

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 2019
 Previous period: For the half-year ended 31 December 2018

RESULTS FOR ANNOUNCEMENT TO THE MARKET

(All comparisons to half-year ended 31 December 2018)

	Up / down	Movement %		\$
Revenues and income from ordinary activities	down	38.1%	to	516,805
Revenues from ordinary activities excluding other income	down	13.9%	to	516,805
Net Loss for the half-year after tax from ordinary activities	down	16.4%	to	(563,078)

DIVIDEND INFORMATION

There were no dividends declared or paid during the period.

NET TANGIBLE ASSETS

	31 Dec 2019 Cents	30 Jun 2019 Cents	31 Dec 2018 Cents
Net tangible assets per ordinary security	(0.28)	(0.13)	(1.22)

CONTROL GAINED OVER ENTITIES / LOSS OF CONTROL OVER ENTITIES

Not applicable.

This information should be read in conjunction with the 2019 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 2019.

This report is based on the consolidated financial statements for the half-year ended 31 December 2019 of Real Estate Investar Group Ltd and its controlled entities, which have been reviewed by RSM Australia Partners. The Independent Auditor's Review 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 2019.

SIGNED

Signed  _____

Date: 27 February 2020

Simon Baker
 Chairman

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REAL ESTATE INVESTAR GROUP LIMITED
ACN 141 276 959

INTERIM FINANCIAL REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2019

DIRECTORS' REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2019

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 2019.

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 Joe Hanna

Mr Sam Plowman

Principal activities

The Real Estate Investar Group Limited is a leading prop tech company that provides investment property analysis, tracking and Software-as-a-Service (SaaS) 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 monetises this base via its SaaS offering by providing members with paid memberships for advanced tools and services.

The Group is proactively looking for opportunities to leverage its assets, including its database of property investors, to secure investment in Australian and New Zealand prop tech companies.

Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$563,078 (31 December 2018: \$673,438).

During the December half year, the company reported a cashflow positive result for the period with a net increase of \$100,043 in cash and cash equivalents.

The Group continued its initiative to identify and reduce operating costs of the business where possible, which has resulted in a 18.5% reduction in operating expenditure for the half year period ended 31 December 2019 (\$1,073,041) in comparison to the same period ended 31 December 2018 (\$1,315,940).

During the December half year, the business has started to reap the benefits of re-focusing on the SaaS business unit, with the continued growth of paying subscribers and increased average revenue per subscription, through the offering of auxiliary products to offer a fuller suite of tools.

Outlook and strategy update

The SaaS business operates profitably on a standalone basis, excluding depreciation and amortisation expenses, which represent significant non-cash transactions, with increasing average revenue per subscription and net subscription growth evident in the last 6 months to 31 December 2019. The focus is now on further growth in SAAS revenues.

Significant cost reductions have been made, particularly in data, listing feeds, and employment costs, to ensure that the SaaS offering can be delivered in a cost effective manner.

DIRECTORS' REPORT (CONTINUED)

Outlook and strategy update (continued)

The Group will continue with the process of identifying prop tech investment opportunities that leverage its assets.

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 2020

RSM Australia Partners

Level 21, 55 Collins Street Melbourne VIC 3000
PO Box 248 Collins Street West VIC 8007

T +61 (0) 3 9286 8000
F +61 (0) 3 9286 8199

www.rsm.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Real Estate Investar Group Limited and its controlled entities for the half year ended 31 December 2019, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.



RSM AUSTRALIA PARTNERS



R J MORILLO MALDONADO
Partner

Dated: 27 February 2020
Melbourne, Victoria

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INTERIM FINANCIAL REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2019

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:

Suite 810 Level 8
2 Queen St
Melbourne VIC 3000

The address of the principal place of business is:

Suite 3 Level 1
7-9 Stevens Street
Southport QLD 4215

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 2019

	Note	Consolidated Entity Half Year	
		2019	2018
		\$	\$
Revenue and income			
Revenue		516,805	600,407
Other income	6	-	234,955
Total revenue and other income		516,805	835,362
Expenses			
Commissions		(9,134)	(7,483)
Costs of website and data		(77,747)	(62,760)
Employment expense		(312,327)	(571,284)
Depreciation and amortisation		(239,018)	(322,059)
Occupancy		(22,655)	(67,279)
Marketing		(38,100)	(87,652)
IT and legal		(73,300)	(103,680)
Professional and consulting expenses		(218,000)	(28,106)
Bad debts and provision for doubtful debts		(4,755)	(18)
Other expenses		(78,005)	(65,619)
		(1,073,041)	(1,315,940)
Finance costs		(9,241)	(29,412)
Finance income		75	189
Net finance costs		(9,166)	(29,223)
Loss before income tax expense from continuing operations		(565,402)	(509,801)
Income tax expense		-	-
Loss after income tax expense from continuing operations		(565,402)	(509,801)
Profit / (loss) after income tax expense from discontinued operations	3	2,324	(163,637)
Loss after income tax expense for the period		(563,078)	(673,438)
Other comprehensive income / (loss)			
Items that will be reclassified to profit or loss in future periods:			
Foreign currency translation differences		(1,774)	(17,970)
Total comprehensive loss for the period		(564,852)	(691,408)
Earnings per share		Cents	Cents
Basic and diluted loss per share (cents per share)		(0.24)	(0.58)

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 2019

	Note	Consolidated Entity Half Year	
		31 December 2019	30 June 2019
Assets			
Current assets			
Cash and cash equivalents		352,017	251,974
Receivables	4	319,295	727,845
Prepayments	4	85,256	45,917
Total current assets		756,568	1,025,736
Non-current assets			
Plant and equipment		3,638	15,439
Intangible assets		251,553	454,971
Total non-current assets		255,191	470,410
Total assets		1,011,759	1,496,146
Liabilities			
Current liabilities			
Trade and other payables	5	1,330,987	1,203,111
Provision for employee entitlements		55,909	60,022
Total current liabilities		1,386,896	1,263,133
Non-current liabilities			
Trade and other payables	5	23,925	71,925
Total non-current liabilities		23,925	71,925
Total liabilities		1,410,821	1,335,058
Net (liabilities) / assets		(399,062)	161,088
Equity			
Contributed equity	7	13,842,150	13,842,150
Accumulated losses		(14,609,843)	(14,046,765)
Reserves		368,631	365,703
Total equity		(399,062)	161,088

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 2019

Note	Contributed Equity	Accumulated Losses	Share Based Payment Reserve	Foreign Currency Translation Reserve	Total Equity
	\$	\$	\$	\$	\$
Balance at 1 July 2018	12,469,579	(12,422,022)	342,663	(1,534)	388,686
Adjustment for change in accounting policy		(476,644)		3,547	(473,097)
Balance at 1 July 2018 - restated	12,469,579	(12,898,666)	342,663	2,013	(84,411)
Loss after income tax expense for the half year	-	(673,438)	-	-	(673,438)
<i>Other comprehensive income for the half year</i>					
Exchange difference on translation of foreign operations	-	-	-	(17,970)	(17,970)
Total comprehensive loss for the half year	-	(673,438)	-	(17,970)	(691,408)
<i>Transaction with owners in their capacity as owners:</i>					
Share-based payments	-	-	26,065	-	26,065
Balance at 31 December 2018	12,469,579	(13,572,104)	368,728	(15,957)	(749,754)
Balance at 1 July 2019	13,842,150	(14,046,765)	382,420	(16,717)	161,088
Loss after income tax expense for the half year	-	(563,078)	-	-	(563,078)
<i>Other comprehensive income for the half year</i>					
Exchange difference on translation of foreign operations	-	-	-	(1,774)	(1,774)
Total comprehensive loss for the half year	-	(563,078)	-	(1,774)	(564,852)
<i>Transaction with owners in their capacity as owners:</i>					
Share-based payments	-	-	4,702	-	4,702
Balance at 31 December 2019	13,842,150	(14,609,843)	387,122	(18,491)	(399,062)

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 2019

	Note	Consolidated Entity Half Year	
		2019	2018
		\$	\$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		709,807	725,446
Payments to suppliers and employees (inclusive of GST)		(670,328)	(1,377,983)
Interest paid		(5,825)	(47,502)
Interest received		75	189
Net cash flow from / (used in) operating activities		33,729	(699,850)
Cash flows from investing activities			
Payment for website development		(34,965)	(73,379)
Receipt of research and development claim		100,140	159,098
Proceeds from disposal of property, plant and equipment		1,139	-
Net cash flow from investing activities		66,314	85,719
Cash flows from financing activities			
Proceeds from borrowings		-	550,000
Net cash flow from financing activities		-	550,000
Net increase / (decrease) in cash and cash equivalents		100,043	(64,131)
Cash and cash equivalents at the beginning of the financial period		251,974	107,444
Cash and cash equivalents at the end of the financial period		352,017	43,313

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes, and is inclusive of the cash flows from discontinued operations, refer to note 3 (c).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2019

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

These interim financial statements for the half-year reporting period ended 31 December 2019 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 2019 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*.

New or Amended Accounting Standards and Interpretations Adopted

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.

AASB 16 *Leases* is applicable to the Group for the first time for the half-year.

AASB 16 Leases

AASB 16 *Leases* applies to the Group for the year ending 30 June 2020. AASB 16 eliminates the operating and finance lease classifications for lessees currently accounted for under AASB 117 *Leases*. It instead requires an entity to bring most leases onto its statement of financial position in a similar way to how existing finance leases are treated under AASB 117. An entity will be required to recognise a lease liability and a right of use asset in its statement of financial position for most leases. There are some optional exemptions for leases with a period of 12 months or less and for low value leases. Lessor accounting remains largely unchanged from AASB 117.

Impact of Adoption of AASB 16

As the value of the consolidated entity's leases are low, there is no material impact from the application of this standard.

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 2019.

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 Group has incurred a loss after tax of \$563,078 and had positive net cash inflows from operations of \$33,729. At 31 December 2019, current liabilities exceeded current assets by \$630,328. Included in current liabilities is income in advance of \$145,540 and related party payables of \$434,645.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE HALF YEAR ENDED 31 DECEMBER 2019

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

Going Concern (continued)

The directors are satisfied that the Group will have sufficient cash resources to meet its working capital requirements in the future. The directors have reviewed the cash flow forecasts and believe that for a period in excess of 12 months from the date of signature of the financial report which shows a positive cashflow position, the Group has the ability to meet all commitments and working capital requirements. The directors believe there are sufficient funding strategies and alternatives to meet working capital requirements should the need arise including:

- The Software-as-a-Service business operates profitably on a standalone basis, excluding depreciation and amortisation expenses, which represent significant non-cash transactions, with increasing average revenue per subscription and net subscription growth evident in the last 6 months to 31 December 2019;
- The Group continues to reduce and continually manage operating costs within the business;
- With regard to the related party payables of \$434,645, which relate to current directors of the company, it has been agreed by each party that repayment of these amounts will not be called upon, for a period of at least 12 months after the signing of this report, if this would affect the solvency of the company, including jeopardising its ability to pay its debts as and when they fall due. Furthermore the Directors have agreed to accept between 75% and 100% of their base directors' fees (excludes any other fees owed to directors) in script in FY 2020 (subject to shareholder approval);
- The cash flow forecasts prepared by management support the going concern basis in the preparation of the financial statements without a need for a further fund raise in the next 12 months from signing, but if required additional funds may be sought.

Although the directors believe they will be successful in these measures, there remains a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and therefore their ability to realise their assets and extinguish their liabilities in the normal course of business and at the amounts stated in the 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.

Note 2. Segment Reporting

Due to the discontinued operations of the segment known as the property transaction business unit in FY 2019, the Group no longer has any significant operating segments to report other than the subscriptions business unit.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE HALF YEAR ENDED 31 DECEMBER 2019

Note 3. Discontinued operations

(a) During FY19 the board decided to discontinue the operations of the property transaction business unit. The decision was made due to its unsatisfactory performance and future growth opportunities in a difficult market. Further investment and large amounts of working capital would of been required which was not seen viable from an operational and overall business position.

(b) Result of discontinued operations

Financial performance information

Revenue

Property

Total revenue

Commissions

Employment expense

Depreciation and amortisation

Occupancy

Marketing

Professional and consulting expenses

Bad debts and allowance for expected credit losses

Other expenses

Total expenses

Profit / (loss) before income tax expense

Income tax

Profit / (loss) after income tax from discontinued operations

(c) Cash flow information

Net cash from / (used in) operating activities

Net cash from investing activities

Net increase / (decrease) in cash and cash equivalents from discontinued operations

	Dec 2019	Dec 2018
	\$	\$
Property	-	157,299
Total revenue	-	157,299
Commissions	-	(40,312)
Employment expense	-	(144,566)
Depreciation and amortisation	(346)	(6,736)
Occupancy	(66)	(6,191)
Marketing	-	(11,559)
Professional and consulting expenses	-	(47,575)
Bad debts and allowance for expected credit losses	12,883	(48,204)
Other expenses	(10,147)	(15,793)
Total expenses	2,324	(320,936)
Profit / (loss) before income tax expense	2,324	(163,637)
Income tax	-	-
Profit / (loss) after income tax from discontinued operations	2,324	(163,637)

	Dec 2019	Dec 2018
	\$	\$
Net cash from / (used in) operating activities	93,261	(12,857)
Net cash from investing activities	1,139	-
Net increase / (decrease) in cash and cash equivalents from discontinued operations	94,400	(12,857)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE HALF YEAR ENDED 31 DECEMBER 2019

Note 4. Trade and other receivables

Current

Trade and other receivables

Trade receivables	217,628	185,686
Allowance for expected credit losses	(164,150)	(151,795)
Other debtors	4,217	11,649

Accrued income

Research and development claim	-	100,140
Subscriptions	149	14,973
Transaction services	4,538	-
Property transactions	328,756	674,035
Allowance for expected credit losses	(71,843)	(106,843)

Total current receivables

Prepayments

Total current prepayments

	Dec 2019	Jun 2019
	\$	\$
	217,628	185,686
	(164,150)	(151,795)
	4,217	11,649
	57,695	45,540
	-	100,140
	149	14,973
	4,538	-
	328,756	674,035
	(71,843)	(106,843)
	261,600	682,305
	319,295	727,845
	85,256	45,917
	85,256	45,917

Note 5. Trade and other payables

Current

Trade creditors	605,777	542,064
Accruals	524,163	453,942
Income in advance	145,540	154,623
Other payables	55,507	52,482

Non Current

Trade creditors

	Dec 2019	Jun 2019
	\$	\$
	605,777	542,064
	524,163	453,942
	145,540	154,623
	55,507	52,482
	1,330,987	1,203,111
	23,925	71,925
	23,925	71,925

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE HALF YEAR ENDED 31 DECEMBER 2019

Note 6. Other income

Convertible notes totalling \$234,955 were issued to Australian Property Monitors Pty Ltd on 10 December 2015 and originally had a maturity date of 10 December 2016 or any earlier date on which the principal amount of the note is required to be repaid. The facility was on an unsecured basis and interest accrued at 5% per annum. A deed of settlement was agreed on 26 November 2018 which released and discharged Real Estate Investar Group Limited from all of its obligations under the convertible note. The \$234,955 debt was forgiven subject to a payment of a trade payable in the amount \$148,500 plus accrued interest on the principal amount of the convertible. Settlement took effect on 14 December 2018 with a payment of \$148,500 plus \$37,341 in interest. The non cash element of the transaction amounted to \$234,955.

Note 7. Equity securities issued

Movement in Ordinary Share Capital:

Balance at 1 July

Balance at 31 December

Dec 2019	Jun 2019	Dec 2019	Jun 2019
Shares	Shares	\$	\$
233,205,108	233,205,108	13,842,150	13,842,150
233,205,108	233,205,108	13,842,150	13,842,150

Note 8. 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 2019.

Note 9. Events subsequent to the reporting period

No matter or circumstance has arisen since 31 December 2019 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 2019

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 2019 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 2020

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RSM Australia Partners

Level 21, 55 Collins Street Melbourne VIC 3000
PO Box 248 Collins Street West VIC 8007

T +61(0) 3 9286 8000
F +61(0) 3 9286 8199

www.rsm.com.au

INDEPENDENT AUDITOR'S REVIEW REPORT To the Members of Real Estate Investar Group Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Real Estate Investar Group Limited ('the company') and its subsidiaries ('the consolidated entity'), which comprises the consolidated statement of financial position as at 31 December 2019, 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 2019 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Real Estate Investar Group Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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 Group Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

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 \$563,078 for the half-year ended 31 December 2019, and as at that date current liabilities exceeded current assets by \$630,328. As stated in Note 1, these events and 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.

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 Group 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 2019 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*.

A handwritten signature in black ink that reads 'RSM'.

RSM AUSTRALIA PARTNERS

A handwritten signature in black ink that reads 'RJM'.

R J MORILLO MALDONADO
Partner

Dated: 27 February 2020
Melbourne, Victoria