234,955 of convertible notes as part of the settlement of a payable to Australian Property Monitors Pty Ltd under the Equity Participation Agreement. This facility is on an unsecured basis and has interest payable at 5% per annum.

Note 6. Equity securities issued

Movement in Ordinary Share Capital:

	Dec 2017	Jun 2017	Dec 2017	Jun 2017
	Shares	Shares	\$	\$
Balance at 1 July	84,494,604	84,494,604	11,285,121	11,285,121
Issue of shares Private Placement 20 Sep 17	12,674,191	-	506,968	-
Issue of shares Rights Issue 27 Oct 17	17,797,236	-	711,889	-
Issue of shares Rights Issue Shortfall 27 Oct 17	1,636,523	-	65,461	-
Capital raising costs for half year	-	-	(99,860)	-
Balance at 31 December	116,602,554	84,494,604	12,469,579	11,285,121

Note 7. Contingent Liabilities

There have been no changes in contingent liabilities or contingent assets since the end of the previous annual reporting period, to 30 June 2017.

Note 8. Events subsequent to the reporting period

No matter or circumstance has arisen since 31 December 2017 that has significantly affected, or may significantly affect the consolidated entity's operations, the result of those operations, or the consolidated entity's state of affairs in future financial years.

DIRECTORS' DECLARATION

FOR THE HALF YEAR ENDED 31 DECEMBER 2017

The directors of the Company declare that:

- 1 The interim financial statements, comprising the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity and accompanying notes:
 - (a) comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Regulations 2001 and
 - (b) give a true and fair view of the consolidated entity's financial position as at 31 December 2017 and of its performance for the half-year ended on that date.
- 2 In the directors' opinion 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 Board of Directors and is signed for and on behalf of the directors by:



Director: Simon Baker

Date: 27 February 2018

RSM Australia Partners

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INDEPENDENT AUDITOR'S REVIEW REPORT**TO THE MEMBERS OF****REAL ESTATE INVESTAR LIMITED****Report on the Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of Real Estate Investar Limited which comprises the consolidated statement of financial position as at 31 December 2017, the consolidated statement of profit or loss and other 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 of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 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 Real Estate Investar 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.

Independence

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

Conclusion

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

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and of its performance for the half-year then ended; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the half-year financial report, which indicates the consolidated entity incurred a net loss of \$1,610,912 for the half-year ended 31 December 2017 (2016: loss of \$1,397,056) and incurred net cash outflows from operating activities of \$1,371,896 for the half-year ended 31 December 2017 (2016: \$926,138 net cash outflows). As at 31 December 2017 the consolidated entity had net current liabilities of \$200,528 (30 June 2017: \$247,553 liabilities). As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the consolidated entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.



RSM AUSTRALIA PARTNERS



J S CROALL

Partner

Dated: 27 February 2018
Melbourne, Victoria