REA Group

ANNUAL REPORT 2023

Changing the way the world experiences property

Contents

Acknowledgement of country

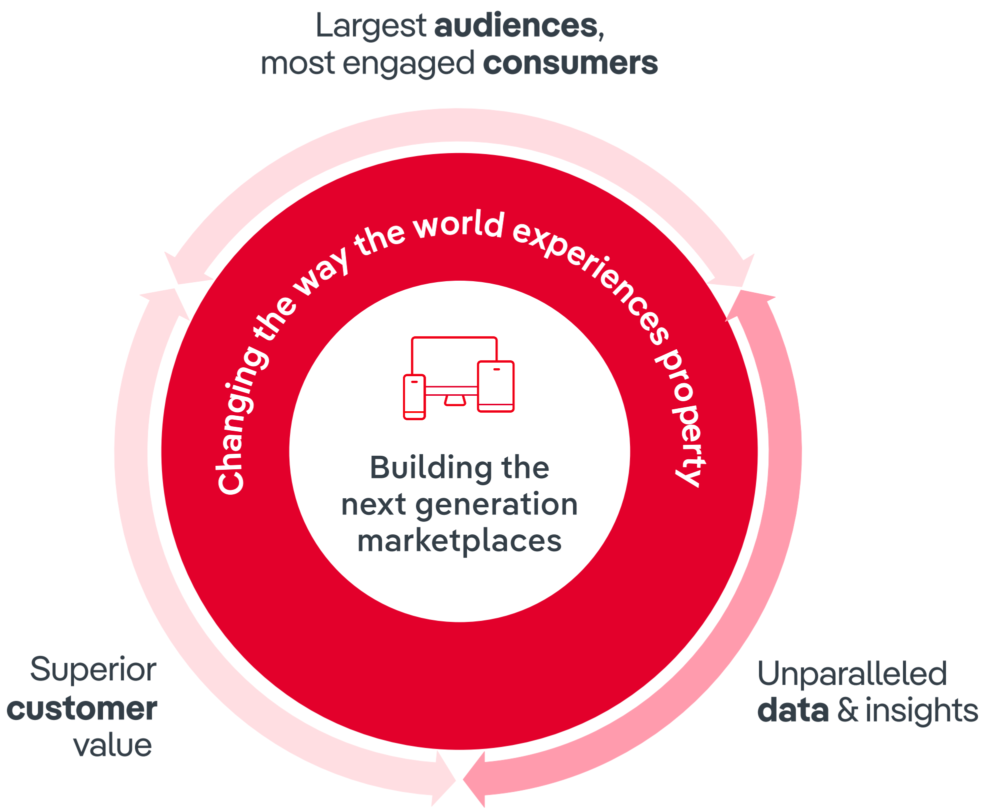
Since 1995, REA Group has operated on the Traditional lands of the Wurundjeri Woi-wurrung peoples who have cared for and protected it since time immemorial.

As the business has grown and established offices around Australia, we're grateful for the custodianship of the Traditional Owners of Country across all our lands; and recognise their continuing connection to lands, waters and communities.

We pay our respect to Aboriginal and Torres Strait Islander cultures; to Elders past and present; and acknowledge that sovereignty was never ceded.

Sources: Unless otherwise specified, all metrics included from page 2 - 31 are REA Internal Data for the financial year (Jul 22 – Jun 23)

Changing the way the world experiences property



REA Group Ltd and its subsidiaries (the '**Group**' or '**REA**') delivered a resilient performance in the 2023 financial year (FY23) amid challenging market conditions. The Group maintained a strong focus on its strategic priorities as we extended our core business, integrated strategic investments, invested in our product pipeline, and pursued opportunities to support future growth. We continued our unwavering focus on delivering exceptional personalised consumer experiences and superior value for our customers. From a global perspective, we invested in growth to further consolidate our leadership position in some of the world's fastest growing property markets.

Clear purpose and focus on strategic priorities

REA is guided by its clear purpose "changing the way the world experiences property". The Group's strategy is centred around four core objectives:

- delivering Australia's largest and most engaged audience to drive the highest quality and quantity of leads to customers;
- providing superior value to customers through Australia's leading property advertising solutions, agent marketplace and agency services;
- leveraging unparalleled data and insights to deliver unique solutions, products and experiences;
- building the next generation of property-related marketplaces.

People at the heart of REA's success

REA's 3,300 people are at the centre of our organisation's success, and their values-led approach truly makes REA a great place to work. Our values are at the core of how we operate and how we treat each other. While our strategy and purpose guide us, our culture drives us to innovate, work as a team, keep accountable and try new things, all while supporting each other and our community.

Our values

DO IT AS ONE TEAM

Everything we achieve, we achieve as one team. No egos. No heroes. It's our collective genius that gives us our edge and a willingness to stand by any decision that's made for the greater good of REA.

DO IT WITH HEART.

People are the heart of REA. Every connection with each other and with our customers, consumers and our community matters. We care and we're not afraid to show it.

KEEP IT REAL.

We don't expect anyone to fit a certain mould – we accept everyone for who they are, quirks and all. We're a down-to-earth bunch who listen, are open with each other, and tell it like it is, respectfully. We're not afraid to have a laugh. We take our work seriously, but never ourselves.

INSPIRE IT.

We're thirsty for knowledge – and generous with it too. Everyone here has something to teach, to inspire in others and learn. Likewise, we give and take feedback with an open heart and an open mind. Our curiosity is endless, and every day we seek out opportunities to grow ourselves and others. We don't do comfort zones.

OWN IT.

We're committed to achieving our goals no matter what challenges come our way. If there's a hurdle, we jump it; if there's a way through, we'll find it! We always seek to do the right thing, and if things don't quite go to plan, we own it. We review what happened, learn from it and move on, smarter and better than before.

RE-IMAGINE IT.

We're not afraid to try new things or fail fast. We love experimenting. Innovating. Working away at a great idea that will wow our consumers and customers. We're all about challenging the status quo and taking risks. And at times, while it may feel uncomfortable, we know this is where the magic happens.

Our global network

Australia

realestate.com.au

realcommercial.com.au

Property

PropTrack

Flatmates.com.au

Mortgage Choice

simpology

REALTAIR

Campaign Agent

India

REA India

International

realtor.com

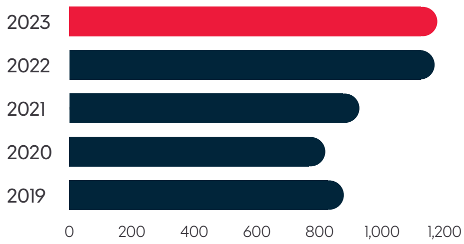
PropertyGuru Group

Financial results

The Group delivered a resilient result amid challenging market conditions in FY23.

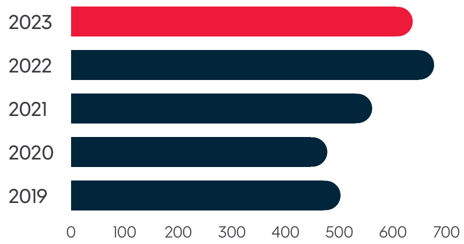
Revenue[1]

$1,183.2m ↑ 1%



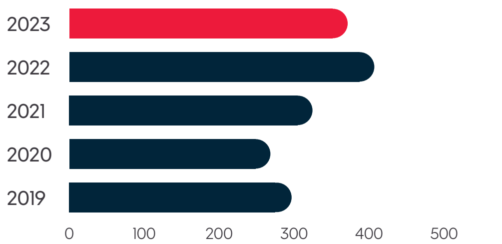
EBITDA[1]

$635.0m ↓ (6)%



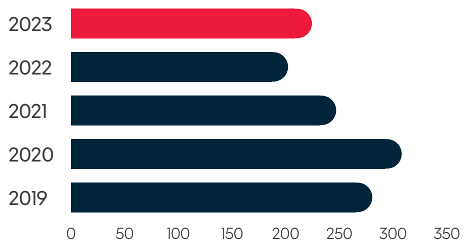
Net profit after tax[2]

$372.2m ↓ (9)%



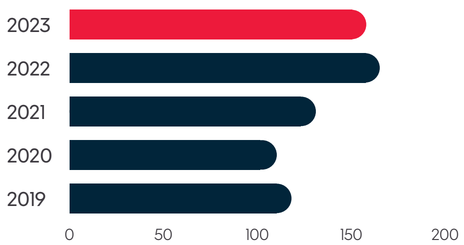
Earnings per share[3]

281.7¢ ↓ (9)%



Dividends per share

158.0¢ ↓ (4)%



1 From core operations including share of associates ($'m).
2 From core operations attributable to the ordinary equity holders of the company ($'m).
3 From core operations attributable to the ordinary equity holders of the company.

The Group delivered resilient results in challenging market conditions, which saw much lower listings than the very strong environment of FY22. REA Group's customers continued to prioritise our premium products, leading platforms and superior audience, reflecting the strength of our business and our team's clear focus on growing the Group's overall value proposition.

Group financial highlights from core operations[4] include year-on-year (YoY) revenue growth of 1% to $1,183m, a 6% decrease in EBITDA to $635.0 million, and a 9% decrease in net profit to $372.2 million.

The exceptional performance of our Indian business underpinned revenue growth and our core Australian Residential revenues declined just 1%, despite much weaker market conditions. The Group's result reflects an ongoing focus on further innovation of our products and experiences, and the delivery of new technology and data capabilities across the business. In addition to the resilience of our Residential revenues, our Commercial and Data businesses both delivered healthy revenue contributions.

Core operating costs increased 7%, with REA India incurring higher operating costs from continued investment in people, increased marketing and increased revenue-related costs as the business continues its rapid growth. In Australia, cost growth was restricted to 1% following tight cost management measures, including limiting employee costs and reducing marketing spend.

The Board has determined REA will pay a final dividend of 83 cents per share fully franked. Together with the interim dividend announced in February, this represents a total dividend of $1.58 per share in FY23.

The Group remained clearly focused on our key strategic priorities and achieved a number of operational highlights in FY23. We continued to enhance the quality of our unrivalled audience with deeper engagement while achieving record customer uptake of our premium products and services. Our property data business continued to expand its offering, growing revenues and enhancing value across our business. We also completed the integration of our financial services business, and REA India extended its audience leadership position.

Further details regarding business operations and financial results can be found in the Directors' Report on pages 36 - 50.

4 Financial results/highlights from core operations exclude significant non-recurring items such as restructuring costs and integration costs. The prior year comparative also excludes net gain on divestment activities.

2023 Highlights

12.1m

people visit Australia's number one address in property[5], realestate.com.au, on average every month[6]

120.6m

average monthly visits to realestate.com.au[7]

1 in 4

realEstate™ launched with 1 in 4 properties now tracked by their owner on realestate.com.au

PropTrack's Automated Property Valuation Model reached global benchmark standards in terms of accuracy[8]

35+

new features added to property.com.au, driving engagement as we build the most comprehensive property research destination

Mortgage Choice launched an innovative product suite designed to help Australians pay off their mortgage faster in partnership with Athena Home Loans

#1

+28%

REA India is the number one property portal in India with visits to flagship site Housing.com increasing 28% YoY[9]

REA Group named fifth in the Great Place to Work Best Workplaces List, the highest ranked ASX listed company. REA India named third on India's Great Place to Work 100 Best Companies

REA Group recognised as an inclusive employer by Diversity Council of Australia for a second consecutive year

87%

Employee Engagement achieved in Australia, maintaining last year's strong result[10]

REA Group submitted its first Reconciliation Action Plan (RAP) in June, developed in partnership with Reconciliation Australia

REA Group Certified carbon neutral through Climate Active for the third consecutive year and targeting net zero emissions across scope 1, 2 and 3 by 2050

5 Nielsen Digital Content Ratings (Monthly Total), Jul 22 – Jun 23 (average), P2+, Digital (C/M), text, Real Estate/Apartments subcategory, Unique Audience.
6 Nielsen Digital Content Ratings (Monthly Tagged), Jul 22 – Jun 23 (average), P2+, Digital (C/M), text, realestate.com.au, Unique Audience.
7 Nielsen Digital Content Ratings (Monthly Tagged), Jul 22 – Jun 23 (average), P2+, Digital (C/M), text, realestate.com.au. Total Sessions.
8 AVMetrics top-tier 14 AVMs can estimate the value of a home (in a blind purchase transaction)within 10% about 80% to 90% of the time.
9 Similarweb, average site visits Jul 22 – Jun 23 and vs. Jul 21 – Jun 22 – excludes app.
10 REA Group annual engagement survey, October 2022.

Chairman's message

REA Group continued the strong execution of our strategy in FY23 while delivering a resilient financial result in a difficult market. This was enabled by the quality of our product portfolio and our focus on customer value. Despite the market headwinds we maintained a strong focus on innovation and investment, which will support the Group's future growth.

The Group's financial highlights from core operations[11] for the full year included revenue growth of 1% to $1,183 million, a decrease in EBITDA excluding associates of 3% to $651 million, and a 9% decrease in net profit to $372 million.

The Board has determined to pay a final dividend of 83 cents per share fully franked. Together with the interim dividend, the total dividend for the 2023 financial year is $1.58 per share. This represents a 3% increase in the Group's dividend payout ratio, demonstrating the strength of our balance sheet and the confidence we have in our business.

Under the leadership of the Group's Chief Executive Officer, Owen Wilson, the REA team continued to deliver exceptional experiences for our consumers and superior value for our customers. On behalf of the Board, I would like to extend my sincere thanks to Owen, his Executive Leadership Team and the Group's 3,300 employees for their consistent efforts and dedication. Our people live and breathe REA's values and demonstrate a deep commitment to our company's purpose, **changing the way the world experiences property**.

REA's clear strategy provides a strong platform for the business's future growth. It is centred on delivering Australia's largest and most engaged consumer audience, driving superior customer value, and leveraging unparalleled data insights to support the extension of our core business while building next generation marketplaces.

Our consistent focus on our strategic priorities has enabled a resilient revenue performance considering the challenging market conditions, which included significant year-on-year declines in national listings. Residential revenues were 1% lower YoY while Commercial and Developer revenue increased 4% YoY, and Media, Data and Other revenue was flat.

11 Financial results/highlights from core operations exclude significant non-recurring items such as restructuring costs and integration costs. The prior year comparative also excludes net gain on divestment activities.

Financial Services net revenue decreased 8% YoY, impacted by the significant drop in new lending compared to the prior year.

Our customers recognise the value in our unique proposition, and in an environment of property market uncertainty, this performance demonstrates the strength of our core residential business in Australia. The growth in engagement and uptake of our premium products and services is a credit to our team and their unwavering commitment to ensuring REA is Australia's first choice for digital property advertising solutions.

Globally, REA Group holds 78% interest in REA India, which delivered a strong performance with 46% YoY revenue growth. Our investment in audience and product has proved successful with the flagship site, Housing.com, increasing its hold on audience leadership achieving 1.3 times more visits than the closest competitor[12]. With significant momentum behind REA India's growth, we are excited about the opportunities ahead.

In Southeast Asia, REA Group holds a 17.3% interest in a leading PropTech company, PropertyGuru Group. PropertyGuru operates clear market leading brands in Singapore, Malaysia, Vietnam and Thailand. In North America REA Group holds a 20% investment in Move, Inc., a leading provider of online real estate services in the United States and operator of property portal, realtor.com. Move's revenue was impacted by the challenging macroeconomic environment in the United States in FY23.

The Group ended the year with a strong closing cash balance of $260 million and delivered operating cash flows of $473 million. Our strong operating cash flow enabled us to continue to invest in the business, pay down debt and deliver healthy shareholder returns.

The Group's Environmental, Social and Governance (ESG) goals are embedded in our strategic agenda and the Board is deeply committed to enhancing these practices. We were pleased to receive Carbon Active carbon neutral certification for the third consecutive year and the Group also maintained its MSCI ESG rating of AA, which classifies REA as a leader in the interactive media and services industry. Throughout the year there was heightened attention around the issue of cyber threats against corporations and individuals. As a digital business this has always been a key focus for REA and we have continued our focus on, and investment in, cyber security.

REA Group prides itself on offering an inclusive and diverse workplace environment. In addition to strong Great Place to Work rankings in Australia and India, we were pleased to be the only large Australian organisation to be included in the Great Place to Work, Best Workplace for Women list. We were also delighted to develop partnerships with The Field and Amaze to expand our employee experience for people who live with disability and neurodivergent people.

In closing, I would like to thank my fellow Board members for their dedication to REA's continued success and our valued shareholders for your ongoing support. The business faced tough market conditions in FY23 and the Board, Executive Leadership Team and our people rose to the challenge, driven by a clear purpose and a focus on our strategic priorities.

As we move into FY24, REA is strongly positioned with an exciting growth platform and significant opportunities in each of our markets.

Hamish McLennan

Hamish McLennan
Chairman
REA Group

12 Similarweb, average site visits Jul 22 – Jun 23 vs. nearest competitor – excludes app.

CEO's message

REA Group's resilient performance in FY23 demonstrated the strength of our business model and the depth of our value proposition.

As the nation adapted to the most significant rate hiking cycle in decades, we maintained our focus on the delivery of superior customer value and exceptional consumer experiences. Our strong commitment in these key areas saw customers continue to prioritise our premium products and platforms. We also invested in the quality and engagement of our unrivalled audience with the delivery of new experiences driving new memberships on realestate.com.au, further enhancing our position as Australia's number one address in property.

I am extremely proud of our team's delivery of this financial result. Despite the softer market conditions, we maintained our focus on our strategic priorities and the innovation and investment that will drive our future growth. We achieved significant milestones throughout the year, and I am pleased to share details of these in this Annual Report and our dedicated Sustainability Report.

The millions of Australians who visit our platforms every month power our marketplaces, underpin the value we deliver to our customers and provide the unique data-driven lens we have on the property market. Every month 12.1 million people on average visit realestate.com.au[13] and over half of these people use our site exclusively[14]. This means there are around 6.7 million Australians who can only be accessed on our platforms[15]. Our leadership has grown at pace, with the size of our daily audience increasing at a rate 3.6 times faster than our nearest competitor over the last three years[16].

Our consumer strategy is centred on converting our unrivalled audience into realestate.com.au members. Powered by a data-led innovative technology, members receive a highly personalised experience and we achieved an 18%YoY increase in our active membership base in FY23. Our consumer experiences both stimulate supply and drive demand in the market and in February we launched realEstate™ to drive further engagement with our realestate.com.au valuations experience. One in four Australian properties are now tracked on our platform by owners and this feature is an important driver of leads for our customers.

REA is there for consumers throughout their property journey. realestate.com.au is the number one destination for renters in Australia and our aim is to make renting simpler and more efficient for renters, landlords and our customers alike. While the rental market remained incredibly challenged throughout the year, enhancements to our rental experience helped tenants put their best foot forward with the number of realestate.com.au renter profiles increasing 18% YoY. Ongoing challenges surrounding rental affordability led to more Australians seeking share house alternatives and our share accommodation platform, Flatmates, which is designed to improve this experience, achieved a 71% YoY uplift in new members.

Through the delivery of superior value and efficient services, we are focused on supporting our customers to build their businesses and leverage opportunities. In FY23, our customers continued to embrace our premium offering, led by the new Premiere+ package. Premiere+ is the most comprehensive advertising product package for Australia's residential property market. With new features designed to enrich consumer engagement in listings, Premiere+ had strong customer uptake, which helped to underpin revenue in our Residential business.

Our data business PropTrack made great progress towards our goal of creating Australia's number one property data, valuations and insights provider. Leveraging artificial intelligence (AI) technology and traditional statistical data, PropTrack's data and solutions power many of the Group's consumer and customer experiences. PropTrack is also streamlining the mortgage approval process and our brand has become synonymous with property data in the market. Our Automated Valuation Model (AVM) has now reached world benchmark accuracy, an achievement we're very proud of.

13 Nielsen Digital Content Ratings (Monthly Tagged), Jul 22 – Jun 23 (average), P2+, Digital (C/M), text, realestate.com.au, Unique Audience.
14 Nielsen Digital Content Planning, Jul 22 - May 23 (average), P2+, Digital C/M, text, Exclusive Reach, realestate.com.au and Domain.
15 Nielsen Digital Content Planning, Jul 22 - May 23 (average), P2+, Digital C/M, text, Exclusive Reach, realestate.com.au and Domain.
16 Nielsen Digital Content Ratings (Daily), 1 Jan 23 - 30 Jun 23 (daily average) and 1 Jan 20 – 30 Jun 20 (daily average), P2+, Digital (C/M) Text, realestate.com.au, Domain. Unique Audience.

As a digital leader, REA has been investing in AI for a number of years. AI powers many of our products, experiences and solutions and we're excited about the opportunities to accelerate our strategic agenda as the technology continues to advance.

Innovation has always been at the heart of REA and in FY23 we focused on building a strong foundation for property.com.au. With the aim of becoming Australia's most comprehensive property research site, we have added more than 35 new features to the platform since it relaunched in March 2022. Consumer engagement with the platform continues to grow with a 72% YoY increase in time spent on site[17].

While challenging market conditions impacted our Financial Services business, we achieved some significant milestones. We completed the integration of our broker businesses during the year, which is now unified under the Mortgage Choice brand. We also continued to grow our broker network and we invested in brand and product innovation. In partnership with Athena Home Loans, we launched Mortgage Choice Freedom powered by Athena, to deliver a range of fair value home loans designed to help Australians pay off their mortgages faster. Mortgage Choice was recognised for a number of industry awards throughout the year, further demonstrating the strength of our broker value proposition.

REA India continued to deliver strong growth, underpinning the Group's revenue growth in FY23. The business extended its leadership position as the number one property portal by audience and the flagship site, Housing.com, achieved record audience levels with an average of 19.7 million monthly visits[18]. In addition to this significant milestone, REA India continued to grow its customer base and product portfolio while expanding its Housing Edge platform offering. Our business in India has significant potential as the country continues its rapid economic growth, which underpins a strong housing market.

In Southeast Asia, PropertyGuru Group continued its strong leadership hold in four key markets in the region. Strong performances in Singapore and Malaysia throughout the year helped offset more challenging market conditions experienced in Vietnam. In North America, Move faced challenging market conditions and remained under pressure in FY23. The drop in home sales in the United States contributed to a decline in revenue for the business.

17 Nielsen Digital Content Ratings (Monthly Tagged), Jul 22 – Jun 23 (average) vs Jul 21 – Jun 22 (average), P2+, Digital (C/M), text, property.com.au, Time Spent.
18 Similarweb, average site visits Jul 22 – Jun 23 vs. Jul 21 – Jun 22 – excludes app.

CEO's message

continued

An important focus within our strategic agenda is our commitment to a sustainable future and business practices. Strengthening our environmental focus and building on the Group's existing 2030 emission reduction targets, I am pleased to say we are targeting a reduction in emissions to net zero by 2050 across Scope 1 (physically direct emissions), Scope 2 (indirect emissions produced in power generation) and Scope 3 (indirect emissions produced in consumption of the company's goods or services). We were delighted to submit our first Reconciliation Action Plan in June and look forward to continuing our RAP journey. This Annual Report provides a summary of our ESG initiatives, with our 2023 Sustainability Report providing further detail.

I would like to acknowledge and thank the Group's Executive Leadership Team for their outstanding efforts in FY23. REA was again recognised as a Great Place to Work in both Australia and India. We were delighted to place fifth, the highest ranking of any ASX listed organisation, in Australia's Best Workplaces List, along with REA India ranking third in India's Great Place to Work 100 Best Companies. Our leadership team successfully motivated their teams to continually deliver for our customers and consumers, and helped to build our leading workplace culture.

I would also like to acknowledge and thank our former Chief Technology Officer Chris Venter for his contribution to REA. Chris had to take medical leave from his role in August 2022 after a severe accident and the thoughts and best wishes of the REA team remain with him during his recovery. The Group's Chief Information and Security Officer, Craig Templeton, acted in the CTO role for over 12 months and I would like to thank him for his significant effort in ensuring our technology community continued to deliver. We will officially welcome Steve Maidment as the Group's new Chief Technology Officer in October 2023.

Finally, I would like to offer my sincere thanks to REA's people for their outstanding contribution to our business. I'm continually impressed with their commitment and their values-led approach as they strive to innovate and deliver for our consumers and customers. I would also like to thank REA's Board of Directors for their ongoing counsel and support.

REA Group has invested across the business and extended our value proposition in FY23. As we enter FY24, we see exciting opportunities in each of our markets and are well positioned for healthy growth.

Owen Wilson
Chief Executive Officer
REA Group

Our people and culture

At REA, our people are at the heart of everything we do. We have a unique culture, built by our people and driven by our values.

A great place to work

REA Group strives to deliver a world-class employee experience to create shared value for our teams and our business. Our strategy guides us and our culture drives us to bring our purpose to life and deliver consistently high performance.

REA was certified as a Great Place to Work in 2023 for the third consecutive year and the Group placed fifth on the Great Place to Work Australia's Best Workplaces list in the large company category. Throughout the year, we were also recognised as one of Australia's Best Workplaces™ in Technology as well as a Best Workplace for Women.

REA India ranked third amongst the Top 100 Best companies to work for in India, which was an impressive leap from ranking 21st the previous year.

Our extensive listening strategy ensures we're receiving regular feedback on how our people feel about working at REA. This allows us to stay on top of what we're doing well and how we can improve to optimise our experience and performance. In FY23, we maintained our strong employee engagement score of 87% for our Australian employees[19], with 83% of our team participating in the survey.

Launch of Talent Marketplace

Whether it's connecting our existing talent with the right opportunities, or finding the best people externally, the launch of Talent Marketplace is changing the way people experience careers at REA and ensures we maintain the full picture on available talent. The new AI-powered Marketplace platform allows applicants to create a candidate profile that becomes part of the REA talent pool, enabling us to source and proactively manage leads to fill available roles.

19 REA Group annual engagement survey, October 2022.

Over time, our Talent Marketplace will deliver even greater value for the business – providing REA with a holistic view of the skills, capabilities and experience that exist, ensuring we have the right people in the right place to deliver on our strategy, and we can be responsive to the future needs of our business.

Flexible ways of working

We continue to embrace flexible and hybrid ways of working and our Guide to Hybrid Working ensures we always strive to create a culture that balances working together in person with working flexibly.

The majority of our employes (92%) agree that REA has adopted an effective approach to hybrid working, with each team empowered to develop ways of working that make sense for their team and the business.

We have continued to embed wellbeing into the employee experience. We have extended our access to personal leave and continued initiatives such as our Summer Fridays, which was centred on giving time back to our people to focus on their personal development and wellbeing.

In January, we amended our leave policy to allow employees to work on public holidays should they choose and to take a day off in lieu to celebrate religious or cultural holidays.

Fostering an inclusive, equitable and diverse workplace

REA understands the importance of maintaining a diverse and inclusive culture, and we value varied perspectives and backgrounds. Doing so is critical to remaining innovative and growing while also creating a sense of belonging for all.

In FY23 we evolved our diversity, equity and inclusion (DE&I) focus areas, based on outcomes of the FY22 diversity and inclusion index conducted in partnership with the Diversity Council of Australia. We established a dedicated Diversity, Equity, Inclusion and Wellbeing role, tasked with designing our wellbeing strategy based on employee feedback and industry trends.

We also saw an opportunity to evolve our recruitment strategies to better reach candidates who live with disability, and to re-imagine our recruitment processes to offer equal opportunity to all candidates. As a result, REA established new partnerships with The Field and Amaze to offer equal opportunities for candidates living with disabilities and neurodivergence.

Amaze is the peak body for autistic people and their supporters in Victoria, and specialises in inclusive working practices for autistic and neurodiverse employees. REA has partnered with Amaze to co-design and implement the new Autism and Neurodivergent Positive Employment Program over the next two years. The program will focus on implementing an organisation-wide approach to identifying and creating neuro-inclusive policies, processes and leaning modules to build employer confidence and capability. The goal is to enable REA to move beyond awareness and build an understanding and acceptance of neurodivergence across our workforce.

Our people and culture

Our partnership with online platform The Field is designed to help REA connect people living with disability to jobs at our organisation. REA has fully embraced The Field's accessibility suggestions, from uploading each job advert in multiple formats (PDF, audio and video) to providing an office tour video that empowers candidates to decide if our workplace is suitable for them. The Field also offers practical support for employers, such as inclusive language tools. Our partnership will enable us to actively recruit people living with disability into our workplace, while also supporting and showcasing diversity and inclusion initiatives.

REA seeks to maintain a minimum of 30% female representation across our REA Australia technology community, which is a leading, world-class benchmark. Pleasingly, we have once again shifted the dial, with 32% of employees in technology roles identifying as female or non-binary. Approximately half of tech community hires were male last year, a significant improvement from 72% the previous year. REA India also increased female representation in the Product, Design and Technology cohort to 20.3% in FY23, up from 15% the previous year.

Our enterprise median pay gap equity moved from 0.04% to -1.00% in FY23, meaning that our female median salary for similar roles is now higher than male. During the year, we were recognised by the Diversity Council of Australia as an Inclusive Employer and REA has remained compliant with requirements for Workplace Gender Equality Agency (WGEA) for the fourth consecutive year.

Leading graduate program

In FY23, our Graduate Program had close to 2,000 applications, a 77% increase YoY and the highest number since the program began in 2014. Alongside our 10th intake of tech grads, we expanded our graduate offering and welcomed our first ever finance and marketing graduates to the program.

Our graduate program ranked seventh on the Australian Association for Graduate Employers' top 75 companies list 2023 and we were named as a 2023 Australian HR Awards excellence awardee for Best Graduate Development Program, a recognition we are extremely proud of.

Three quarters of our graduate program employees are women, exceeding our goal of a 50/50 (binary) gender split. We also had our highest ever graduate satisfaction and engagement score of 97%.

Springboard to Tech Program

In its fifth year, our Springboard to Tech Program is aimed at removing barriers for women and offers a personalised program that helps them transition into, or back into, a technical career. In FY23 we welcomed 10 women to the program and pleasingly, 90% of our past Springboarders are still in our organisation today.

91%

agree 'I am proud to work for REA Group'

94%

agree 'I would recommend REA Group as a great place to work'

86%

agree 'people from all backgrounds and circumstances have equal opportunities to succeed at REA Group'[20]

Going into my first full-time job as a university graduate, I was not sure what to expect from my experience. However, working for an exciting company like REA, I have had the unique opportunity to apply my financial knowledge and skills learned at university in a dynamic and creative environment. This experience has been instrumental in kick-starting my career, allowing me to develop a stronger set of interpersonal abilities and adapt to new challenges. The company's innovative approach to work has added to my passion for finance and real estate, setting the foundation for an exciting career ahead.

Dominic Cataldo
Finance Graduate

As a User Experience Researcher (UXR), people are often surprised when I tell them I was once a Midwife. When I started at REA as a receptionist in 2018, I had no idea what direction I wanted to take with my career, but I was open to any opportunity that came my way, so long as it wasn't a night shift. I've been incredibly lucky to have so many inspiring and supportive colleagues at REA who have helped me into the career I have today. I wouldn't be where I am without them.

Rebecca Willow
UX Researcher

20 REA Group annual engagement survey, October 2022.

Australian highlights

REA operates Australia's leading residential and commercial property websites – realestate.com.au[21] and realcommercial.com.au[22] – as well as the leading website dedicated to share property, Flatmates.com.au[23], leading property data services business, PropTrack, and property research website, property.com.au. REA also operates Australian mortgage broking franchise group Mortgage Choice.

Australia's property market faced challenging conditions

FY23 was an extraordinary period for the Australian property market. Following one of the largest and fastest rate increase cycles in decades, official interest rates finished the year at the highest rate since April 2012. Interest rate uncertainty, the reduced borrowing capacity of Australians and a lack of housing supply impacted property seller confidence, which impacted listings. Despite a lack of supply, demand in the Australian property market remained strong.

Australian Residential revenue decreased 1% to $804.9 million, despite a 12% YoY decline in national listings, one of the largest that REA has ever experienced. Revenues benefited from the contribution of strong customer uptake of Premiere+, a 6% average national price rise and increased depth and penetration. Rent revenue benefited from a 5% national average price rise and growth in depth penetration, which was partly offset by a 1% decline in rental listings due to continuing lack of supply.

21 Nielsen Digital Content Ratings (Monthly Total), Jul 22 – Jun 23 (average), P2+, Digital (C/M), text, Real Estate/Apartments subcategory, Unique Audience.
22 Nielsen Digital Content Ratings (Monthly Tagged), Jul 22 – Jun 23 (average), P2+, Digital (C/M), text, realcommercial.com.au, commercialrealestate.com.au. Unique Audience.
23 SEMRush 12 month total visits Jul 22 - Jun 23.

Our personalised experiences and trusted brand drive consumer loyalty with Australians continually turning to realestate.com.au throughout their property journey. Our daily audience has experienced rapid growth over the last three years, increasing at a rate 3.6 times faster than our nearest competitor[29]. Every day 2.74 million people visit realestate.com.au[30]. realestate.com.au's audience leadership position underpins the Group's powerful data-led solutions, products and experiences.

Challenging market conditions did not dampen Australia's passion for property and our data-led experiences helped drive consumer demand. Following extraordinarily high demand for property in the previous year, buyer enquiries from realestate.com.au returned to more normalised levels in FY23[31].

Commercial and Developer revenue increased 4% to $141.6 million. Commercial revenue growth was driven by increased depth penetration and price increases. Developer revenues were down modestly on the previous year. Challenging market conditions with rising costs and labour shortages saw an 18% decline in Developer project launches.

Media, Data and Other revenue was flat at $97.0 million. Data revenues increased by 7%, with PropTrack benefiting from new Automated Valuation Model (AVM) contracts and growth in data and insights revenue, which helped to offset lower Developer and Media display revenues.

Financial Services operating revenues[24] declined by 13% to $69m. While there was some stabilisation in total lending activity in Q4, levels were still significantly down on the record reached the previous year. Slowing lending market activity resulted in a 13% reduction in submissions and settlements.

Realestate.com.au is Australia's number one address in property across every market[25]

The millions of Australians who engage with realestate.com.au every month are the key to the unrivalled value we deliver our customers. realestate.com.au remains the number one address in property across the country, attracting 120.6 million visits on average each month[28].

12.1m

Number of people that visit realestate.com.au on average each month[26]

1.98m

A record number of people visited realcommercial.com.au in June[27]

24 Operating revenue excludes valuation adjustments to the trail book and discontinued business (FinChoice).
25 Nielsen Digital Content Planning, Jul 2022 – May 2023 (average), P2+, Digital C/M, text, NSW, Vic, Qld, SA, WA, Tas, ACT, NT, Real Estate/Apartments, subcategory, Unique Audience.
26 Nielsen Digital Content Ratings (Monthly Tagged), Jul 22 – Jun 23 (average), P2+, Digital (C/M), text, realestate.com.au, Unique Audience.
27 Nielsen Digital Content Ratings (Monthly Tagged), Jul 22 - Jun 23, P2+, Digital (C/M), text, realcommercial.com.au, Unique Audience.
28 Nielsen Digital Content Ratings (Monthly Tagged), Jul 22 – Jun 23 (average), P2+, Digital (C/M), text, realestate.com.au. Total Sessions
29 Nielsen Digital Content Ratings (Daily), 1 Jan 23 - 30 Jun 23 (daily average) and 1 Jan 20 – 30 Jun 20 (daily average), P2+, Digital (C/M) Text, realestate.com.au, Domain. Unique Audience.
30 Nielsen Digital Content Ratings (Daily), 1 Sep 22 - 30 Jun 23 (daily average), P2+, Digital (C/M) Text, realestate.com.au. Unique Audience.
31 Adobe Analytics, internal data, Jul 22 – Jun 23 (average), Jul 21 – Jun 22 (average), and Jul 19 – Jun 20 (average).

Australian highlights

continued

From May 2023, buyer enquiry levels returned to YoY growth[32], and we delivered an average of two million buyer enquiries to customers every month throughout the year[33].

realcommercial.com.au continues to be the leading commercial property platform in Australia. 1.32 million people visited the platform every month in FY23[34], which is 1.67 times more visitors than the nearest competitor[35] and the number of people using our platform increased an impressive 29% YoY[36]. The realcommercial.com.au app also held its strong leadership position, with 18.8 times more app launches than the nearest competitor[37].

Flatmates.com.au is Australia's largest share accommodation platform, with 22 times more visits than the nearest competitor[38]. Flatmates had its busiest year yet, with enhancements to the consumer experience, along with strong demand for share houses, helping drive engagement with the platform. During the year, we made it easier for members to create a share house listing and added international ID verification to support the influx of international students and working holiday visa holders to Australia. The improved experience helped drive a 71% YoY growth in membership, including a record month in January, when 69,000 new members signed up.

Personalised experiences driving growth in active members and delivering quality customer leads

We know members are three times more likely to perform a high-value action, such as tracking the value of a property on our site, and these actions drive quality leads to our customers. We are focused on converting our unparalleled audience into active realestate.com.au members.

Members receive a highly personalised realestate.com.au experience, which helped drive an 18% increase in our active realestate.com.au membership base in FY23 compared to last year.

Our consumer experience is focused on personalisation, with innovative machine learning powered decisioning technology determining what a consumer sees on the realestate.com.au home screen. This personalisation is further enhanced for members. For example, utilising logged-in user behaviour patterns we offer members different suggested properties, different recommendations for "what's next" on their property journey, and different news content. Through a deep understanding of our members, we deliver the right content and experiences at the right time to help drive the next step in their property journey.

32 Adobe Analytics, internal data, May 23 vs. May 22 compared to the prior 16 months.
33 Adobe Analytics, internal data, Jul 22 – Jun 23 (average).
34 Nielsen Digital Content Ratings (Monthly Tagged), Jul 22 – Jun 23 (average), P2+, Digital (C/M), text, realcommercial.com.au, Unique Audience.
35 Nielsen Digital Content Ratings (Monthly Tagged), Jul 22 – Jul 23 (average), P2+, Digital (C/M), text, realcommercial.com.au vs. commercialrealestate.com.au, Unique Audience.
36 Nielsen Digital Content Ratings (Monthly Tagged), Jul 22 – Jun 23 (average) vs Jul 21 – Jun 22 (average), P2+, Digital (C/M), text, realcommercial.com.au, Unique Audience.
37 Nielsen Digital Content Ratings (Monthly Tagged), Jul 22 – Jun 23, P2+, Digital (C/M), text, realcommercial.com.au vs commercialrealestate.com.au, App Launches.
38 SEMRush 12 month total visits Jul 22 - Jun 23 vs. FlatmateFinders

1 in 4
Australian properties tracked on realestate.com.au by their owner

Approximately one fifth of members engaged with the realestate.com.au Suggested Properties feature. To further enhance this in June we launched an experiment with generative AI on realestate.com.au. This innovation leveraged the ChatGPT API to display a Top feature for each listing on the suggested property carousel, creating an even more engaging experience for members. Generative AI integrations have the potential to deliver even more personalised recommendations and suggestions for consumers through the analysis of preferences, historical data and market trends. Our team is excited for the opportunities ahead.

Engaging owners on realestate.com.au is key to driving quality seller leads to our customers. We introduced a major app navigation update in March with the launch of the My Property tab on the home screen. This provides a seamless navigation to the Property Owner Dashboard and drives consumers to our property valuation experience. Visitors to the dashboard increased 37% compared to the previous year.

In February, we launched realEstate™, powered by PropTrack data, to further drive engagement with the realestate.com.au valuations experience. realEstate empowers property owners with unique insight into the value of their most important asset, with a free and instant estimate of their home's value. With the support of a multi-channel marketing campaign, the launch of realEstate helped drive a 51% YoY increase in the total number of property owner tracks on realestate.com.au to 3.6 million.

The leading destination for Australian renters

The Australian rental market faced many challenges in FY23, and we remained focused on fostering a rental marketplace that is simpler and more efficient for tenants, landlords and property managers. Our integrated realestate.com.au renter profiles enable tenants to seamlessly submit applications for multiple properties and in FY23, the number of renter profiles increased by more than 18%.

Finding a rental property can be a challenge in itself. With this in mind, we introduced improvements to the rental application process to help renters create higher-quality applications with fewer errors.

In June, we introduced an in-app purchase feature for Tenant Check. The convenient tenant verification service helps tenants put their best foot forward with a more complete and credible rental application. This is the first direct-to-consumer in-app purchase product offered on realestate.com.au. The uptake from consumers on the app was incredibly strong, with more than one in four purchases of Tenant Check coming through the app one month after the launch.

Australian highlights

continued

Australia's first choice for digital property advertising solutions

REA's integrated suite of products and services cover property advertising, agency marketplace and agency services. We seamlessly connect our customers with Australia's largest audience of highly engaged buyers, sellers and renters and we are focused on delivering exceptional value.

In FY23 we launched Premiere+, the most comprehensive advertising product package for Australia's Residential market. The customer response was outstanding, with Premiere+ underpinning revenue growth in our Residential business. The package is designed to support customers in all property market conditions and includes solutions such as Unlimited Premiere, Coming Soon and Listings Bump. Listing Optimisation was introduced in July this year and is a key value inclusion to the most recent update of the Premiere+ package. Leveraging innovative technology, Listing Optimisation dynamically reorders photos on a listing based on how consumers are engaging with the images. The most engaging visuals are prioritised elevating the performance of the listing. In the Commercial market our customers also recognised the superior value in our offering, with our premium commercial products seeing record uptake in FY23.

Our suite of agency services is centred on the provision of easy-to-use tools and features, combined with unique data and insights, at a price point that represents great value for our customers. We expanded our rental applications platform and added new capabilities, like automated statement of information generators into our property data and insights products. These new features and capabilities drove a 17% YoY increase in monthly active users on our self-service platform, Ignite. Customer adoption of our digital platform continued to expand with the integration of a growing number of third-party technology providers. A notable example was the adoption of our lead insights, designed to provide agents with a much deeper understanding of how engaged a buyer is, where they are on their property journey and ultimately their readiness to buy. These insights are now integrated into one of the industry's leading CRM solutions, ensuring that customers gain maximum value from their advertising investment.

Partnering with the industry to drive change

REA is focused on partnering with our customers and the wider property industry to drive positive change across the sector. We continued to strengthen our industry partnerships in FY23 while actively engaging in policy advocacy to support the growth and stability of the property sector. REA is an ongoing partner of the Real Estate Institute of Australia (REIA) and we also partner closely with a number of the state real estate institutes and peak bodies.

Annual REA Excellence Awards

In FY23, we also worked to support policy outcomes aimed at alleviating Australia's housing affordability and rental crisis. As Australia's largest property platform, REA is uniquely positioned to contribute to the national conversation on these significant issues. Leveraging our market data and insights, we advocated with the industry to positively impact the regulatory landscape and state taxation laws, with the goal of supporting housing and rental market supply.

Advantage program

Our Advantage program continued to deliver value to over 25,000 customers nationally in FY23, supporting them to learn, develop and grow. This complimentary program is available with every realestate.com.au and realcommercial.com.au subscription and provides customers with professional development opportunities, exclusive events, learning modules and webinars, as well as access to sponsorships and community grants.

We welcomed customers back to our first national in-person Annual REA Excellence Awards in March after more than three years, with more than 400 customers coming together to celebrate their achievements. The number of award submissions received increased 60% on the previous year and we are proud to celebrate and recognise the achievements of our customers and the contribution they make to their communities.

We also expanded our online wellbeing platform, Prosper, to all REA customers. Our focus for FY23 was helping customers navigate challenging interactions as a result of changing market conditions. Initially launched in 2022 as an online wellbeing space to support Property Managers, Prosper has now grown to help support the health and long-term prosperity of the industry as a whole.

PropTrack data and solutions powering unique products and experiences

Our data business PropTrack made excellent progress towards the goal of creating Australia's number one property data, valuations and insights provider in FY23. In addition to driving direct revenue for the Group, PropTrack's data and solutions power many of REA's unique products, experiences and services.

REA has the most comprehensive data-driven lens on the Australian property market. Our team of expert economists leverage our unique data position to generate PropTrack's suite of insights reports designed to inform and empower our customers and consumers. The PropTrack economist team is fast becoming the number one source of property data and expertise in Australian media and delivered strong results towards this goal in FY23.

Australian highlights

continued

PropTrack's leading property valuation estimate model reached world benchmark standards in terms of accuracy during the year[39]. The AVM 3.0 was released in June 2022 and this enhanced model was a significant driver of customer satisfaction and revenue for the business.

As well as powering our consumer-facing property value estimate feature, realEstimate, PropTrack's AVM supports the digitisation of the physical valuation process for our banking customers. Our AVM has been successfully integrated into several lenders' customer solutions and is used by lenders in origination, decisioning, valuation and risk processes. Throughout the year PropTrack continued to extend its AVM customer base and these customers collectively support over 90% of all home loans in Australia. Further to this, PropTrack has developed a suite of propensity models to help agents, lenders and brokers improve how they win, engage and retain customers.

The hard work of the PropTrack team was recognised at the annual PropTech Association Australia Awards, with PropTrack winning the Best Established Supplier in the Data, Analytics and AI category.

Mortgage Choice invests in brand and innovation

Our Financial Services business is a key pillar of our strategy as we build a destination for consumers to easily find and finance property. The performance of Financial Services in FY23 reflected the challenging market conditions. Successive interest rate increases resulted in greatly reduced borrowing capacities for Australians, and the volume of transactions in the market also dropped significantly. New loan commitments across the industry declined throughout FY23 as the market shifted towards refinancing, with large numbers of fixed rate mortgages expiring. The YoY result was also impacted by the strong prior period, which saw strong growth in Financial Services, led by favourable market conditions when interest rates were at emergency low levels.

In an exciting milestone, we completed the integration of our Mortgage Choice and Smartline businesses during the year, with our broker network uniting under the Mortgage Choice brand. Continued investment in brand, product innovation and the strong value proposition offered as part of REA Group helped drive a 6% YoY increase in the total number of brokers across our network.

In partnership with Athena Home Loans, Mortgage Choice launched a new innovative offering in June. Mortgage Choice Freedom powered by Athena, offers a suite of fair value home loans designed to help Australians pay off their mortgages faster. The early performance has been strong as borrowers sought out greater confidence and certainty in their home loan.

39 AVMetrics top-tier 14 AVMs can estimate the value of a home (in a blind purchase transaction) within 10% about 80% to 90% of the time.

35+

new features added to property.com.au

Demonstrating that our investment in brand and product innovation is paying dividends, Mortgage Choice won several awards throughout the year. These included Aggregator of the Year at the Mortgage Business Awards, the Adviser's Brokerage of the Year award, Major Franchise Brokerage of the Year and Marketing campaign of the year at the Australian Broking awards, and the Diversity and Inclusion award at the MFAA Excellence Awards.

property.com.au building Australia's most comprehensive property research site

Our REAx team, which is behind our property research platform property.com.au, is focused on innovation and emerging models. In March, the team celebrated the 12-month anniversary of the platform's relaunch, which offers the most comprehensive property data available in a single location. property.com.au is designed to give buyers and sellers the full picture on more than 10.5m properties in Australia, helping them understand what their property is worth and giving them the confidence to transact.

Throughout the year, property.com.au continued to strengthen its core offering, adding more than 35 new features to the site including market trends and insights, and visibility of nearby planning permits. New features helped drive strong engagement with the platform, with 72% growth in time on site compared to the previous year[40].

In June, we launched Property Coach, a complimentary concierge service offering consumers personalised support to help guide them through the next step in their property journey. The service also offers introductions to our partners, who can help with relevant products and services. Property Coach is designed to improve consumer confidence, drive more qualified vendor leads to agents on realestate.com.au, and create a natural opportunity to connect consumers who need help with financing to Mortgage Choice brokers and our other partners.

40 Nielsen Digital Content Ratings (Monthly Tagged), Jul 22 – Jun 23 (average) vs Jul 21 – Jun 22 (average), P2+, Digital (C/M), text, property.com.au, Time Spent.

Global highlights

REA Group has a strong presence in some of the world's largest and most exciting global property markets.

REA India is the country's leading property portal

REA Group holds 78% interest in REA India, which delivered a strong FY23 performance with 46% YoY revenue growth to $79 million. REA India operates the country's number one property portal, Housing.com as well as PropTiger.com and Makaan.com.

This impressive result was primarily driven by the core Housing.com business. Housing.com is India's number one property portal in terms of audience, and the flagship site strengthened its leadership position during the year, recording 1.3 times more visits than the closest competitor[41]. The site achieved an average of 19.7 million monthly visits[42], an increase of 28% YoY[43] with a record 21.2 million visits achieved in June[44]. Search engine optimisation, an enhanced mobile experience and targeted marketing supported the strong audience position and the Housing.com app also achieved a 39% increase in total app downloads compared to the prior year[45].

REA India continued to extend its marketplace and grow geographically with the launch of depth products and further expansion into three new tier-two cities. Throughout the year Housing.com launched new advertising depth products for resale brokers, along with agents dealing in new homes. It also launched Audience Maximiser for developers.

41 Similarweb, average site visits Jul 22 – Jun 23 vs. nearest competitor – excludes app.
42 Similarweb, average site visits Jul 22 - Jun 23 - excludes app.
43 Similarweb, average site visits Jul 22 – Jun 23 and vs. Jul 21 – Jun 22 – excludes app.
44 Similarweb, average site visits Jun 23 - excludes app.
45 Internal REA India Data.

The Housing Edge platform, which offers digital solutions designed to support homeowners and tenants, continued to expand during the year including the addition of a pay on credit service, rental insurance and a personal loan product specifically for home improvement and renovations.

India is one of the fastest-growing large economies globally and its property market is strong, driven by significant demographic tailwinds. REA India remains an exciting and compelling growth opportunity for the Group.

PropertyGuru is Southeast Asia's leading PropTech company

REA Group holds a 17.3% interest in PropertyGuru Group (PropertyGuru), the leading PropTech company in Southeast Asia, one of the world's fastest growing regions. PropertyGuru holds the leadership position in four of the region's key markets – Singapore, Vietnam, Malaysia, and Thailand, and is listed on the New York Stock Exchange.

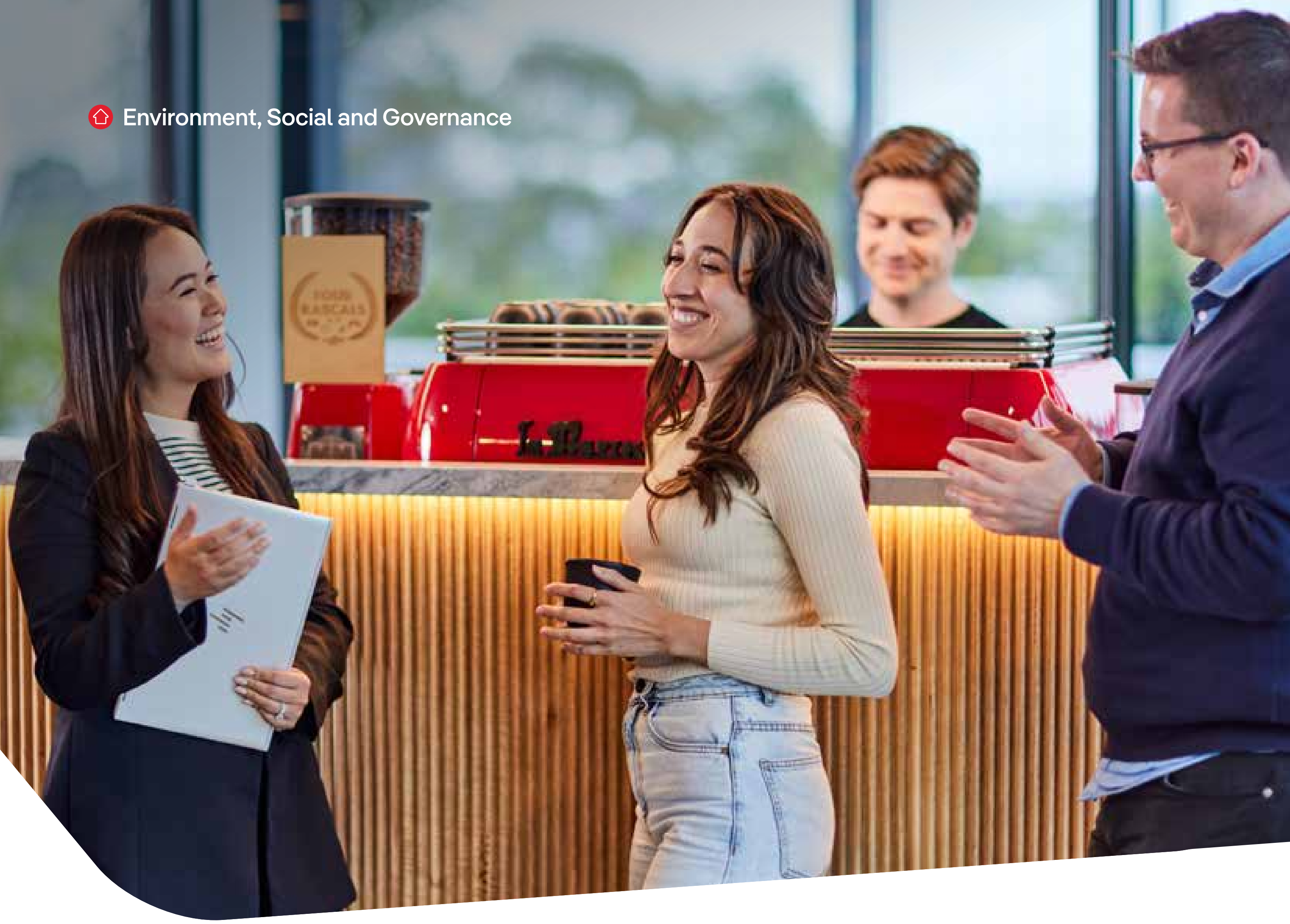
Strong performances in Singapore and Malaysia helped offset challenging conditions in Vietnam where monetary policy is impacting the number of real estate transactions. PropertyGuru's solutions performed well in Singapore supported by a strong sales market and rising rental rates, while newly launched products in Malaysia also helped underpin performance.

New product launches included promoted listings for developers, which helped increase consumer awareness, while leads for listings and new project volumes continued to rise across Singapore and Malaysia. The launch of Know Your Customer in Malaysia also helped strengthen lead quality for agents while providing customised recommendations for consumers. PropertyGuru also continued to expand its adjacencies with a focus on data services and fintech.

Move operates a leading property portal in the United States

In North America, REA Group holds a 20% investment in Move, Inc. (Move). Move operates realtor.com, a leading property portal in the world's largest real estate market, the United States.

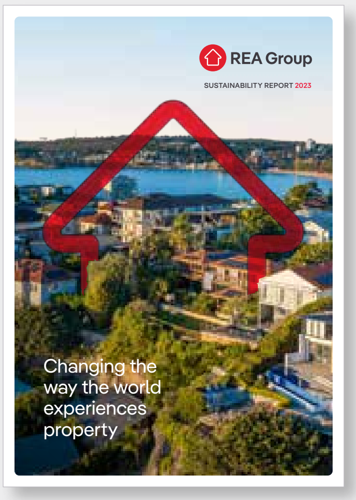
Move's revenue was down 15% YoY in FY23, driven by the significant impact of the challenging macroeconomic environment on the housing market, including higher mortgage rates, which led to lower lead and transaction volumes. Lead volumes declined throughout the year, but improved in the fourth quarter compared to the prior quarter. The challenging conditions also impacted unique users of realtor.com's platforms, which declined over the year.



Committed to a sustainable future

We continue to make significant progress on our Environmental, Social and Governance (ESG) initiatives.

Our dedicated Sustainability Report, published on rea-group.com in September 2023, contains a detailed overview of the Group's ESG programs, policies and initiatives, alongside our key focus areas for the year ahead.



$189,542

though our **Matched Payroll giving program**

$43,904

distributed to community groups through our **employee community grants program**

$74,941

donated to various charities through REA's Community Café and employee parking

$63,000

in **Advantage community grants** provided to customers to support local causes

164

days of **volunteer leave** taken or 1,246 hours

Supporting a sustainable future

In FY23 we established our first formal ESG Committee to progress and track our sustainability goals and ensure ESG remains a focus across the whole organisation.

Environment

We were pleased to be certified carbon neutral through ClimateActive for the third consecutive year, a certification we are committed to achieving annually. The introduction of GreenPower at a number of our Australian offices contributed to a reduction in Australian electricity emissions of 64% YoY. This has resulted in REA achieving our science-based emission reduction target of 42% in terms of Scope 1 and Scope 2 carbon emissions.

We've also announced REA is targeting net zero emissions across Scope 1, 2 and 3 by 2050. This is in addition to REA's existing near-term 2030 climate targets announced in our Climate Change policy to reduce Scope 1 and 2 emissions by 42% from a FY20 baseline, and reduce Scope 3 emissions by 25% from a FY20 baseline. Our move to GreenPower-accredited renewable energy reduced REA Australia's electricity emissions by 56.9% annually.

Pleasingly, REA was included in the Dow Jones Sustainability Indices (DJSI) for Australia and Asia for the first time, placing us in the top 13% in our industry.

Throughout the year we also ran education sessions for our people on environmental topics including GreenPower and renewable energy markets, at-home waste, recycling and reusability, National Recycling Week and Earth Day.

Social

REA submitted its first Reconciliation Action Plan (RAP) in June, which was developed in partnership with Reconciliation Australia. Our RAP forms part of REA's broader Diversity and Inclusion strategy and focuses on removing barriers to inclusivity in the workplace and fostering a work environment that promotes respect for and an appreciation of the rich culture of Australia's First Nations People.

REA joined Supply Nation, Australia's largest national directory of indigenous businesses, to encourage engagement and relationships, and identify suppliers that meet our business requirements and deliver positive social outcomes within the indigenous community.

Our people have a wide variety of community initiatives and causes close to their hearts. REA's Because We Care program provides our people with an opportunity to give back to organisations and causes important to them through volunteering, Matched Payroll Giving, Employee Community Grants and our Community Café.

Community investment continues to be a core focus for REA and we have long-standing charity partnerships with organisations that assist those at risk of or currently experiencing homelessness. This is aligned with our belief that every person deserves a safe place to sleep at night. Our charity partners include Launch Housing, Orange Sky Australia and The Big Issue.

In 2015, REA and Launch Housing created the National Rapid Rehousing Fund. In FY23 it supported a total of 463 people in need and donated furniture to support 12 households. Since its launch, the fund has provided financial assistance to almost 5,800 individuals across 2,100 households, including 3,350 children.

We continued our support of The Big Issue through regular magazine subscriptions, pro-bono advertising and volunteering. In an effort to continually support The Big Issue vendors, our CEO participated in the special fundraising event, The Big Sell in March.

Orange Sky Australia provides mobile laundry and shower services to people who are experiencing homelessness. In FY23 we supported 326 volunteer shifts, 3,915 loads of washing and 2,610 conversation hours.

In July 2022 our Financial Services business launched a new charitable foundation called the Mortgage Choice Charity Foundation (MCCF). In FY23 they selected RizeUp Australia, which provides life-changing practical support for families at high risk when fleeing domestic and family violence situations.

REA India organised various fundraising events in FY23 to support underprivileged young girls and women. Partnerships were formed with organisations including the GMR Foundation, Government Girls Secondary School (Kasan, Haryana), Swarchana Hostel, Shraddhanand Mahilashram and Majlis Legal Centre's program 'Rahat'.

Governance

As a leading digital business, REA is deeply committed to adhering to cyber security and data privacy best practices. In FY23 we established an enterprise privacy program as well as dedicated privacy squads to ensure REA is well positioned to maintain the integrity of our systems and the trust of our customers and consumers. An important factor in our approach sees the Cyber Security Team proactively monitor REA's systems to mitigate malicious activity and threats.

We maintained our MSCI ESG AA rating for a second year, classifying REA as a leader in the interactive media and service industry. We also implemented One Trust, REA's supplier due diligence tool, to ensure sustainable procurement practices.

REA has been included as a constituent company in the FTSE4Good Index for the third year in a row. The FTSE4Good Index is FTSE Russell's flagship sustainable and responsible investment index, which comprises companies with strong ESG practices.

I was honoured to receive the inaugural Because We Care award in 2023! This award recognises REA Group employees who show passion and commitment to their communities. REA is a great place to work for many reasons, but the ongoing commitment to supporting communities outside of their own is at the top of the list.

Suzanne Neate
Senior GTM Manager

Executive Leadership Team

Owen Wilson

Chief Executive Officer (CEO)

Owen Wilson is responsible for driving the Group's growth, operations and global investments.

With more than 30 years' experience working across the information technology, recruitment and banking industries, Owen is a strategic leader who is passionate about building high-performing teams and creating personalised experiences to help change the way the world experiences property.

Prior to being appointed CEO, Owen was REA's Chief Financial Officer for four years and looked after all aspects of the Group's finance portfolio, including strategy, M&A and operations, as well as the Group's Financial Services businesses.

Previously, Owen was Chief Financial Officer and Company Secretary of Chandler MacLeod Group. He has previously held positions with ANZ and KPMG across Australia, Asia and the UK. During his 15 years at ANZ, his roles included Chief Operating Officer of ANZ's Institutional and Investment Bank, and Managing Director Retail Banking and International Partnerships Asia.

Owen holds a Bachelor of Commerce in Accounting and Computer Science from Deakin University.

Janelle Hopkins

Chief Financial Officer

Janelle Hopkins is responsible for all aspects of the Group's finance and business services portfolio and global investments.

Her portfolio includes finance, risk and assurance, tax, corporate development, property and procurement, corporate communications, and investor relations.

Janelle is an accomplished executive with more than 25 years' experience. She joined REA Group from Australia Post, where she was the Group Chief Financial Officer. Prior to Australia Post, Janelle held a number of senior finance roles at National Australia Bank, including financial controllership of the Australian region, MLC and strategic transformation roles within the Wholesale division. She started her career with Professional Services firm Deloitte Touche Tohmatsu, where she developed her passion for leadership, business transformation and growth.

Janelle is a graduate of the Australian Institute of Company Directors. She holds a Master of Business Administration from the Australian Graduate School of Management, and a Bachelor of Commerce from Melbourne University. She is a member of Chief Executive Women, past Chair of G100, a Director of the Alannah and Madeline Foundation and a Director of the Melbourne Business School.

Henry Ruiz

Chief Strategy Officer and Chief Executive Officer REAx

Henry Ruiz is responsible for REA Group's strategy and the REAx business, which is focused on transformational concepts to drive future growth.

He has played a central role in driving the digital strategy for REA Group since joining the company in 2009 as Chief Product Officer. He has held various roles across the company including Chief Digital Officer, CEO – Asia and Chief Strategy and Customer Product Officer. Henry is currently responsible for driving REA Group's long-term growth strategy across Australia & globally, as well as driving property.com.au to become the number one property research site and leading other market shaping offerings across REA.

Henry has more than 20 years of digital industry experience gained in leadership roles across the globe at companies including Local Matters in the USA and Asia Pacific, World Directories in five countries in Europe, and Sensis in Australia.

Henry holds a Master of Applied Psychology from the Royal Melbourne Institute of Technology; a Bachelor of Behavioural Science (Hons) from Latrobe University; a certificate in Strategy, Disruption and Innovation from Harvard University; and is a member of the Australian Institute of Company Directors.

Melina Cruickshank

Chief Product and Audience Officer

Melina Cruickshank is responsible for leading the Group's Product, Audience and PropTrack divisions.

Melina started at REA Group in 2019. Her current portfolio includes the Consumer and Customer Product divisions, the Audience, Brand and Marketing divisions, and REA Group's property data and analytics business PropTrack.

With more than 25 years' experience in Australia and the UK, Melina has deep experience in product management and brand marketing in digital technology.

Melina joined REA Group from Domain, where she was Chief Marketing Officer. Prior to this, Melina held several senior roles at Fairfax Media, including Group Director of Life Media, where she led the product, mobile, video and online business for several brands across the SMH, AFR, Essential Baby, The Vine, Good Food, Traveller and Find A Babysitter. Her experience in the UK includes working for e-commerce start up MoonPig (now FTSE listed) and Advertising agency View Communications (now Isobar).

Melina has been recognised several times in Australia's CMO50, she holds a BA (Hons) from Monash University and a Grad Diploma from Birkbeck University of London, and has completed an Executive Leadership Program with Oxford University.

Tamara Kayser

Chief Legal Officer and Company Secretary

Tamara Kayser is responsible for the company's global legal and secretariat function.

Tamara is a senior corporate lawyer with significant experience across a wide range of areas including mergers & acquisitions, corporate governance and regulatory affairs. Prior to joining REA, she held the position of Group General Counsel at Incitec Pivot Limited. Before this, she held senior roles in King & Wood Mallesons and Linklaters in Australia and London.

She holds a Bachelor of Laws with Honours and a Bachelor of Commerce. She is member of the Legal 500 GC Powerlist Australia and New Zealand, which recognises Corporate Counsels who are driving the legal business forward.

Mary Lemonis

Chief People and Sustainability Officer

Mary Lemonis is responsible for the Group's people strategy across its global network.

She leads teams across business partnering, talent acquisition, remuneration, organisation development, HR operations, employee communication, community partnerships and sustainability.

With more than 20 years' experience in HR, Mary is passionate about realising enterprise value and growth by creating an exceptional employee experience.

Mary joined REA from Campbell Arnott's where she was the Vice President – Human Resources for Asia Pacific for eight years and worked in a variety of senior HR roles with Campbell Soup Company both in Australia and the US. Mary holds a Bachelor of Manufacturing Management from the University of Technology Sydney and is a founding member of the International Women's Forum Australia.

Kul Singh

Chief Customer Officer

Kul Singh is responsible for all aspects of REA Group's customer group including the end-to-end customer experience, marketing, sales and operations. His current responsibility also has him leveraging his international experience, supporting the growth of REA India.

As Chief Customer Officer, Kul is focused on partnering with customers to drive better outcomes. His team ensure the delivery of innovative products and solutions including a growing SaaS portfolio, that align with customers' goals of growing profitable businesses. Kul is also a passionate leader and is committed to developing a diverse high performing team.

Kul joined REA Group in 2015, assuming a number of leadership roles across Marketing, Product, and General Management in Australia and Southeast Asia. Prior to this he held senior sales, marketing and strategy positions at GE Capital and GlaxoSmithKline.

Kul holds a Masters in Public Health from Melbourne University, a Bachelor of Medical Science and Marketing from La Trobe University and is a graduate member of the Australian Institute of Company Directors.

Anthony Waldron

Chief Executive Officer Financial Services

Anthony Waldron is REA Group's CEO Financial Services and CEO Mortgage Choice. He is responsible for making it easy for property seekers to find and finance property – whether via digital channels or our network of around 1,000 mortgage brokers across the country.

Anthony joined REA in October 2021 and has over 25 years' experience across financial services and business management.

He previously spent six years as Executive General Manager, Broker Partnerships and NAB, responsible for the bank's presence in the Australian mortgage and finance broking market, and has held other senior positions across the finance sector. He has a reputation for leading positive strategic change, building inclusive and high-performing teams, and growing sustainable businesses.

Anthony has a graduate diploma in Applied Finance and Investments and a Bachelor of Business, Finance and Economics from University of Technology Sydney.

Board of Directors

Hamish McLennan

Non-executive Director

Appointed 21 February 2012 and Chairman since 10 April 2012.
Age 57.

Independent:
No – Nominee Director of News Corp Australia.

Skills and experience:
Mr McLennan is an experienced media and marketing industry executive. He was Executive Chairman and Chief Executive Officer of Ten Network Holdings until July 2015 and, before that, Executive Vice President, Office of the Chairman, at News Corp. Previously, Mr McLennan was Global Chairman and CEO of Young & Rubicam, part of WPP, one of the world's largest communications services groups.

Directorships of listed entities, current and recent (last three years):

- Chairman of ARN Media Ltd (previously HT&E Limited) (since October 2018)
- Chairman of Magellan Financial Group (joined March 2016, Chairman since February 2022)
- Director of Scientific Games Corp (since November 2020)

Board Committee membership:

- Chairman of the Board.

Owen Wilson BCom, ACA, GAICD

Executive Director and Chief Executive Officer

Appointed 7 January 2019.
Chief Financial Officer from 3 September 2014 until 6 January 2019.
Age 59.

Skills and experience:
As CEO of REA, Mr Wilson is responsible for driving the Group's growth, operations and global investments. With more than 30 years' experience working across the information technology, recruitment and banking industries, Mr Wilson is a strategic leader who is passionate about building high-performing teams and creating personalised experiences to help change the way the world experiences property. Prior to being appointed CEO, Mr Wilson was REA's Chief Financial Officer for four years and looked after all aspects of the Group's finance portfolio, including strategy, M&A and operations, as well as the Group's Financial Services businesses.

Previously, Mr Wilson was Chief Financial Officer and Company Secretary of Chandler MacLeod Group. He has previously held positions with ANZ and KPMG across Australia, Asia and the UK. During his 15 years at ANZ, his roles included Chief Operating Officer of ANZ's Institutional and Investment Bank, and Managing Director Retail Banking and International Partnerships Asia.

Directorships of listed entities, current and recent (last three years):

- PropertyGuru Group Limited (listed since March 2022)

Board Committee membership:

- Mr Wilson attends all Audit, Risk & Compliance Committee and Human Resources Committee meetings at the invitation of the Board/Committees.

Nick Dowling BAcc, GradDipAppFin

Independent non-executive Director

Appointed 9 May 2018.
Age 47.

Skills and experience:
Mr Dowling is Chief Executive Officer of the Jellis Craig Group, a leading real estate business based in Melbourne, Australia. He assumed the role in June 2011 and is responsible for overseeing the growth, risk management, and long-term strategic direction of the group. Prior to this, Mr Dowling was the Head of Real Estate, Business Banking at Macquarie Bank Limited. He commenced his career with National Australia Bank across various divisions of the bank.

Directorships of listed entities, current and recent (last three years):
n/a

Board Committee membership:

- Chair of the Human Resources Committee.

Tracey Fellows BEc

Non-executive Director

Appointed Non-executive Director from 26 January 2019. Executive Director and Chief Executive Officer appointed 20 August 2014 until 25 January 2019.
Age 58.

Independent:
No – Nominee Director of News Corp Australia.

Skills and experience:
Ms Fellows is a digital media executive with extensive experience in real estate, technology and communications across Australian and international markets. Ms Fellows was most recently President of Global Digital Real Estate for News Corp, responsible for driving the strategy and growth of its digital real estate interests. Ms Fellows was previously the Chief Executive Officer of REA Group where she oversaw the rapid expansion of the digital real estate business in Australia and Asia, as well as leading the company's investments in India and North America. Previously she worked for Microsoft as CEO Australia and VP of Asia Pacific based in Singapore.

Directorships of listed entities, current and recent (last three years):

- Director of Hemnet Group AB (since November 2020)
- Director of Woolworths Group Limited (since March 2023)

Board Committee membership:

- Member of the Human Resources Committee.

Richard J Freudenstein BEc, LLB (Hons)

Non-executive Director

Appointed 21 November 2006 (Chairman from 2007 to 2012). Age 58.

Independent:

No – Nominee Director of News Corp Australia.

Skills and experience:

Mr Freudenstein has extensive experience as a media executive in Australian and international markets. He was Chief Executive Officer of Foxtel from 2011 to 2016, and prior to that was CEO of News Digital Media and The Australian newspaper and the Chief Operating Officer of British Sky Broadcasting.

Directorships of listed entities, current and recent (last three years):

- Director of Coles Group Limited (since November 2018)
- Chairman of Appen Limited (joined August 2021, Chairman since October 2021)

Board Committee membership:

- Member of the Audit, Risk & Compliance Committee

Alternate Director:

Marygrace DeGrazio (age 47) was appointed an Alternate Director for Richard J Freudenstein on 5 May 2020. Ms DeGrazio has not attended any meetings or exercised any powers in that capacity since that time. Ms DeGrazio is currently the Senior Vice President, Chief Accounting Officer at News Corp responsible for global accounting and financial reporting. Prior to joining News Corp, she spent 15 years in the audit practice of PricewaterhouseCoopers servicing entertainment and media clients. Ms DeGrazio holds a Masters of Business Administration and is a Certified Public Accountant.

Jennifer Lambert BBus, MEc, CA, FAICD

Independent non-executive Director

Appointed 1 December 2020. Age 56.

Skills and experience:

Ms Lambert has extensive business and leadership experience at the senior executive and board level with more than 25 years of financial management and accounting experience, including over 15 years specialising in the property industry. Ms Lambert was CFO at Valad then 151 Property for 13 years, and prior to this was a director at PwC specialising in audit, capital raisings and acquisitions and disposals.

Directorships of listed entities, current and recent (last three years):

- Director of BlueScope Steel Limited (since September 2017)
- Director of NEXTDC Limited (since October 2019)

Board Committee membership:

- Chair of the Audit, Risk & Compliance Committee
- Member of the Human Resources Committee.

Michael Miller B.A.Sc, Communication and Media

Non-executive Director

Appointed 12 November 2015. Age 54.

Independent:

No – Nominee Director of News Corp Australia.

Skills and experience:

Mr Miller is Executive Chairman Australasia of News Corp Australia, a role he has held since November 2015. He has over 25 years' experience working in senior executive roles in the media industry, most recently as the CEO of APN News and Media (now HT&E). Mr Miller was previously the Regional Director for News Limited in New South Wales, the Managing Director of Advertiser News Media in South Australia, and News Limited's Group Marketing Director.

Directorships of listed entities, current and recent (last three years):

n/a

Board Committee membership:

n/a

Kelly Bayer Rosmarin

Independent non-executive Director

Appointed 1 January 2022. Age 46.

Skills and experience:

Ms Bayer Rosmarin is CEO of Optus. She has experience in banking, risk management and regulated markets. Prior to joining Optus, Ms Bayer Rosmarin spent 14 years with Commonwealth Bank of Australia where she held several senior positions, most recently as Group Executive of Institutional Banking and Markets. Ms Bayer Rosmarin holds a bachelor's degree in Industrial Engineering and Engineering Management and a Master of Science in Management Science and Industrial Engineering from Stanford University.

Directorships of listed entities, current and recent (last three years):

- Director of Airtel Africa plc (since October 2020)
- Director of Openpay Group Ltd (from December 2018 – January 2022)

Board Committee membership:

- Member of the Audit, Risk & Compliance Committee.

Directors' Report

The Directors present their report together with the Financial Statements of the consolidated entity (the **'Group'** or **'REA'**), being REA Group Ltd (the **'Company'**) and its controlled entities, for the year ended 30 June 2023 and the Independent Auditor's Report thereon.

Meetings of Directors

The number of Board and Committee meetings held during the year and the number of meetings attended by each Director are disclosed in the following table:

	Board Meetings[1]		Audit, Risk & Compliance Committee[2]		Human Resources Committee[2]	
Director	A	B	A	B	A	B
Hamish McLennan	13	13	–	4*	–	4*
Owen Wilson	13	13	–	5*	–	4*
Nick Dowling	13	13	–	3*	4	4
Tracey Fellows	13	13	–	4*	3	4*
Richard J Freudenstein	13	10[3]	5	4	1	1
Jennifer Lambert	13	13	5	5	4	4
Michael Miller	13	13	–	3*	–	–
Kelly Bayer Rosmarin	13	10[3]	5	4	–	–

Column A: number of meetings held while a member.
Column B: number of meetings attended.

1. From time to time the Board also establishes ad hoc committees to support the Board in carrying out its responsibilities. During the 2023 financial year, the Board established several subcommittees to oversee various matters, including M&A proposals. Membership of these subcommittees varied. Nine subcommittee meetings were held during the year.
2. Committee meetings are open to all Directors to attend. Where a Director has attended a meeting of a Committee of which he or she was not a member, this is indicated by *. The exception to this is Tracey Fellows who commenced being a member of the Human Resources Committee part-way through the year, so the * applies to only 1 of the 4 meetings she attended.
3. The three meetings not attended by Mr Freudenstein were unscheduled Board meetings. One of the meetings not attended by Ms Bayer Rosmarin was an unscheduled Board meeting. Marygrace DeGrazio did not attend any meetings in her capacity as an Alternate Director during the financial year.

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 a multi-channel digital and broker proposition.

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

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

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

Directors' Report

continued

Operating and financial review

Reconciliation of results from core operations

A summary of financial results from core operations for the year ended 30 June 2023 is set out below.

For the purposes of this report, core operations are defined as the reported results set out in the financial statements adjusted for significant non-recurring items such as restructuring costs and integration costs. The prior year comparative also includes net gain from divestment related activities.

A reconciliation of results from core operations and non-IFRS (International Financial Reporting Standards) measures compared with the reported results in the financial statements on page 66 is set out below. The following non-IFRS measures have not been audited but have been extracted from the audited financial statements.

Reconciliation of core income to reported	2023 $M	2022 $M	Growth
Core operating income	**1,183.2**	1,169.5	1%
Trail commission integration adjustment	–	(9.3)	(100%)
Reported operating income	**1,183.2**	1,160.2	2%

Reconciliation of core EBITDA to reported	2023 $M	2022 $M	Growth
Segment EBITDA from core operations (excluding share of gains and losses of associates)[1]	**650.9**	670.5	(3%)
Share of (losses) of associates	**(18.4)**	(21.9)	16%
Share of associate non-core costs	**2.5**	24.9	(90%)
EBITDA from core operations[1]	**635.0**	673.5	(6%)
Integration costs	**(9.0)**	(19.6)	54%
Restructuring costs	**(6.7)**	(3.1)	<(100%)
Share of associate non-core costs	**(2.5)**	(24.9)	90%
Net gain/(loss) from acquisition/divestment related activities	**(1.8)**	22.0	<(100%)
Reported EBITDA[1]	**615.0**	647.9	(5%)

Reconciliation of net profit from core operations to reported	2023 $M	2022 $M	Growth
Net profit from core operations attributable to owners of parent	**372.2**	407.5	(9%)
EBITDA impact of non-core transactions	**(20.0)**	(25.6)	22%
Non-core D&A, net interest & minority interest	**(1.1)**	(4.9)	77%
Tax effect	**5.0**	7.8	(35%)
Reported net profit attributable to owners of parent	**356.1**	384.8	(7%)

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.

Directors' Report

continued

Operating and financial review (continued)

Group results from core operations

Group operating income increased 1% to $1,183.2 million. Revenue growth was underpinned by the strong performance of REA India with revenue up 46% against the prior period. Australian revenue declined by 1%, with yield growth across our advertising products being more than offset by the challenging market and strong prior year comparatives. Despite the lower listings, the Group's result demonstrates the strength and resilience of the business as customers continued to prioritise premium products, leading platforms, and superior audience.

The Group's EBITDA from core operations decreased 6% to $635.0 million and net profit from core operations attributable to owners of the parent decreased 9% to $372.2 million. Core operating costs increased 7%, with REA India incurring higher operating costs from continued investment in people, increased marketing, and growth in revenue related costs. In Australia, cost growth was restricted to 1% following prudent cost management throughout the year.

Australia continues to be the primary revenue driver for the business. The Group's result reflects an ongoing focus on further innovation of our products and experiences and the delivery of new technology and data capabilities across the business.

realestate.com.au continues to be the clear leader in online real estate[1] with average monthly visits of 120.6 million[2], outperforming the closest competitor by 3.3 times each month on average[2]. The delivery of more personalised experiences continued the growth in active members, which increased 18%[3].

Strong operating cashflows during the year allowed the Group to continue to invest through innovation and strategic investments, as well as to continue to provide shareholder returns in the form of dividends, resulting in a cash balance of $259.8 million at 30 June 2023. The Group had net current assets of $251.9 million as at 30 June 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, $400 million maturing in September 2024 and $200 million maturing in September 2025. As at 30 June 2023 the Group's total drawn debt was $318.7 million following repayment of $95 million in December 2022 with $281.3 million of the facility undrawn. Refer to Note 8(d) for further details.

External debt will increase by $62m upon the consolidation of CampaignAgent's existing debt facility from July 2023. The acquisition is also expected to have an impact on the Group's credit risk and debtor profile in FY24, given its operating activities of providing financing solutions in the property sale process.

Dividends

Dividends paid or determined to be paid by the Company during, and since the end of, the financial year are set out in Note 13 to the Financial Statements and below:

	Final 2023	Interim 2023	Final 2022
Per share (cents)	**83.0**	75.0	89.0
Total amount ($M)	**109.7**	99.1	117.6
Franked[1]	**100%**	100%	100%
Payment date	**21 Sep 2023**	21 Mar 2023	15 Sep 2022

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

1 Nielsen Digital Content Ratings (Monthly Total), Jul 22 – Jun 23 (average), P2+, Digital (C/M), text, Real Estate/Apartments subcategory, Unique Audience.
2 Nielsen Digital Content Ratings (Monthly Tagged), Jul 22 – Jun 23 (average), P2+, Digital (C/M), text, realestate.com.au, Domain. Total Sessions.
3 REA internal data Jul 22 - Jun 23 vs. Jul 21 - Jun 22.

Directors' Report

continued

Performance by region

2023	Australia: Property & Online Advertising $M	Australia: Financial Services $M	India $M	International $M	Corporate $M	Total $M
Segment operating income						
Total segment operating income	1,043.5	60.9	78.8	–	–	1,183.2
Operating income	**1,043.5**	**60.9**	**78.8**	**–**	**–**	**1,183.2**
Results						
Segment EBITDA from core operations (excluding share of gains / (losses) of associates)	705.1	11.1	(39.1)	–	(26.2)	650.9
Share of gains / (losses) of associates[1]	(4.8)	(2.2)	–	(11.4)	2.5	(15.9)
Segment EBITDA from core operations	**700.3**	**8.9**	**(39.1)**	**(11.4)**	**(23.7)**	**635.0**
Integration costs	–	–	–	–	(9.0)	(9.0)
Restructuring costs	–	–	–	–	(6.7)	(6.7)
Share of associate non-core costs[1]	–	–	–	–	(2.5)	(2.5)
Net loss from acquisition/divestment related activities	–	–	–	–	(1.8)	(1.8)
EBITDA	**700.3**	**8.9**	**(39.1)**	**(11.4)**	**(43.7)**	**615.0**
Depreciation and amortisation						(91.8)
EBIT						**523.2**
Interest income						7.2
Interest expense						(17.5)
Profit before income tax						**512.9**

1 Inclusive of $2.5 million of associate restructuring costs incurred by Move, Inc. and REA's share of revaluation gain from financial liabilities held by PropertyGuru.

Directors' Report

continued

Performance by region (continued)

2022	Australia Property & Online Advertising $M	Australia Financial Services $M	India $M	International $M	Corporate $M	Total $M
Segment operating income						
Total segment operating income[1]	1,048.4	67.2	53.9	–	–	1,169.5
Trail commission integration adjustment	–	–	–	–	(9.3)	(9.3)
Operating income	1,048.4	67.2	53.9	–	(9.3)	1,160.2
Results						
Segment EBITDA from core operations (excluding share of gains and losses of associates)	721.8	9.3	(34.9)	–	(25.7)	670.5
Share of gains/(losses) of associates[2]	(3.7)	(1.3)	–	(16.9)	24.9	3.0
Segment EBITDA from core operations	718.1	8.0	(34.9)	(16.9)	(0.8)	673.5
Restructuring costs	–	–	–	–	(3.1)	(3.1)
Net gain on divestment related activities[3,4]	–	–	–	–	22.0	22.0
Share of associates' non-core costs[2]	–	–	–	–	(24.9)	(24.9)
Integration costs (including trail commission integration adjustment)	–	–	–	–	(19.6)	(19.6)
EBITDA	718.1	8.0	(34.9)	(16.9)	(26.4)	647.9
Depreciation and amortisation						(93.1)
EBIT						554.8
Interest income						1.3
Interest expense						(8.2)
Profit before income tax						547.9

1 For Australia Property & Online Advertising, this includes the former Asia operations being Malaysia, Thailand and Hong Kong, inclusive of MyFun revenue which was disclosed as 'Segment Operating Income – other' in the 30 June 2022 financial statements.
2 Inclusive of $24.9 million of associate restructuring and transaction costs reflecting REA's share of costs incurred by PropertyGuru.
3 Comprised of $15.8 million gain relating to divestment of Malaysia, Thailand and 99 Group shareholder rights; $9.0 million loss relating to the divestment of Hong Kong assets to 28Hse, close of Hong Kong operations and rationalization of the remaining Asia subsidiaries; and $5.7 million reduction of 99 Group SPV financial asset.
4 The impact of the deemed disposal as a result of the dilution from the initial public offering (IPO) of PropertyGuru resulted in a $20.9 million gain.

Directors' Report

continued

Australia

The Group operates Australia's leading residential and commercial sites, realestate.com.au[4] and realcommercial.com.au[5], data and insights business, PropTrack, and a leading mortgage broking business, Mortgage Choice. Core operating income decreased by 1% to $1,104.4 million YoY.

realestate.com.au continues to be the number one property portal in Australia[4], attracting 120.6 million visits each month on all platforms[6], 3.3 times more visits than the nearest competitor[6]. 12.1 million people visited the site each month on average[7], reaching 61% of Australia's adult population[8]. 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 our 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 an 18% increase in active members YoY[9].

Property and Online advertising

Property and Online Advertising operating income in the year was $1,043.5 million.

Australian residential revenue decreased 1% to $804.9 million. Buy revenue was lower, with an 11% increase in buy yield more than offset by a 12% decline in national listings. Buy yield benefited from the contribution from Premiere+, a 6% average national price rise and increased depth and Premiere/Premiere+ penetration. This was partly offset by a negative geographical mix impact from larger listing declines in Melbourne and Sydney markets. Residential rent revenue increased with a 5% average price rise and growth in depth penetration, partly offset by a 1% decline in rental listings due to a continuing lack of supply.

Commercial and Developer revenue increased 4% to $141.6 million. Commercial revenue growth was driven by increased depth penetration and price increases. Developer revenues were down modestly on the prior year, with an 18% decline in project commencements due to the challenging market environment impacted by rising input costs and labour shortages, partly offset by a price rise for Project profiles from 1st September.

realcommercial.com.au continues to be the leading commercial property app in Australia[5], with 18.8 times more app launches than the nearest competitor[10].

Media, Data and Other revenue was flat at $97.0 million. Data revenues increased by 7%, with PropTrack benefiting from new AVM contracts and growth in data and insights revenue. This was largely offset by lower Developer and Media display revenues.

On 5 July 2023, the Group moved to 100% ownership of Campaign Agent Pty Ltd for cash consideration of $39 million, following the Group's initial acquisition of 27% (fully diluted) of the business in 2021. CampaignAgent which has been equity accounted since 2021, will be consolidated from July 2023.

Financial Services

Financial Services net revenue declined 8% to $60.9 million, with slowing market activity resulting in a 13% reduction in submissions and settlements and annual valuation adjustment of future trail commission due to faster run-off rates in a high refinance market and a higher discount rate. The integration of Mortgage Choice was completed in FY23 with all brokers now on the same platform. Recruitment was strong with 183 new brokers added to the network during the year.

India

REA India has delivered an impressive performance for the year, with revenue growth of 46% to $78.8 million. Revenue growth was driven by Housing.com's property advertising business, which benefited from upselling customers to higher yielding premium products and increased customer growth. Revenue has also benefited from growth in Housing Edge products which has an associated cost of goods sold. Continued focus on search engine optimisation, improved mobile experience and targeted marketing has driven audience growth of 28% YoY[11]. Housing.com has maintained the #1 audience share throughout FY23[12] and grown its lead over the closest competitor [13].

4 Nielsen Digital Content Ratings (Monthly Total), Jul 22 – Jun 23 (average), P2+, Digital (C/M), text, Real Estate/Apartments subcategory, Unique Audience.
5 Nielsen Digital Content Ratings (Monthly Tagged), Jul 22 – Jun 23 (average), P2+, Digital (C/M), text, realcommercial.com.au, commercialrealestate.com.au. Unique Audience.
6 Nielsen Digital Content Ratings (Monthly Tagged), Jul 22 – Jun 23 (average), P2+, Digital (C/M), text, realestate.com.au, Domain. Total Sessions.
7 Nielsen Digital Content Ratings (Monthly Tagged), Jul 22 – Jun 23 (average), P2+, Digital (C/M), text, realestate.com.au, Unique Audience.
8 Nielsen Digital Content Ratings (Monthly Tagged), Jun 23, P18+, Digital (C/M), text, realestate.com.au, Active Reach %.
9 REA internal data Jul 22 - Jun 23 vs. Jul 21 - Jun 22.
10 Nielsen Digital Content Ratings (Monthly Tagged), Jul 22 – Jun 23 (average), P2+, Digital (C/M), text, realcommercial.com.au, commercialrealestate.com.au. App Launches.
11 Similarweb, average site visits Jul 22 – Jun 23 vs. Jul 21 – Jun 22 – excludes app.
12 Similarweb, average site visits Jul 22 – Jun 23 vs. nearest competitor - excludes app.
13 Similarweb, average site visits Jul 22 - Jun 23 vs. nearest competitor and compared to Jul 21 - Jun 22 – excludes app.

Directors' Report

continued

International

The International segment includes our equity accounted strategic investments comprising Move, Inc. ("Move") and PropertyGuru Group Limited ("PropertyGuru").

Move

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

Move, Inc. primarily operates realtor.com®, a premier real estate information services marketplace, under a perpetual agreement and trademark licence with the National Association of Realtors®, the largest trade organisation in the USA.

realtor.com® is a leading property portal in the United States, the world's largest real estate market. Move revenue declined by 15% in FY23, impacted by the current challenging macroeconomic environment in the United States, which has led to a 29% decline in leads and lower transaction volumes[14]. Move also took action to reduce its discretionary and employee operating costs. This resulted in a $6.2 million equity accounted loss, down from a $14.0 million[15] gain in the prior period.

PropertyGuru

The Group holds a 17.3% undiluted interest in PropertyGuru, Southeast Asia's leading PropTech company, which is listed on the New York Stock Exchange (NYSE) and operates in Singapore, Malaysia, Thailand, Indonesia and Vietnam. PropertyGuru contributed an equity accounted loss of $2.7 million[16] in FY23, an improvement from the $5.9 million loss in the prior period, with strong marketplace growth in all of its key markets[17].

Contributions from total equity accounted investments declined from a gain of $3.0 million in the prior year to a loss of $15.9 million[18].

State of affairs

In the Directors' opinion, other than the investment referenced in the operating and financial review of this report, there have been no significant changes in the state of affairs of the Group during the year.

Events since the end of the financial year

Details of any events that have arisen from 30 June 2023 to the date of signing this report that have significantly affected, or may significantly affect, the Group's operations, the results of those operations, or the Group's state of affairs, in future financial years are provided in Note 23.

Business 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, throughout their property journey.

REA 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 businesses, 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 being connected to a mortgage broker. The Group recognises the value mortgage brokers bring to people looking to finance their next property. The Group has over 1,050 brokers in market. REA's audience, brand strength and digital expertise provides a unique position for long-term growth within the financial services sector.

14 NewsCorp's Form 10-K stated in US Dollars for the 12-month period ended 30 June 2023.
15 From core operations excluding Move's restructuring costs.
16 From core operations excluding REA's share of revaluation gain from financial liabilities held by PropertyGuru.
17 PropertyGuru's Form 6-K in Singapore Dollars for the three-months ended 31 March 2023, twelve-months ended 31 December 2022 and nine-months ended 30 September 2022.
18 Includes, in addition to Move and PropertyGuru, 35.2% stake in Simpology Pty Limited, 37.1% in Realtair Pty Limited, 29.4% in CampaignAgent Pty Ltd and 26.8% in Managed Platforms Pty Ltd (all on an undiluted basis).

Directors' Report

continued

Business strategies and future developments (continued)

Property-related services

REA's strength lies in the ability to understand its audience and it is continually looking for new ways to create value for our customers and consumers and remove any barriers for them to be able to 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 provides a personalized 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 property journey.

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

Key risks

REA is driven by its purpose to 'change the way the world experiences property' through product innovation and investment. Having a clearly defined purpose provides the Group with opportunities to drive further value. REA follows accepted standards and guidelines for managing risk. The Group is committed to ensuring that a consistent and integrated approach is established at all levels and is embedded in the Company's processes and culture.

The REA Risk Management Framework comprises several important elements:

i. Identifying and analysing the main risks facing the Group.
ii. Evaluating those risks – making judgements about whether they are acceptable.
iii. Implementing and documenting appropriately designed controls to manage these risks.
iv. Testing of controls to ensure they are appropriately designed and operating effectively.
v. Planning for business interruptions and crises; and
vi. Ongoing monitoring, consultation, communication, and review.

The Executive Risk Committee oversees the implementation of the REA Risk Management Framework, ensuring management fulfils its risk management responsibilities and that risks are operating within the Risk Appetite Statement and Limits approved by the Board.

Key REA business risks include:

Risk	Risk Description	Controls/Monitoring
Cyber security & system stability and availability	Cybersecurity breaches, along with system stability and availability, given the online nature of the major part of our business and the amount of personally identifiable information (PII) we hold. Any security breach could result in the loss of consumer PII, corporate intellectual property (IP), site availability and service delivery which can impact our reputation and ability to meet objectives. Lack of availability or downtime of websites and apps can impact customer and consumer sentiment and REA's reputation. Significant interruptions to (including breaches of) third party systems on which REA relies could have a similar effect.	• A highly skilled cybersecurity team in place that focusses on preventative and detective capabilities and constantly monitors and responds to the ever-evolving cybersecurity threat landscape. • High availability architecture. • Detailed response plans in place that are frequently updated and rehearsed via simulations, coupled with disaster recovery plans. • Ongoing calendar of cyber security training and awareness activities for all staff. • Governance and oversight including through Executive Risk Committee and Board Audit, Risk & Compliance Committee updates.

Directors' Report

continued

Risk	Risk Description	Controls/Monitoring
Technology architecture risk	Fragmented and divergent architecture and ageing systems may impact REA's ability to meet the future needs of the business either via investment funding diversion or inflexibility and complexity of systems impacting speed to market.	• Product and infrastructure teams required to invest a specified proportion of their time on system custodianship activities. • Regular systems assessment undertaken to determine system health to inform investment requirements, with monitoring and reporting via the Executive Risk Committee.
Data governance and artificial intelligence (AI)	A failure to collect, use, store and secure PII in line with legal and consumer expectations may result in an erosion of trust, negative brand sentiment and possible regulatory penalties. Inadequate management of AI in a rapidly evolving environment (by REA or third parties it relies on) could result in adverse financial, regulatory and reputational impacts.	• REA continues to invest in data cataloguing to ensure the location of all PII within systems is well understood, to enable appropriate security controls to be deployed. • Investment in developing and deploying consent management platform to provide consumers with more visibility and optionality of consents. • Oversight and review from Data Governance Forum and Executive Risk Committee as well as the Audit, Risk & Compliance Committee. • AI governance forum in place to assess AI experiments as well as to recommend additional controls that may be required due to newly identified or increased risks.
Competition and disruption	The development of new technologies and increased competition from existing or new sites and apps, which could affect the existing business model.	• REA constantly monitors and assesses the competitive environment and any potential risks to the Australian and international operations and commits capital to invest in new initiatives through a rigorous capital allocation process. • REA's product and technology teams employ agile product and change delivery methodology that enables us to put into market new products and solutions, including in response to changes in the competitive landscape, in a timely way, adapting swiftly to customer and consumer feedback.

Directors' Report

continued

Risk	Risk Description	Controls/Monitoring
Talent and culture	The ability to attract and retain talent to drive a strong culture at REA is critical to our ability to deliver on strategy and business performance.	• Attraction and retention strategies including flexible work practices, competitive remuneration, wellbeing initiatives and leadership, learning and career development programs. • Regular employee engagement and culture pulse check-in surveys allow us to monitor our performance against targets and quickly act where we see any areas of concern. • Leveraging appropriate equity arrangements at various levels of the business to support longer-range retention. • Turnover metrics monitored and reported regularly. • Succession planning maintained and regularly updated for critical roles, underpinned by enterprise strategic workforce planning.
Economic	Volatility and adverse economic conditions such as rising interest rates, inflation outside of the RBA's target range for a sustained period, house price decline, global economic slowdown or recession and rising unemployment may have negative impacts on REA's business via a slowdown in our mortgage broking business (consumers' willingness and ability to acquire credit), reduction in real estate listings volumes, decline in new developments, reduced demand for commercial tenancies, increased demand for rental accommodation driving off-portal activity and increased arrears and/or payment defaults from customers including consumer borrowers.	REA closely monitors key economic data and key risk indicators and acts quickly to implement contingency plans, including through cost control measures, where adverse impacts to business forecasts are anticipated. Longer term, REA continues to invest in adjacencies and different markets to lessen the reliance on our core revenue generating business.

Directors' Report

continued

Key risks (continued)

Risk	Risk Description	Controls/Monitoring
Compliance and regulatory risk	REA's business operations are subject to a number of laws, policies and regulatory provisions across the jurisdictions in which we operate. These include, but are not limited to, laws governing the collection, storage and use of personal information; the provision of credit and credit assistance; anti-money laundering; anti-bribery and anti-corruption; sanctions; competition; and general consumer protections. Failure to adhere to legal or regulatory requirements (including failure to appropriately manage changes in the regulatory environment) could result in regulatory scrutiny, fines and licence implications that may negatively impact our delivery of services or financial position.	• All new staff required to complete mandatory compliance training along with a mandatory all staff annual refresher that covers all key compliance obligations. • Legal and compliance impacts are considered for all new change initiatives via a change risk assessment. • Formal regulatory change process in place to ensure regulatory change is identified, assessed and prioritised. • An externally hosted whistleblower alert line is available for employees and third parties to anonymously report any suspected fraudulent, illegal or unethical activity directly to the Chief Risk Officer and Board Audit, Risk & Compliance Committee Chair. • Appropriately skilled and dedicated resources to manage and monitor business processes including ethical procurement.
Investments and international operations	REA is exposed to other international markets via our investments in companies such as PropertyGuru Group Limited and Move, Inc. and majority shareholding in REA India. This results in risks specific to these markets including regulatory, legal, political and conduct risks, as well as economic, demographic and currency risks. Any changes in these markets with regard to regulations, market forces and market structure may adversely impact REA's investments. Additionally, REA makes investments domestically. Some of these entail integration into REA operations whereas others continue to operate independently. Those investments requiring integration pose a risk that the integration may be poorly executed resulting in systems, process or financial implications, as well as disruption to other key priorities arising from resourcing constraints.	• Formal and mature due diligence process undertaken prior to all investments and acquisitions. • Business integration undertaken via a formal program of work with steering committee governance. • Dedicated M&A and integration resources. • Ongoing reviews of investments to ensure they remain relevant to our business and are performing in line with expectations. • Board representation on key investments where majority shareholding is not present. • Majority shareholdings are integrated into REA, thus leveraging central corporate functions, capabilities, frameworks and policies.

Directors' Report

continued

Key risks (continued)

Risk	Risk Description	Controls/Monitoring
Sustainability and climate change	Significant reputational damage, and loss of business, could result if we fail to conduct our business in a sustainable manner that meets the environmental, social and governance expectations of our customers, consumers, franchisees, employees, shareholders and community. Climate change risk is not considered financially material in the short term, but climate change and broader sustainability concerns are an ongoing focus. REA's Sustainability Report addresses these issues. The costs of some sustainability commitments, such as decarbonisation initiatives and carbon neutrality, may increase significantly over time.	• In FY23, REA undertook a qualitative hot-spot scenario analysis to identify REA's climate related physical and transition risks. In FY24 in-depth analysis of prioritised climate-related physical and transition risks and opportunities to address and quantify business impacts will be completed. • REA has science-based aligned emission reduction targets. • We ensure our sustainable business practice expectations are reflected by our suppliers and partners via procurement practices and supplier contracts. • REA has committed to carbon neutrality and engages expert advisers to assist in managing the obligations and costs associated with that commitment. • In FY23, we submitted our 'Reflect' Reconciliation Action Plan to Reconciliation Australia. • We continue our longstanding Community Partnerships with Launch Housing, Orange Sky and The Big Issue.

Corporate Sustainability Statement

REA Group's commitment to responsible and sustainable business practices underpins everything we do. In September 2022, REA published its fourth Sustainability Report which is available on REA's website at www.rea-group.com/investor-centre.

REA's Sustainability Report details business activity and commitments across the areas of Environment, Social and Governance (**ESG**).

The Group's policies reflect the standards REA expects of its people and ensures that REA monitors and adheres to those standards. The Group values the opportunity to share the ESG activity and associated commitments in order to continually improve overall sustainability performance and play a role in creating positive change.

The Board is responsible for corporate governance and is committed to developing and implementing appropriate policies while adhering to a fundamental commitment to create and sustain long-term value for its shareholders and stakeholders. This is achieved through:

- Implementing sound corporate governance practices.
- Operating in a responsible manner towards employees through fair and equitable practices.
- Transparent reporting on operations and activities.
- Monitoring potential risks and applying mitigating policies and practices.
- Making a positive impact on the community; and
- Reducing our impact on the environment.

Directors' Report

continued

Key risks (continued)

Corporate Sustainability Statement (continued)

Corporate governance

REA is committed to being ethical, transparent and accountable. It believes this is essential for the long-term performance and sustainability of the Company and supports the interests of shareholders.

The Company's Board of Directors is responsible for ensuring that the Company has an appropriate corporate governance framework to protect and enhance company performance and build sustainable value for shareholders. This corporate governance framework acknowledges the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**'ASX Principles and Recommendations'**) and is designed to support business operations, deliver on strategy, monitor performance and manage risk.

The Corporate Governance Statement addresses the recommendations contained in the fourth edition of the ASX Principles and Recommendations and is available on REA's website at www.rea-group.com/corporate-governance. This statement should be read in conjunction with REA's website and the Directors' Report, including the Remuneration Report.

Environmental regulation

Good environmental practices and the impact that operations have on the environment are of great importance to REA. The Group is committed to adopting responsible environmental practices. The operations of the Group are not subject to any particular or significant environmental regulations under a Commonwealth, State or Territory law.

Sustainability

REA is committed to building a sustainable next generation business - this is reflected in our values and underpins everything we do. Our Sustainability program incorporates community partnerships, community programs (internally known as 'Because We Care') and initiatives aligned with our commitment to the environment. We also report more broadly on ESG matters in our Sustainability Report, which we have been publishing each year since FY19.

In June 2023, the International Sustainability Standards Board (ISSB), issued its first two International Financial Reporting Sustainability Disclosure Standards, which mark the culmination of the work of the Task Force on Climate Related Disclosures (TCFD). The ISSB reporting is expected to be mandatory for REA from FY25 with the requirements consistent with the recommended disclosures published by the TCFD.

REA's community partnerships are aligned with our purpose, which is to change the way the world experiences property. This includes initiatives to assist and support people experiencing or at risk of homelessness. We have multi-year partnerships with charities focused on the issue of homelessness and have extended our relationships with Launch Housing, Orange Sky Australia and The Big Issue through to 30 June 2024.

Our Because We Care program encourages and supports our people to give back to causes that are important to them. They can do this through matched payroll giving, our volunteer bank, employee community grants, our Melbourne office's community café, parking in our Melbourne and Sydney offices and the Hack it Forward Award as part of REAio Hack Days.

FY23 is the fourth consecutive year we will achieve Climate Active carbon neutral certification and we continue to make progress with our carbon emissions reduction program, as well as the commitments we've made in our Climate Change policy.

Highlights from REA's sustainability program in FY23:

Environment

- **Task Force on Climate Related Financial Disclosures** – Continued progress toward aligning with the TCFD framework. In FY23 REA undertook a qualitative scenario analysis of climate related risks and opportunities as part of our TCFD implementation roadmap and in preparation for the introduction of ISSB reporting.
- **Renewable Energy** – In FY23 REA moved to GreenPower accredited renewable energy across most REA locations in Australia and installed 190.9 kWp solar panels for our Church Street Headquarters.
- **Climate Active carbon neutral certification** – The Group is undergoing carbon neutral certification through Climate Active for the fourth consecutive year. We have committed to reducing our carbon emissions in line with our carbon emission reduction targets and achieving carbon neutral certification annually.
- **E- waste** – REA is committed to reducing waste from our operations aligned with our climate change policy. In FY23 we increased the e-waste recycling stations in our Australian offices, adding TerraCycle e-waste bins in Adelaide, Perth, Brisbane and Sydney.

Social

- **Diversity, Equity and Inclusion** – REA has developed partnerships with expert organisations, The Field and Amaze, to drive accessibility and inclusion for people who live with disability and for neurodivergent people. In FY23 REA Australia was the only large Australian organisation to be included in the Great Place to Work and Best Workplace for Women list.

Directors' Report

continued

Key risks (continued)

Corporate Sustainability Statement (continued)

- **Great Place to Work** – REA Group Australia was certified as a Great Place to Work for 2023, marking the third consecutive year of this recognition. REA India was also ranked 3rd amongst the Top 100 Best companies to work for in India. Both these certifications are significant as they demonstrate our commitment to fostering a high quality and enriching employee experience that contributes to the high-performance culture year after year.
- **Reconciliation Action Plan (RAP)** – In FY23 REA submitted our first Reflect Reconciliation Action Plan to Reconciliation Australia.
- **Because We Care program (FY23)**
  - Matched Payroll Giving - $189,542 in combined employee and company matched donations.
  - Employee Community Grants – distributed 45 employee community grants valued at $43,904, bringing the total number of grants distributed to 430 and valued at $481,994 since the program began.
  - Volunteer Leave – 164 days, a 221% YoY increase.
  - Donations from our Community Café & parking – $74,941 donated to charity.
- **Community partnerships** – REA continued its financial and in-kind support to Launch Housing, Orange Sky Australia and The Big Issue. The National Rapid Rehousing Fund REA Group created with Launch Housing in 2015 provided financial support to more than 5,757 women and children since inception.
- **Mortgage Choice Charity Foundation** – In July 2022, the Mortgage Choice Charity Foundation (**MCCF**) was launched largely funded by brokers opting in to contribute $5 per loan over $100,000. The MCCF has raised $346,160 for charitable organisations in FY23. REA's support for the MCCF national charity resulted in 3,200 families and 6,552 children supported to escape family and domestic violence situations.

Governance

- **Cyber Security** – REA continues to increase investment and resourcing in cyber security. In FY23 we delivered a material security maturity uplift to our Mortgage Choice business aligned to the NIST Cybersecurity Framework (CSF) and maintained ISO 27001 certification for our Proptrack business.
- **Privacy** – REA is committed to adhering to privacy best practices and in FY23 we established an Enterprise Privacy Program and dedicated privacy squads to ensure REA maintains the trust of consumers.
- **Supplier Governance** – In FY23 REA introduced One Trust, our supplier due diligence tool which streamlined our critical governance processes for supplier onboarding, due diligence, contract approval and payment setup.
- **FTSE4Good Index** – REA Group has been included as a constituent company in the FTSE4Good Index for the 3rd year in a row. The FTSE4Good Index Series is FTSE Russell's flagship sustainable and responsible investment indexes which comprise companies with strong ESG practices. FTSE Russell is a part of London Stock Exchange Group and a leading global provider of benchmarks, analytics and data solutions.
- **MSCI ESG rating** – REA maintained our AA rating for a second year in a row classifying REA as a leader in the interactive media and service industry.

Directors' qualifications, experience, and special responsibilities

The names of Directors and details of their qualifications, experience and special responsibilities can be found on pages 34 and 35 of this report.

Details of the number of Board and Board Committee meetings held during the year and Directors' attendance at those meetings are shown on page 36 of this report.

Details of directorships of other listed companies held by each current Director in the three years before the end of the 2023 financial year are listed on pages 34 and 35 of this report.

Directors' shareholdings in the Company

The relevant interests of each director in shares of the Company or a related body corporate as at the date of this report are disclosed in the Remuneration Report.

Company Secretary's qualifications and experience

Tamara Kayser was appointed REA Group's General Counsel and Company Secretary in November 2020. Ms Kayser (LLM, LLB (Hons), BCom, GAICD) is a corporate lawyer with over 20 years of legal and governance experience. Immediately prior to joining REA, Ms Kayser held the position of Group General Counsel at Incitec Pivot Limited. Before that, she practised as a lawyer at King & Wood Mallesons in Australia and Linklaters in London.

Directors' Report

continued

Indemnification and insurance of directors and officers

The Company's constitution requires the Company to indemnify current and former directors and certain other officers to the full extent permitted by law. Accordingly, the Company has entered a standard form Deed of Access, Insurance, and Indemnity with each of the Company's Directors, Company Secretary, Chief Financial Officer and certain other executives, indemnifying them against liabilities they may incur in the performance of, or in connection with, their role as officers of REA Group Ltd to the maximum extent permitted by law. No officer of the Company has received benefits under an indemnity from the Company during or since the end of the financial year. The Company has paid premiums in respect of contracts insuring current and former directors and officers of the Company and its controlled entities, and certain Group personnel serving as officers of associates, against liability incurred in that capacity, including liability for costs and expenses incurred in defending civil or criminal proceedings involving them as such officers, with certain exceptions. The terms of the policies prohibit disclosure of the details of the liability covered and the premium paid.

During the year the Group has been covered under the Directors & Officers (**D&O**) insurance policy for the News Corp Group of companies.

Indemnification of auditors

The Group has agreed to indemnify its auditors, Ernst & Young Australia, to the extent permitted by law, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the end of the financial year.

Auditor and non-audit services

Ernst & Young continues in office as the Group's auditor.

The Company may decide to employ the external auditor on assignments additional to its statutory audit duties where the auditor's expertise and experience with the Company and/or the Group are important.

The Board of Directors has considered the position and, in accordance with advice received from the Audit, Risk & Compliance Committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001* (Cth). The Directors are satisfied that these services did not compromise the auditor independence requirements of the *Corporations Act 2001* (Cth) for the following reasons:

- Non-audit services have been reviewed by the Audit, Risk & Compliance Committee, in line with the Committee Charter, to ensure they do not impact the impartiality and objectivity of the auditor; and
- None of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*.

During the year, the following fees were paid or payable for non-audit services provided by the external auditor (Ernst & Young) of the parent entity and its related practices:

Consolidated Group	2023 $	2022 $
Category 2 fees – assurance services required by legislation to be provided by auditor	**17,000**	13,000
Category 3 fees – other assurance services	**15,000**	12,000
Category 4 fees – other services	**339,597**	313,648
Total remuneration for non-audit services	**371,597**	338,648

Further details on the fee categories and compensation paid to Ernst & Young are provided in Note 21 to the Financial Statements.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* (Cth) is set out on page 51.

Proceedings on behalf of the Company

No application has been made under section 237 of the *Corporations Act 2001* (Cth) in respect of the Company, and there are no proceedings that a person has brought or intervened in on behalf of the Company under that section.

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* (Cth). Amounts in the Directors' Report and the accompanying 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

Ernst & Young
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Melbourne VIC 3000 Australia
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Fax: +61 3 8650 7777
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Auditor's independence declaration to the directors of REA Group Ltd

As lead auditor for the audit of the financial report of REA Group Ltd for the financial year ended 30 June 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 audit;

b. No contraventions of any applicable code of professional conduct in relation to the audit; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

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

Ernst & Young

Ernst & Young

Alison Parker
Partner
11 August 2023

Remuneration Report

Dear Shareholder,

On behalf of the Board, I am pleased to present our Remuneration Report for the financial year ended 30 June 2023.

REA Group in FY23 – resilient result in challenging conditions

REA Group continued the execution of our strategy in FY23, engaging our leading consumer audience, delivering exceptional value for our customers and leveraging our unique property data. We completed the integration of our financial services businesses and our Indian business performed strongly, significantly increasing revenue, customers and audience.

Activity in the Australian property market was subdued in FY23 with consecutive interest rate rises resulting in uncertain market conditions and lower listing volumes. Despite these challenges, REA Group's performance demonstrated the resilience of our business and the strong focus and commitment of our team. Core revenues were well supported by the strength of our premium product offering, and the scale and engagement of our leading audience.

The Group delivered revenue growth of 1% in FY23, while EBITDA from core operations excluding associates declined 3%. The company's performance has enabled the Board to determine a total dividend of 158 cents per share for the 2023 financial year, down 4% on the prior year.

The millions of people who engage with our platforms each month are key to the Group's success and we are Australia's number one address in property, across every market. In FY23, an average of 12.1 million Australians visited realestate.com.au each month and over half of this audience used our platform exclusively. We have continued the strong growth of our valuable active member group, increasing 18% YoY. Our REA India business increased market leadership throughout the year with record audiences visiting the flagship site, Housing.com.

Building next generation marketplaces is core to our strategy and in FY23, product and brand investment in our Mortgage Choice business resulted in broker network growth and the business winning several industry awards. We took significant steps towards our aim of creating Australia's number one property data, valuations and insights business, leveraging our unique data to power products and experiences across the Group. We also built a strong foundation for our dedicated property research platform, property.com.au in line with our objective of improving transaction confidence by addressing the challenges faced by Australia's sellers and buyers.

REA Group's people are crucial to the success of the business and the Group's leadership team strives to foster a high-performance culture with sustainability at the fore. REA was recognised as one of Australia's best workplaces by Great Place to Work, ranking fourth overall in the large company category for the second consecutive year, and our REA India business was recently ranked third among the best companies to work for by Great Place to Work India. Our annual engagement score held strong at 87%, while 94% of our employees said they would recommend REA Group as a great place to work. Furthermore, REA Group was certified carbon neutral through Climate Active for the third consecutive year, and we maintained an AA MSCI ESG rating, classifying REA as a leader in the interactive media and service industry.

Remuneration in FY23 – reward for performance

No changes were made to the remuneration framework in FY23. The Human Resources Committee is undertaking a review of the incentive plans to ensure that REA Group has a robust and fit for purpose remuneration framework that serves the organisation well. It appropriately balances competitive fixed pay levels to reward core performance, has a short-term incentive **(STI)** that underpins the achievement of our annual budget and strategic plan, and a long-term incentive **(LTI)** that is focused on delivering top and bottom-line growth.

In light of our performance, the Board approved the following outcomes:

- STI outcomes for the year were 48.3% of maximum for the CEO and 54.5% of maximum for the CFO.
- LTI outcomes for the period 1 July 2020 to 30 June 2023 vested at 61.6% of maximum.

I invite you to read the Remuneration Report and welcome your feedback and support of our Board and the Committee in its endeavors to attract, retain and motivate a top team of talented executives.

Yours sincerely,

Mr Nick Dowling
Chair Human Resources Committee

Remuneration Report

continued

This report details REA Group's remuneration framework and outcomes for Key Management Personnel (**KMP**) for the financial year ended 30 June 2023. This report forms part of the Directors' Report for this period.

1. Introduction and scope of report

The information provided in the Remuneration Report has been audited as required by section 308(3C) of the *Corporations Act 2001*.

This Remuneration Report for the 2023 financial year outlines the remuneration arrangements in place for KMP of REA Group Ltd and its controlled entities (the **Group**), which comprises all Directors (executive and non-executive) and those executives who have authority and responsibility for planning, directing and controlling the activities of the Group.

The following executives of the Group were classified as KMP during the 2023 financial year and unless otherwise indicated were classified as KMP for the entire year.

Executive Directors	
Owen Wilson	Chief Executive Officer
Senior Executives	
Janelle Hopkins	Chief Financial Officer
Non-Executive Directors	
Hamish McLennan	Chairman
Nick Dowling	Independent Director
Tracey Fellows	Director
Richard J Freudenstein	Director
Jennifer Lambert	Independent Director
Michael Miller	Director
Kelly Bayer Rosmarin	Independent Director
Marygrace DeGrazio	Alternate Director (for Richard Freudenstein)

2. Role of the Human Resources Committee

The Human Resources Committee (**HR Committee**) is responsible for reviewing and making recommendations to the Board on the remuneration arrangements for non-executive Directors, the Chief Executive Officer (**CEO**), the Chief Financial Officer (**CFO**) and other executives. Further information on the HR Committee's role and responsibilities is contained in its Charter, which is available on the Group's website at www.rea-group.com.

2.1 Use of remuneration consultants

To assist in performing its duties, and making recommendations to the Board, the HR Committee may seek independent advice and data from external consultants on various remuneration related matters. The HR Committee follows protocols around the engagement and use of external remuneration consultants to ensure compliance with the relevant executive remuneration legislation. Any remuneration recommendations and data are provided by the external consultant directly to the Chair of the HR Committee.

During the financial year, external advisors were engaged to provide services to the HR Committee relating to senior executive remuneration benchmarking data. No remuneration recommendations were made by external consultants in FY23.

Remuneration Report

continued

3. Executive remuneration philosophy and framework

The Group's executive remuneration philosophy is founded on the objectives of:

- driving desired leadership behaviours.
- recognising both individual and organisational performance, with measures that are focused on achieving the Group's longer term corporate plans.
- generating acceptable returns for shareholders; and
- rewarding executive performance for generating high growth returns above expected threshold levels.

The four core guiding principles of our executive remuneration framework approved by the Board are shown in the diagram below:

Remuneration Guiding Principles			
Shareholder aligned	Rewards for high performance	Consistency & transparency	Simplicity

3.1 Remuneration structure

Executive total remuneration is made up of the following three components:

Component	What is it?	How does it link to strategy & performance?
Fixed Annual Remuneration (FAR)	FAR consists of base compensation and statutory superannuation contributions. KMP may also elect to have other benefits provided out of their FAR, including additional superannuation and the provision of a motor vehicle.	• Provides competitive ongoing remuneration in recognition of day-to-day accountabilities.
Short Term Incentive (STI)	The STI Plan is a combination of a cash award and deferred equity that involves linking specific financial and non-financial targets with the opportunity to earn incentives based on a percentage of fixed salary.	• Rewards delivery of key strategic and financial objectives in line with the annual business plan. • Enables differentiation of reward on the basis of individual performance. • Ensures annual remuneration is competitive.
Long Term Incentive (LTI)	The LTI Plan is designed to link long-term executive reward with ongoing creation of shareholder value, with the allocation of equity awards which are subject to satisfaction of long-term performance conditions.	• Rewards delivery against longer-term strategy and sustained shareholder value creation. • Provides greater alignment between shareholder and executive outcomes.

Details on each of the individual components are set out in section 5 of this report.

Remuneration Report

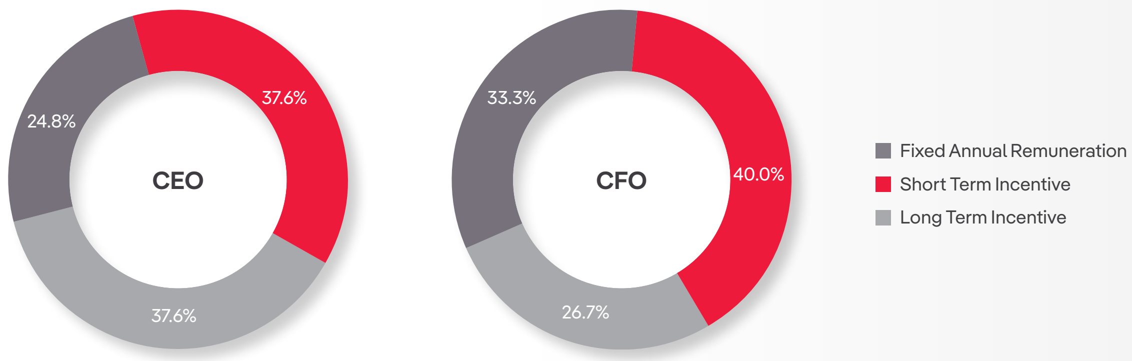
continued

3. Executive remuneration philosophy and framework (continued)

3.2 Remuneration mix

Remuneration mix refers to the proportion of total remuneration that is made up of each remuneration component. The following diagram sets out the remuneration mix for each KMP at the maximum remuneration level, being the amount that would be paid for delivering stretch performance. Remuneration mix is presented based on contractual remuneration packages rather than actual remuneration received during the year.

Maximum Remuneration



4. Link between group performance, shareholder wealth and executive remuneration

A key underlying principle of the Group's executive remuneration framework is that executive remuneration outcomes should be linked to performance. Understanding REA Group's performance over both the 2023 financial year and the longer-term will provide shareholders and other interested stakeholders with important context when reviewing our remuneration framework and outcomes in more detail over the following pages of this report.

4.1 REA Group performance

Summary of Group performance

The table below summarises key indicators of the Group's performance and the effect on shareholder value over the past five years.

Key Indicators	2019	2020	2021	2022	2023
Revenue[1]	874.9	820.3	927.8	1,169.5	**1,183.2**
EBITDA[1]	501.2	475.6	564.8	673.5	**635.0**
Net profit after tax[2]	295.2	268.7	326.4	407.5	**372.2**
Earnings per share[3]	224.3c	204.1c	247.4c	308.5c	**281.7c**
Dividends per share	118.0c	110.0c	131.0c	164.0c	**158.0c**
Share Price at 30 June	$96.04	$107.88	$169.03	$111.83	**$143.03**

1 From core operations including share of associates ($'m).
2 From core operations attributable to the ordinary equity holders of the company ($'m).
3 From core operations attributable to the ordinary equity holders of the company.

Remuneration Report

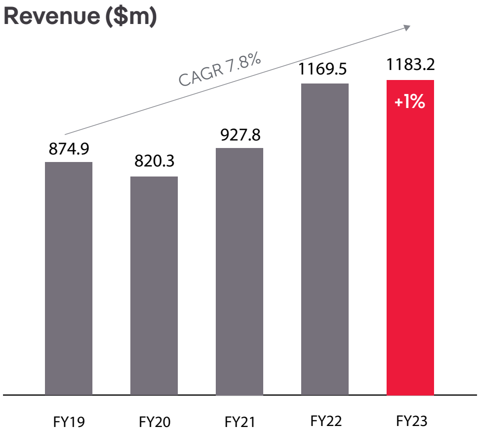
continued

4. Link between group performance, shareholder wealth and executive remuneration (continued)

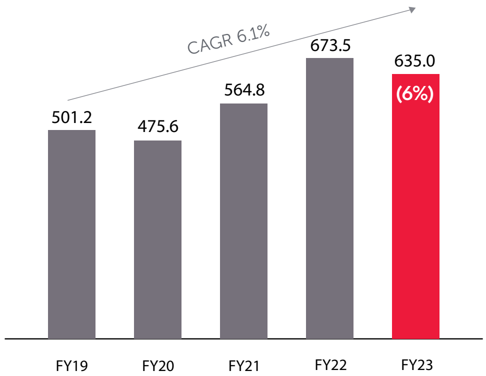
Compound Annual Growth & Share price performance

The Group delivered resilient result in challenging market conditions, and as detailed in the following graphs, has achieved positive revenue, EBITDA and earnings per share (**EPS**) compound annual growth rates (**CAGR**). REA Group Ltd's relative share price in comparison to the ASX 100 is also outlined below, showing that it has significantly outperformed the ASX 100 in the last four years.

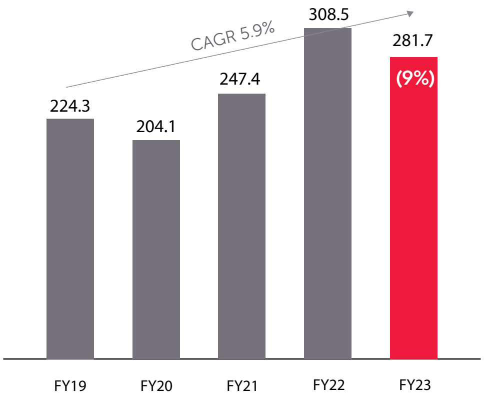
Revenue ($m)



EBITDA ($m)



EPS (cents)



Share Price Growth

4.2 KMP performance outcomes

The following table provides a summary of KMP financial and non-financial objectives and outcomes of the Group's 2023 STI Plan for the 2023 financial year:

Category	Objective	Outcome (vs target level except where otherwise stated)
Financial	Group revenue targets	41% of maximum
	Group EBITDA targets	37% of maximum
Consumer and customer satisfaction	Key consumer metrics – audience and consumer satisfaction	Met
	Customer satisfaction and loyalty metrics	Exceeded
	Adoption of product – impact on volume and revenue	Exceeded
Growth	PropTrack	Met
	Financial Services	Not Met
	REA India	Exceeded
People	Employee engagement	Met

Remuneration Report

continued

4. Link between group performance, shareholder wealth and executive remuneration (continued)

The following table sets out LTI Plan performance outcomes for the three-year performance period ended 30 June 2023:

Performance measure	Weighting	Target	Outcome[1]	% of maximum LTI payable
EPS CAGR	50%	281.5	277.0	23.75%
Revenue CAGR	25%	1,114.6	1,134.6	13.75%
Relative TSR	25%	62.5%	73.6%	24.10%
				61.6% achievement

1 The stated performance outcomes for EPS CAGR and Revenue CAGR include adjustments as a result of the Board's exercise of discretion under the existing terms of the LTI plan to reflect transactional activity during the performance period.

4.3 KMP remuneration outcomes

The following table sets out the STI outcomes for the 2023 financial year based on achievement of financial and non-financial objectives:

	Measure	Weighting	Target
Financial	Achieve REA Group Revenue target	Per 5.2	1,276.9
	Achieve REA Group EBITDA target	Per 5.2	719.2
Personal	Individually assigned in relation to specific measures, set annually by Board	Per 5.2	Delivery of measure

Executives	Actual STI payment	% of maximum STI payable
CEO	$1,246,140	48.3%*
CFO	$719,400	54.5%*

* 70% paid in cash and 30% deferred in restricted shares.

The following table sets out details of performance rights issued by REA Group Ltd, held by and granted to Mr Wilson and Ms Hopkins during the 2023 financial year under the LTI Plans along with the number of performance rights that vested and forfeited.

Consistent with the 2022 Remuneration Report and Notification of Meeting, discussion of incentive opportunities is presented at the maximum level as opposed to the past practice of target. The number of performance rights granted under the LTI Plan 2025 were at the maximum level to reflect this change in approach.

Remuneration Report

continued

4. Link between group performance, shareholder wealth and executive remuneration (continued)

	Balance at 1 July 2022	Granted during year[8]	Vested during year[1]	Forfeited during year[2]	Balance at 30 June 2023[3]	$ face value of rights at grant date
O Wilson						
Recovery Incentive Plan 2021/2022 (tranche 2)[4]	7,525	–	(815)	(6,710)	**–**	848,596
LTI Plan 2022 (Plan 13)[4]	8,342	–	(7,258)	(1,084)	**–**	800,000
LTI Plan 2023 (Plan 14)[5]	9,753	–	–	–	**9,753**	1,100,000
LTI Plan 2024 (Plan 15)	7,959	–	–	–	**7,959**	1,250,000
LTI Plan 2025 (Plan 16)[6]	–	19,931	–	–	**19,931**	2,580,000
Total	**33,579**	**19,931**	**(8,073)**	**(7,794)**	**37,643**	**6,578,596**
J Hopkins						
Recovery Incentive Plan 2021/2022	3,147	–	(340)	(2,807)	**–**	354,936
LTI Plan 2022 (Plan 13)	3,858	–	(3,356)	(502)	**–**	370,000
LTI Plan 2023 (Plan 14)[7]	2,926	–	–	–	**2,926**	330,000
LTI Plan 2024 (Plan 15)	2,738	–	–	–	**2,738**	430,000
LTI Plan 2025 (Plan 16)[6]	–	6,798	–	–	**6,798**	880,000
Total	**12,669**	**6,798**	**(3,696)**	**(3,309)**	**12,462**	**2,364,936**

1 The number of performance rights vested during the year is equal to the number of performance rights settled during the year.
2 Forfeited during the year as a result of underperformance compared to company targets.
3 The balance of performance rights at 30 June 2023 are unvested.
4 8,073 rights granted to O Wilson under Recovery Incentive Plan 2021/2022 (tranche 2) and LTI Plan 2022 (Plan 13) vested on 2 August 2022 and were converted into ordinary shares, with the remaining rights forfeited.
5 These rights granted to O Wilson comprise two separate awards: 7,093 rights were granted on 17 November 2020 with a total face value at grant date of $800,000; and 2,660 rights granted on 11 November 2021 with a total face value at grant date of $300,000. 9,753 units vested on 8 August 2023 and will be converted to ordinary shares. Additional shares will be acquired on-market to satisfy the above target achievement of LTIP 2023.
6 LTIP Plan 2025 performance rights were granted and are presented at the maximum level, as opposed to prior year practice of granting the number of performance rights at target vesting level.
7 2,926 units vested on 8 August 2023 and will be converted to ordinary shares. Additional shares will be acquired on-market to satisfy the above target achievement of LTIP 2023.
8 No cash amount is payable on the issue or vesting of each performance right as the performance rights form part of the remuneration of the CEO and CFO. Performance rights granted to the CEO during the year were approved by shareholders at the 2022 Annual General Meeting.

The table below sets out the details of the percentage performance achieved, and percentage vested against the applicable LTI Plan. Refer to section 5.5 for the percentage of total remuneration that consists of performance rights.

Plan	Grant date	Vesting date[1]	Value per performance right at grant date[2]	Maximum % achieved	Maximum % vested
LTI Plan 2023 (Plan 14)	17 November 2020	1 July 2023	$135.82 – $188.21	47.5% - 96.4%	61.6%
LTI Plan 2023 (Plan 14)	23 June 2021	1 July 2023	$164.77 – $277.38	47.5% - 96.4%	61.6%
LTI Plan 2023 (Plan 14)	11 November 2021	1 July 2023	$161.82 – $249.65	47.5% - 96.4%	61.6%
LTI Plan 2024 (Plan 15)	24 September 2021	1 July 2024	$164.17 – $167.47	To be determined	–
LTI Plan 2024 (Plan 15)	11 November 2021	1 July 2024	$151.91 – $160.06	To be determined	–
LTI Plan 2025 (Plan 16)	09 September 2022	1 July 2025	$71.36 – $118.31	To be determined	–
LTI Plan 2025 (Plan 16)	10 November 2022	1 July 2025	$56.09 – $106.16	To be determined	–

1 Subject to Board approval of the performance hurdles being met.
2 Value per grant date calculated using the Black Scholes model and Monte Carlo simulation option pricing model.

5. Executive remuneration components

5.1 How REA Group determines appropriate remuneration levels

As the Group continues to grow and diversify into different markets and business lines, it is important to check that the remuneration levels support the Group in attracting and retaining high-calibre talent within what is a competitive market. Executive remuneration is therefore reviewed on an annual basis.

Remuneration Report

continued

5. Executive remuneration components (continued)

Market positioning

How much is paid to each executive depends on a number of factors including the scope of their role and their overall contribution to the Group but, as a starting position, REA Group compares current fixed remuneration to the 60th percentile and target total remuneration to a position between the 60th and 75th percentiles in the market. This aligns with the Group's principle of rewarding for above threshold performance.

Benchmarking methodology

The HR Committee utilises market data provided by external consultants as part of the review process. Remuneration levels are compared to the following two comparator groups:

1. Size-based comparator group having regard to both revenue and 12-month average market capitalisation (excluding companies from outside our market for talent, e.g., resources sector); and
2. All companies within the ASX 10-50 and ASX 30-80 respectively.

This methodology provides the Group with a balanced approach which has regard to both company size and general ASX market practice in remuneration decision making. Full details of remuneration received during the 2023 financial year are detailed in section 5.5.

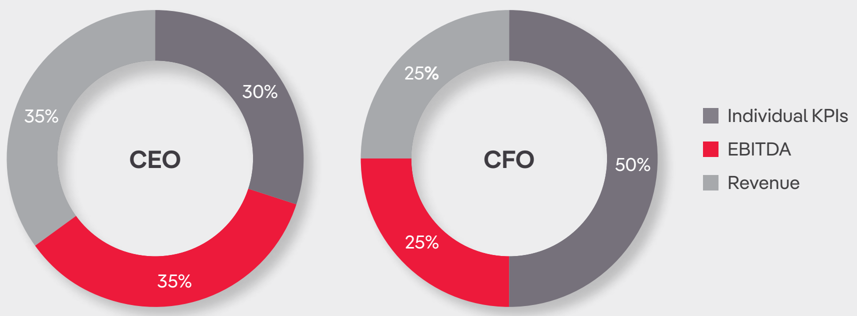
Setting remuneration for new KMP (or on promotion)

In addition to utilising benchmark information from our two comparator groups, when setting remuneration levels for new KMP (or on promotion), the Board considers the skills and experience of the new KMP (relative to the outgoing KMP where applicable) along with their current remuneration package (where applicable).

5.2 Short term incentive arrangements

The following table summarises the key components, operation, and outcomes of the Group's 2023 STI Plan and, as provided in the remuneration mix section, this table demonstrates annualised maximum opportunity for the CEO and CFO in their current roles:

Short Term Incentive Summary

KMP participants	CEO and CFO	
Award type	70% payable in cash and 30% deferred into restricted shares: • 50% of restricted shares will vest on the first trading day following the announcement of REA's 2024 full year financial results; and • 50% of restricted shares will vest on the first trading day following the announcement of REA's 2025 full year financial results.	
Performance period	One-year performance period beginning 1 July 2022 and ended on 30 June 2023	
When are performance conditions tested?	• Performance against financial measures is determined in line with approval of the Financial Statements at the end of the financial year. • Performance against non-financial measures within individual KPIs is determined after a review of executive performance by the CEO, in consultation with the HR Committee and, in the case of the CEO, by the Board.	
Performance metrics and weightings		
Maximum	$2,580,000	$1,320,000
Relationship between performance and payment	Individual performance is determined based on performance against KPIs, with the individual component paying out between 0% and 100% of maximum.	
Calculation of outcome STI Plan 2023	Revenue Outcome + EBITDA Outcome + Individual Outcome = STI Plan Outcome	

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continued

5. Executive remuneration components (continued)

Why were these performance measures chosen?
The Board considers the financial measures to be appropriate as they are aligned with the Group's objective of delivering profitable growth and, ultimately, improved shareholder returns. The non-financial performance measures for the CEO have been set by the Board to drive strategic initiatives, leadership performance and behaviours consistent with the Group's overall business strategy. The CEO sets individual and business key performance indicators for the executive team.

5.3 Long term incentive

The following table summarises the key components and operation of the Group's LTI plan:

Long Term Incentive Summary

KMP participants	CEO and CFO	
Award type	Performance rights	
Performance period	The performance rights allocated during the year are subject to a three-year performance period beginning 1 July 2022 and ending on 30 June 2025. The Group refers to this grant as the "LTI Plan 2025" as the performance period ends in FY25.	
Performance metrics	**Metric**	**Weighting**
	CAGR – Revenue	25%
	CAGR – EPS	50%
	rTSR	25%
When are performance conditions tested?	Incentive payments are determined in line with the approval of the Financial Statements at the end of the performance period.	
How is the LTI grant determined?	The number of performance rights issued to each executive is calculated by dividing their 'maximum LTI' value by the value per right. The value per right is determined on a face value basis using a 10-day volume-weighted average price (VWAP) of Company shares traded on ASX over the period 2 August to 15 August 2022, representing the five working days before, and the five working days after annual results. Each performance right is a right to acquire one share in REA Group Ltd upon vesting.	
Maximum LTI value	**CEO**	**CFO**
	$2,580,000 delivered in performance rights	$880,000 delivered in performance rights
Relationship between performance and vesting	**EPS and Revenue** The following vesting schedule applies to the Revenue and EPS hurdles for the LTI Plan 2025 granted this year.	
	Performance level	**% of maximum awards vesting**[1]
	Below Threshold	0% vesting
	Threshold	30% vesting
	Target	50% vesting
	Stretch (at or above)	100% vesting

Remuneration Report

continued

5. Executive remuneration components (continued)

Long Term Incentive Summary

rTSR

Relative TSR compared to a select group of 39 ASX150 companies (excluding mining and resources, energy and infrastructure, materials, industrials and healthcare companies) measured over the period 1 July 2022 to 30 June 2025.

The peer group at the beginning of the performance period for the rTSR performance hurdle comprised the following companies, noting that the Board has discretion to adjust the comparator group to take account of events such as takeovers and demergers:

- Altium
- Appen
- Aristocrat Leisure
- carsales.com.au
- Charter Hall Group
- Coles Group
- Computershare
- Crown Resorts
- Dexus
- Domain
- Domino's Pizza Enterprises
- Flight Centre Travel Group
- Goodman Group
- GPT Group
- JB Hi-Fi
- Lendlease Group
- Link Administration Holdings
- Metcash
- Mirvac Group
- National Storage
- NextDC
- Nine Entertainment Company
- Scentre Group
- SEEK
- Shopping Centres Australia Property Group
- Stockland
- Super Retail Group
- Tabcorp Holdings
- Telstra Corporation
- The a2 Milk Company
- The Star Entertainment Group
- TPG Telecom
- Treasury Wine Estates
- Unibail-Rodamco-Westfield
- Vicinity Centres
- Wesfarmers
- Wisetech Global
- Woolworths Group
- Xero

The following vesting schedule applies to the rTSR hurdles for the LTI Plan 2025 granted this year

Performance level	% of maximum awards vesting[1]
Below Threshold	0% vesting
Threshold (Median)	37.5% vesting
Target (62.5th percentile)	50% vesting
Stretch (at or above 75th percentile)	100% vesting

1 Vesting continues on a straight-line basis between threshold and target and then again between target and stretch levels of performance.

Why were these performance conditions chosen?

The Board considers the combination of the Revenue and EPS hurdles to be an appropriate counterbalance to ensure that any 'top line' growth is long term focused and balanced with an improvement in earnings.

In particular, revenue is considered to be an appropriate hurdle given that the Group continues to pursue growth.

Additionally, the Board selected EPS as a performance measure on the basis that it:

- is an indicator of increasing shareholder value; and
- provides an appropriate balance to the revenue target, as revenue growth needs to be pursued in a way that grows earnings.

Relative Total Shareholder Return (rTSR) was again chosen as a performance condition to provide a direct link between the experience of the Company's shareholders and executive long-term rewards.

In assessing achievement against these performance conditions, the Board may have regard to any matters that it considers relevant, and retains discretion to review and adjust outcomes to ensure that the results are appropriate.

Are there any restrictions placed on the rights?

Group policy prohibits executives from entering into transactions or arrangements which operate to transfer or limit the economic risk of any securities held under the LTI Plan while those holdings are subject to performance hurdles or are otherwise unvested.

Remuneration Report

continued

5. Executive remuneration components (continued)

What happens in the event of a change of control?
In accordance with the LTI Plan rules, the Board has discretion to waive any vesting conditions attached to the performance rights in the event of a change of control.

What happens if the executive ceases employment?
Unvested performance rights lapse on cessation of employment except to the extent that the Board exercises a discretion to allow them to remain on foot. Generally, where the Board has exercised its discretion in the past it has done so where REA Group has terminated an executive's employment with notice (a 'good leaver') and in that circumstance has allowed retention of a pro-rata portion (by reference to time served in the performance period), with the unvested rights continuing until the usual performance testing date, without acceleration of vesting.

5.4 Service agreements

The table below sets out the main terms and conditions of the employment contracts of the CEO and CFO. All contracts are for unlimited duration.

Title	Notice Period / Termination Payment
CEO / CFO	• 9 months for the CEO and 6 months for the CFO (or payment in lieu) • Immediate termination for misconduct, breach of contract or bankruptcy • Statutory entitlements only for termination with cause • Where employment terminates prior to STI or LTI vesting due to resignation or termination for cause, all holdings and short-term incentive payments are forfeited, with the exception of Restricted Shares issued under STIP Deferral, which are subject to forfeiture only in more limited circumstances. Good leaver provisions apply as detailed in Section 5.3

5.5 Executive remuneration table

The following table provides the statutory remuneration disclosures for executive KMP for FY23, prepared in accordance with Australian Accounting Standards.

	Short term employee benefits									
KMP	Salary	STI Plan[1]	Other[4]	Post-employment benefits[5]	Long term employee benefits	Deferred STI Plan[2]	LTI Plan[3]	Total	Performance related %	LTIP %
O Wilson										
2023	**1,674,708**	**872,298**	**–**	**25,292**	**43,474**	**308,913**	**1,685,273**	**4,609,957**	**62%**	**37%**
2022	1,626,432	1,243,283	–	23,568	98,448	496,888	835,496	4,324,115	60%	19%
J Hopkins										
2023	**1,074,708**	**503,580**	**–**	**25,292**	**18,910**	**186,069**	**570,357**	**2,378,916**	**53%**	**24%**
2022	946,432	569,952	–	23,568	7,366	223,120	356,233	2,126,671	54%	17%
Total										
2023	**2,749,415**	**1,375,878**	**–**	**50,584**	**62,384**	**494,982**	**2,255,630**	**6,988,873**	**59%**	**32%**
2022	2,572,864	1,813,235	–	47,136	105,814	720,008	1,191,729	6,450,786	58%	18%

1 STI Plan represents accrued payment for the current year net of under/over accrual from prior year.
2 Deferred STI Plan represents restricted shares awarded in the Group's STI Plan net of under/over accrual from prior year.
3 LTI Plan represents accrued expenses amortised over vesting period of grant. Refer to Note 15 of the Financial Statements.
4 Other includes non-monetary benefits.
5 Post-employment benefits relates to Australian superannuation contributions.

6. Non-executive director remuneration

6.1 Policy

Overview of policy
The Board seeks to set the fees for the Non-executive Directors at a level which provides the Company with the ability to attract and retain Directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

During 2023 the Board's policy was that the Chairman and Directors – other than current News Corp employees – receive remuneration for their services as Directors.

Remuneration Report

continued

6. Non-executive director remuneration (continued)

Promote independence and objectivity
The Chairman and Non-executive Director remuneration consists only of fixed fees (inclusive of superannuation).

To preserve independence and impartiality, Non-executive Directors do not receive any performance related compensation.

Aggregate fees approved by shareholders
The current aggregate fee pool for the Non-executive Directors of $1,900,000 was approved by shareholders at the 2021 AGM.

Board and Committee fees, as well as statutory superannuation contributions made on behalf of the Non-executive Directors, are included in the aggregate fee pool.

Regular reviews of remuneration
The Chairman and Non-executive Director fees are reviewed regularly and set and approved by the Board based on benchmarking, undertaken by external consultants, against other ASX companies of a comparable size. The last increases to Chairman and Non-executive Director fees were effective 1 July 2021.

6.2 Non-executive Director fees

The table below shows the structure and level of annualised Non-executive Director fees.

Fee applicable	Year	Chair $	Member $
Board	**2023**	**575,000**	**195,000**
	2022	575,000	195,000
Audit, Risk & Compliance Committee	**2023**	**50,000**	**25,000**
	2022	50,000	25,000
Human Resources Committee	**2023**	**41,000**	**22,000**
	2022	41,000	22,000

6.3 Non-executive Director remuneration

Details of remuneration for the Chairman and other Non-executive Directors are set out in the table below.

Remuneration applicable	Year	Fees and allowances $	Post-employment benefits[3] $	Total[4,5] $
H McLennan (Chairman)	**2023**	**549,708**	**25,292**	**575,000**
	2022	551,432	23,568	575,000
N Dowling	**2023**	**213,575**	**22,425**	**236,000**
	2022	214,545	21,455	236,000
T Fellows[1]	**2023**	**143,967**	**15,117**	**159,083**
	2022	–	–	–
R Freudenstein[2]	**2023**	**207,391**	**21,776**	**229,167**
	2022	220,000	22,000	242,000
J Lambert	**2023**	**241,708**	**25,292**	**267,000**
	2022	243,432	23,568	267,000
K Bayer Rosmarin	**2023**	**199,095**	**20,905**	**220,000**
	2022	100,000	10,000	110,000
K Conlon	**2023**	**–**	**–**	**–**
	2022	80,834	8,083	88,917
Total	**2023**	**1,555,443**	**130,807**	**1,686,250**
	2022	1,410,243	108,674	1,518,917

1 From 1 October 2022, Ms Fellows was entitled to receive director remuneration given her retirement as a News Corp executive effective 30 September 2022. Ms Fellows became a member of the Human Resources Committee on 1 December 2022.
2 R Freudenstein ceased serving as a member of the Human Resources Committee on 1 December 2022.
3 Post-employment benefits relates to Australian superannuation contributions.
4 M Miller was not entitled to receive any director remuneration as he is a current News Corp employee.
5 M DeGrazio (Alternate Director) received no remuneration during the years ended 30 June 2023 and 30 June 2022.

Remuneration Report

continued

7. Shareholdings of key management personnel and Board of Directors

The numbers of ordinary shares in the Company held during the financial year (directly and indirectly) by each Non-executive Director and KMP of the Group, including their related parties, are set out below[1]:

	Balance at 1 July 2022	Received upon vesting[3]	Purchase / (Sale) of shares	Balance at 30 June 2023[2,5]
Executives				
O Wilson	18,388	9,613	–	**28,001**
J Hopkins	1,789	4,599	–	**6,388**
Non-executive directors				
H McLennan	1,095	–	–	**1,095**
N Dowling	756	–	–	**756**
T Fellows[4]	7,386	–	–	**7,386**
R Freudenstein	1,470	–	–	**1,470**
J Lambert	400	–	–	**400**
K Bayer Rosmarin	146	–	–	**146**

1 If KMP or non-executive director is not listed in the table, there are no shares held.
2 Includes shares held directly, indirectly, or beneficially by KMP.
3 Includes the vesting of performance rights, and the release of restricted shares.
4 T Fellows also holds 46,850 Class A shares (2022: 53,224), 66,453 (2022: 112,218) Unvested Performance Share Units and 30,839 (2022: 67,873) Restricted Stock Units in News Corporation.
5 M DeGrazio holds 21,722 Class A shares (2022: 13,273) and 32,279 (2022: 26,662) Restricted Stock Units in News Corporation.

The table below sets out the number and movement of Restricted Shares issued by REA Group Ltd and held by executives. Restricted Shares are generally issued under STIP Deferral (Restricted Equity):

	Balance at 1 July 2022	Granted/ acquired[1]	Received upon vesting	Balance at 30 June 2023
Executives				
O Wilson	1,540	4,116	(1,540)	**4,116**
J Hopkins	910	1,887	(903)	**1,894**

1 Restricted Shares granted on 20 September 2022 under the Group's 2023-24 Deferred STI Share Plan, with 50% vesting on the first trading day following the announcement of REA's 2023 full year financial results and 50% vesting on the first trading day following the announcement of REA's 2024 full year financial results.

Declaration

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

Mr Hamish McLennan
Chairman

Mr Owen Wilson
Chief Executive Officer

Melbourne
11 August 2023

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Consolidated Income Statement

for the year ended 30 June 2023

	Notes	2023 $M	2022 $M
Revenue from property and online advertising	3	**1,122.3**	1,102.3
Revenue from financial services	3	**270.1**	316.2
Expense from franchisee commissions	3	**(209.2)**	(258.3)
Revenue from financial services after franchisee commissions		**60.9**	57.9
Total operating income	3	**1,183.2**	1,160.2
Employee benefits expenses	14	**(311.0)**	(300.6)
Consultant and contractor expenses		**(20.7)**	(20.4)
Marketing related expenses		**(80.7)**	(81.8)
Technology and other expenses		**(42.5)**	(34.8)
Advertising placement costs		**(19.6)**	(21.0)
Operations and administration expense		**(75.3)**	(53.8)
Share of losses from associates	16	**(18.4)**	(21.9)
Net gain on divestment related activities		**–**	22.0
Earnings before interest, tax, depreciation and amortisation (EBITDA)		**615.0**	647.9
Depreciation and amortisation expense	9,10	**(91.8)**	(93.1)
Profit before interest and tax (EBIT)		**523.2**	554.8
Interest income		**7.2**	1.3
Interest expense		**(17.5)**	(8.2)
Profit before income tax		**512.9**	547.9
Income tax expense	5	**(168.2)**	(176.2)
Profit for the year		**344.7**	371.7
Profit / (loss) for the year is attributable to:			
Non-controlling interest		**(11.4)**	(13.1)
Owners of the parent		**356.1**	384.8
		344.7	371.7
Earnings per share attributable to the ordinary equity holders of REA Group Ltd			
Basic earnings per share (cents)	4	**269.7**	291.4
Diluted earnings per share (cents)	4	**269.5**	291.1

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

Consolidated Statement of Comprehensive Income

for the year ended 30 June 2023

	2023 $M	2022 $M
Profit for the year	**344.7**	371.7
Other comprehensive income		
Items that may be reclassified subsequently to the Consolidated Income Statement		
Exchange differences on translation of foreign operations, net of tax	**22.3**	51.5
Other comprehensive income for the year, net of tax	**22.3**	51.5
Total comprehensive income for the year	**367.0**	423.2
Total comprehensive income / (loss) for the year is attributable to:		
Non-controlling interest	**(10.7)**	(8.7)
Owners of the parent	**377.7**	431.9
Total comprehensive income for the year	**367.0**	423.2

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

Consolidated Statement of Financial Position

as at 30 June 2023

	Notes	2023 $M	2022 $M
ASSETS			
Current assets			
Cash and cash equivalents	6	**259.8**	248.2
Trade and other receivables	7	**169.2**	155.7
Commission contract assets	8	**151.2**	156.1
Current financial assets	8	**26.5**	–
Current tax assets		**6.0**	–
Total current assets		**612.7**	560.0
Non-current assets			
Property, plant and equipment	9	**90.4**	82.4
Intangible assets	10	**875.0**	842.3
Investment in associates	16	**642.7**	637.3
Commission contract assets	8	**403.3**	422.9
Other non-current assets	8	**2.5**	23.9
Total non-current assets		**2,013.9**	2,008.8
Total assets		**2,626.6**	2,568.8
LIABILITIES			
Current liabilities			
Trade and other payables	11	**123.0**	114.0
Current tax liabilities		**–**	2.0
Provisions		**17.7**	15.4
Contract liabilities	3	**92.1**	87.6
Interest bearing loans and borrowings	8	**10.5**	8.6
Commission liabilities	8	**117.5**	122.2
Total current liabilities		**360.8**	349.8
Non-current liabilities			
Other non-current payables		**10.9**	11.6
Deferred tax liabilities	5	**21.0**	20.2
Provisions		**10.1**	15.4
Interest bearing loans and borrowings	8	**392.7**	478.4
Commission liabilities	8	**314.1**	330.1
Total non-current liabilities		**748.8**	855.7
Total liabilities		**1,109.6**	1,205.5
Net assets		**1,517.0**	1,363.3

Consolidated Statement of Financial Position

continued

	Notes	2023 $M	2022 $M
EQUITY			
Contributed equity	12	**148.1**	146.4
Reserves	12	**112.2**	88.5
Retained earnings		**1,206.5**	1,067.1
Parent interest		**1,466.8**	1,302.0
Non-controlling interest	12	**50.2**	61.3
Total equity		**1,517.0**	1,363.3

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

Consolidated Statement of Changes in Equity

for the year ended 30 June 2023

	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 year		–	–	356.1	356.1	(11.4)	344.7
Other comprehensive income	12	–	21.6	–	21.6	0.7	22.3
Total comprehensive income / (loss) for the year		–	21.6	356.1	377.7	(10.7)	367.0
Transactions with owners							
Share-based payments	15	–	10.3	–	10.3	–	10.3
Acquisition of treasury shares	12	(8.4)	–	–	(8.4)	–	(8.4)
Settlement of vested performance rights	12	8.2	(8.2)	–	–	–	–
Tax associated with employee share scheme	5	1.9	–	–	1.9	–	1.9
Dividends paid	13	–	–	(216.7)	(216.7)	(0.4)	(217.1)
Balance at 30 June 2023		**148.1**	**112.2**	**1,206.5**	**1,466.8**	**50.2**	**1,517.0**
Balance at 1 July 2021		152.1	40.4	876.5	1,069.0	70.2	1,139.2
Profit / (loss) for the year		–	–	384.8	384.8	(13.1)	371.7
Other comprehensive income	12	–	47.1	–	47.1	4.4	51.5
Total comprehensive income / (loss) for the year		–	47.1	384.8	431.9	(8.7)	423.2
Transactions with owners							
Share-based payments	15	–	11.3	–	11.3	–	11.3
Acquisition of treasury shares	12	(16.0)	–	–	(16.0)	–	(16.0)
Settlement of vested performance rights	12	10.3	(10.3)	–	–	–	–
Dividends paid	13	–	–	(194.2)	(194.2)	(0.2)	(194.4)
Balance at 30 June 2022		146.4	88.5	1,067.1	1,302.0	61.3	1,363.3

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

Consolidated Statement of Cash Flows

for the year ended 30 June 2023

	Notes	2023 $M	2022 $M
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		**1,309.8**	1,288.4
Payments to suppliers and employees (inclusive of GST)		**(653.8)**	(592.7)
		656.0	695.7
Interest received		**7.2**	1.3
Interest paid		**(17.3)**	(7.3)
Income taxes paid		**(173.2)**	(202.1)
Net cash inflow from operating activities	6	**472.7**	487.6
Cash flows from investing activities			
Payment for investment in associates		**(1.0)**	(87.2)
Payment for property, plant and equipment		**(7.5)**	(7.6)
Payment for intangible assets		**(110.1)**	(87.4)
Investments in short term funds		**(8.0)**	(6.9)
Payment for financial assets		**(7.0)**	(5.6)
Net cash outflow from investing activities		**(133.6)**	(194.7)
Cash flows from financing activities			
Dividends paid to company's shareholders	13	**(216.7)**	(194.2)
Dividends paid to non-controlling interests in subsidiaries		**(0.4)**	(0.2)
Payment for acquisition of treasury shares		**(8.4)**	(16.0)
Proceeds from borrowings		**–**	413.7
Repayment of borrowings and leases	8	**(101.0)**	(422.3)
Related party loan to associate		**(2.8)**	(0.4)
Net cash outflow from financing activities		**(329.3)**	(219.4)
Net increase in cash and cash equivalents		**9.8**	73.5
Cash and cash equivalents at the beginning of the year		**248.2**	168.9
Cash and cash equivalents held for sale at the beginning of the year		**–**	4.9
Effects of exchange rate changes on cash and cash equivalents		**1.8**	0.9
Cash and cash equivalents at end of the year	6	**259.8**	248.2

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

Notes to the Consolidated Financial Statements

for the year ended 30 June 2023

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 Financial Statements of the Company as at and for the year ended 30 June 2023 comprise the Financial Statements of the Company and its subsidiaries, together referred to in these Financial Statements as the '**Group**' and individually as the '**Group entities**'.

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

The consolidated Financial Statements of the Company for the year ended 30 June 2023 were authorised for issue in accordance with a resolution of the Directors on 11 August 2023. Directors have the power to amend and reissue the financial statements.

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 general-purpose Financial Statements have been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (**AASB**).
- The Financial Statements also comply with International Financial Reporting Standards (**IFRS**) as issued by the International Accounting Standards Board (**IASB**).
- These Financial Statements have been prepared on a going concern basis under the historical cost convention except for financial assets and liabilities measured at fair value.
- These Financial Statements are presented in Australian dollars.
- The accounting policies adopted are consistent with those of the previous financial year.
- The preparation of the 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 Financial Statements, are disclosed separately in each relevant note.
- The Company is of a kind referred to in Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the Financial Statements. Amounts in the Financial Statements have been rounded off in accordance with that Instrument to the nearest million and one decimal place unless otherwise stated.

Notes to the Consolidated Financial Statements

for the year ended 30 June 2023

OUR PERFORMANCE

This section highlights the performance of the Group for the year, including results by operating segment, revenue, earnings per share, and income tax expense.

2. Segment information

Accounting policies

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

The Group's reporting segments are outlined below:

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

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

Notes to the Consolidated Financial Statements

for the year ended 30 June 2023

2. Segment information (continued)

The following tables present operating income and results by operating segments for the years ended 30 June 2023 and 30 June 2022.

	Australia		India	International	Corporate	Total
2023	Property & Online Advertising $M	Financial Services $M	$M	$M	$M	$M
Segment operating income						
Total segment operating income	1,043.5	60.9	78.8	–	–	1,183.2
Operating income	1,043.5	60.9	78.8	–	–	1,183.2
Results						
Segment EBITDA from core operations (excluding share of losses of associates)	705.1	11.1	(39.1)	–	(26.2)	650.9
Share of gains/(losses) of associates[1]	(4.8)	(2.2)	–	(11.4)	2.5	(15.9)
Segment EBITDA from core operations	700.3	8.9	(39.1)	(11.4)	(23.7)	635.0
Integration costs	–	–	–	–	(9.0)	(9.0)
Restructuring costs	–	–	–	–	(6.7)	(6.7)
Share of associate non-core costs[1]	–	–	–	–	(2.5)	(2.5)
Net loss from acquisition/divestment related activities	–	–	–	–	(1.8)	(1.8)
EBITDA	700.3	8.9	(39.1)	(11.4)	(43.7)	615.0
Depreciation and amortisation						(91.8)
EBIT						523.2
Interest income						7.2
Interest expense						(17.5)
Profit before income tax						512.9
Income tax expense						(168.2)
Profit after income tax						344.7

1 Inclusive of $2.5 million of associate restructuring costs incurred by Move, Inc. and REA's share of revaluation gain from financial liabilities held by PropertyGuru.

Notes to the Consolidated Financial Statements

for the year ended 30 June 2023

2. Segment information (continued)

	Australia		India	International	Corporate	Total
2022	Property & Online Advertising $M	Financial Services $M	$M	$M	$M	$M
Segment operating income						
Total segment operating income[1]	1,048.4	67.2	53.9	–	–	1,169.5
Trail commission integration adjustment	–	–	–	–	(9.3)	(9.3)
Operating income	1,048.4	67.2	53.9	–	(9.3)	1,160.2
Results						
Segment EBITDA from core operations (excluding share of gains and losses of associates)	721.8	9.3	(34.9)	–	(25.7)	670.5
Share of gains/(losses) of associates[2]	(3.7)	(1.3)	–	(16.9)	24.9	3.0
Segment EBITDA from core operations	718.1	8.0	(34.9)	(16.9)	(0.8)	673.5
Restructuring costs	–	–	–	–	(3.1)	(3.1)
Net gain on divestment related activities[3,4]	–	–	–	–	22.0	22.0
Share of associate non-core costs[2]	–	–	–	–	(24.9)	(24.9)
Integration costs (including trail commission integration adjustment)	–	–	–	–	(19.6)	(19.6)
EBITDA	718.1	8.0	(34.9)	(16.9)	(26.4)	647.9
Depreciation and amortisation						(93.1)
EBIT						554.8
Interest income						1.3
Interest expense						(8.2)
Profit before income tax						547.9
Income tax expense						(176.2)
Profit after income tax						371.7

1 For Australia Property & Online Advertising, this includes the former Asia operations being Malaysia, Thailand and Hong Kong, inclusive of MyFun revenue which was disclosed as 'Segment Operating Income – other' in the 30 June 2022 financial statements.
2 Inclusive of $24.9 million of associate restructuring and transaction costs reflecting REA's share of costs incurred by PropertyGuru.
3 Comprised of $15.8 million gain relating to divestment of Malaysia, Thailand and 99 Group shareholder rights; $9.0 million loss relating to the divestment of Hong Kong assets to 28Hse, close of Hong Kong operations and rationalization of the remaining Asia subsidiaries; and $5.7 million reduction of 99 Group SPV financial asset.
4 The impact of the deemed disposal as a result of the dilution from the initial public offering (IPO) of PropertyGuru resulted in a $20.9 million gain.

Notes to the Consolidated Financial Statements

for the year ended 30 June 2023

3. Revenue from contracts with customers and other income

(a) Revenue recognition

Accounting policies

Revenue is recognised at an amount that reflects the consideration to which the Group expects to be entitled in exchange for transferring products or services to a customer. The contract transaction price that will be recognised as revenue excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control over a product or service to a customer. Where services have been billed in advance and the performance obligations to transfer the services to the customer have not been satisfied, the consideration received will be recognised as a contract liability until such time when or as those performance obligations are met and revenue is recognised.

The Group's customer contracts may include multiple performance obligations. In these cases, the Group allocates the transaction price to each performance obligation based on the relative standalone selling prices of each distinct service. Standalone selling prices are determined based on prices charged to customers for individual products and services taking into consideration the size and length of contracts, product rate cards and the Group's overall go-to-market strategy.

Contract liabilities relate to consideration received in advance of the provision of goods or services to a customer and primarily arise from the difference in timing between billing and satisfaction of the performance obligation.

Type of revenue	Recognition criteria
Property & online advertising	
Subscription services	Subscription revenues are derived by providing property advertising and other property related services in Australia and India over a contracted period. Consideration is recorded as deferred when it is received which is typically at the time of sale and revenue is recognised over time as the customer receives and consumes the benefits of the access to display listings over the contract period. The measurement of progress in satisfying this performance obligation is based on the passage of time (i.e., on a straight-line basis). The amount of revenue recognised is based on the amount of the transaction price allocated to this performance obligation.
Listing depth products	Listing depth revenues are derived by providing property advertising services over a contracted period. Transaction price is allocated to the performance obligations (i.e., upgrades of listings to feature more prominently) and revenue is recognised over time as obligations are satisfied. Depth products are billed monthly in advance and the timing and duration of the contract may result in contract liabilities.
Banner advertising	Revenues from banner advertising are recognised over the time which the advertisements are placed or as the advertisements are displayed, depending on the structure of the contract. Advertising customers are billed on a monthly basis, and contract liabilities may arise between the date of contract commencement and the date all performance obligations are met.
Performance advertising	Revenues from performance advertising and performance contracts are recognised at a point in time, being when the performance measure occurs and is generated (e.g. cost per click or cost per impression). Customers are billed monthly in arrears.

Notes to the Consolidated Financial Statements

for the year ended 30 June 2023

3. Revenue from contracts with customers and other income (continued)

Type of revenue	Recognition criteria
Data revenue	Automated valuation model (**AVM**) income is derived from providing customers access to AVMs over a contracted period. Consideration is received monthly in arrears, with customers charged either a flat monthly fee or based on volume. Revenue is recognised over time where a flat fee is charged as the performance obligation is to stand ready to provide services, whereas volume driven fees are recognised at a point in time when the valuation is performed. Platform build revenue is recognised based on contract milestones. Where the Group has an enforceable right to payment for performance completed to date and no alternative use for the asset, it recognises revenue for the period build, based on time incurred. Platform licence fees are recognised over time as the customer receives and consumes the benefits of the access to the platform evenly over time.
Transactional and other services	Transactional services revenue is recognised at a point in time when the transaction is completed on the platform. Fees are charged on a transaction basis. Service revenue is recognised at a point in time when services are rendered in relation to providing consulting and facilitation services for properties.
Financial services	
Lender commissions	The Group provides mortgage broking services, where the service provided by the Group is to establish a loan contract between financial institutions and the borrower. No other services are provided by the Group to the borrower on behalf of the financial institution once the loan has been established. In exchange for that mortgage broking service, the Group is entitled to consideration in the form of an upfront commission and a trail commission. The upfront commission is recognised once the loan has been established and is subject to a clawback provision. The trail commission is received over the life of the loan to the extent that the borrower continues to hold the loan with the financial institution. The outcomes of both these uncertainties are outside the control of the Group, however the Group has extensive historical data and incorporates current market data to support the assessment of the consideration. Both commissions are accounted for as variable consideration and are estimated on an expected value basis. The estimated amount is included in the transaction price to the extent it is highly probable that a change in the upfront commissions or trail commission estimation would not result in a significant reversal of the cumulative revenue recognised. Revenue is updated each reporting period based on any changes in the estimates of variable consideration.

The Group applies the practical expedients in accordance with AASB 15 *Revenue from Contracts with Customers* paragraph 94, to expense the commissions in relation to obtaining contracts, and AASB 15 paragraph 121, to be exempt from disclosure of information about remaining performance obligations where the performance obligations are part of contracts that have original expected durations of one year or less, or remaining performance obligations where we have a right to consideration from a customer in an amount that corresponds directly with the value provided to the customer for the entity's performance obligations completed to date.

Notes to the Consolidated Financial Statements

for the year ended 30 June 2023

3. Revenue from contracts with customers and other income (continued)

(b) Revenue from contracts with customers reconciliation

Total revenue for the Group: *Timing of revenue*	Consolidated for the year ended 30 June 2023 Property & Online Advertising $M	Financial Services $M	India $M	Total $M
Services transferred at a point in time	**14.7**	**270.1**	**39.7**	**324.5**
Services transferred over time	**1,028.8**	**–**	**39.1**	**1,067.9**
Total revenue	**1,043.5**	**270.1**	**78.8**	**1,392.4**

Total revenue for the Group: *Timing of revenue*	Consolidated for the year ended 30 June 2022 Property & Online Advertising $M	Financial Services $M	India $M	Total $M
Services transferred at a point in time	16.6	316.2	24.6	357.4
Services transferred over time	1,031.8	–	29.3	1,061.1
Total revenue	1,048.4	316.2	53.9	1,418.5

Reconciliation of operating income:

	2023 $M	2022 $M
Total revenue	**1,392.4**	1,418.5
Expense from franchisee commissions	**(209.2)**	(258.3)
Total operating income	**1,183.2**	1,160.2

(c) Contract liabilities

As of 1 July 2022, contract liabilities amounted to $87.6 million (FY22: $75.8 million), of which $87.6 million (FY22: $75.8 million) was recognised during the year ended 30 June 2023.

Notes to the Consolidated Financial Statements

for the year ended 30 June 2023

4. Earnings per share (EPS)

Accounting policies

The Group presents basic and diluted earnings per share in the Consolidated Income Statement.

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share is calculated by adjusting the earnings and weighted average number of shares by the effect of dilutive potential ordinary shares (**POS**). The Group's only dilutive POS are restricted share rights and performance rights granted under the share-based payment plans for which terms and conditions are described in Note 15 'Share-based Payment'. No share-based payment plan is entitled to dividends or interests during the vesting or restricted period and are settled by using existing shares held in the REA Group Limited Equity Plans Trust or purchasing shares on market.

Diluted earnings attributable to REA shareholders are equal to the earnings attributable to REA shareholders.

The weighted average number of shares is adjusted by the effect of share-based payment, calculated by taking into consideration of the likelihood of vesting and the weighted average share price during the year.

(a) Earnings per share	2023 Cents	2022 Cents
Basic earnings per share attributable to the ordinary equity holders of the company	**269.7**	291.4
Diluted earnings per share attributable to the ordinary equity holders of the company	**269.5**	291.1

(b) Reconciliation of earnings used in calculating earnings per share	2023 $M	2022 $M
Profit attributable to the ordinary equity holders of the company used in calculating basic and diluted earnings per share	**356.1**	384.8

(c) Reconciliation of weighted average number of shares	2023 Shares	2022 Shares
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	**132,050,003**	132,064,498
– Share rights and performance rights	**84,863**	101,501
Weighted average number of ordinary shares used as the denominator in calculating diluted earnings per share	**132,134,866**	132,165,999

Notes to the Consolidated Financial Statements

for the year ended 30 June 2023

5. Income tax

Accounting policies

Income tax expense for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current income tax charge is calculated on the basis of the tax law in the countries where the subsidiaries, associates, and joint ventures operate and generate taxable income. The Group establishes liabilities where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided in full, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated Financial Statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Utilisation of tax losses also depends on the ability of the entity to satisfy certain tests at the time the losses are recouped.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future. Where there are current and deferred tax balances attributable to amounts recognised directly in equity, these are also recognised directly in equity.

Presentation of deferred tax assets and liabilities are 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.

Tax consolidation legislation

The head entity, REA Group Ltd and the controlled entities in the tax consolidated group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a standalone taxpayer in its own right. Details about the tax funding agreement in place between REA Group Ltd and wholly owned entities are disclosed in Note 20.

GST is netted against revenues and expenses, unless the GST is not recoverable from the taxation authority, where it is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables are stated inclusive of the amount of GST. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the Consolidated Statement of Financial Position. Cash flows are presented on a gross basis and the GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the taxation authority are presented as operating cash flows.

Adoption of Voluntary Tax Transparency Code

On 3 May 2016, the Australian Treasurer released a Voluntary Tax Transparency Code (the Voluntary Code). The Voluntary Code recommends additional tax information be publicly disclosed to help educate the public about the corporate sector's compliance with Australia's tax laws. The Group supports the Voluntary Code and signed up to it from FY19.

Notes to the Consolidated Financial Statements

for the year ended 30 June 2023

5. Income tax (continued)

Key estimate and judgement

The Group is subject to income taxes in Australia and jurisdictions where it has foreign operations. Significant judgement is required in determining the worldwide provision for income taxes. There are transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group estimates its tax liabilities based on the Group's understanding of the tax law. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax provisions in the period in which such determination is made. In addition, the Group has recognised deferred tax assets relating to carried forward tax losses to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same subsidiary against which the unused tax losses can be utilised. However, utilisation of the tax losses also depends on the ability of the entity to satisfy certain tests at the time the losses are recouped.

The Group is also required to assess if it has any uncertain tax treatments. An uncertain tax treatment is any tax treatment applied by an entity where there is uncertainty over whether that treatment will be accepted by the relevant tax authority, and these require additional disclosures.

(a) Income tax expense

	2023 $M	2022 $M
Current tax	**164.9**	190.4
Adjustments for current tax of prior periods	**0.5**	(0.7)
Deferred tax	**3.3**	(14.6)
Adjustments for deferred tax of prior periods	**(0.5)**	1.1
Total income tax expense reported in the Consolidated Income Statement	**168.2**	176.2

(b) Numerical reconciliation of income tax expense to prima facie tax payable

	2023 $M	2022 $M
Accounting profit before income tax	**512.9**	547.9
Tax at the Australian tax rate of 30% (2022: 30%)	**153.9**	164.4
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Research and development deduction	**(5.4)**	(3.4)
Share of losses of associates	**5.5**	6.6
Prior period adjustments including research and development claim	**–**	0.4
Tax losses not recognised	**12.7**	12.8
Gain on sale of business	**–**	(6.5)
Transaction costs	**0.6**	0.2
Other	**0.9**	1.7
Total income tax expense reported in the Consolidated Income Statement	**168.2**	176.2

Notes to the Consolidated Financial Statements

for the year ended 30 June 2023

5. Income tax (continued)

(c) Amounts recognised directly into equity

	2023 $M	2022 $M
Aggregate current and deferred tax arising in the reporting period and not recognised in the Consolidated Income Statement or other comprehensive income but directly debit/(credit) to equity:		
Current tax – credit directly to equity	**–**	–
Net deferred tax – debit/(credit) directly to equity	**(2.0)**	2.3
Total amount recognised directly into equity	**(2.0)**	2.3

(d) Summary of deferred tax

	2023 $M	2022 $M
The balances comprise temporary differences attributable to:		
Employee benefits	**14.7**	16.6
Expected credit losses	**1.1**	1.1
Accruals and other	**11.3**	10.2
Intangible assets	**(44.5)**	(44.4)
Foreign currency revaluation of associate	**(3.6)**	(3.7)
Total temporary differences	**(21.0)**	(20.2)
Deferred tax assets	**27.1**	27.9
Deferred tax liabilities	**(48.1)**	(48.1)
Net deferred tax liabilities	**(21.0)**	(20.2)
Movements:		
Opening balance	**(20.2)**	(32.0)
Credit to the Consolidated Income Statement	**(2.8)**	13.5
(Debit)/Credit to equity	**2.0**	(2.3)
Deferred taxes on acquisition of subsidiary	**–**	0.5
Exchange differences	**–**	0.1
Closing balance	**(21.0)**	(20.2)
Deferred tax assets expected to be recovered within 12 months	**22.4**	24.1
Deferred tax assets expected to be recovered after more than 12 months	**4.7**	3.8
Deferred tax liabilities expected to be payable within 12 months	**–**	–
Deferred tax liabilities expected to be payable after more than 12 months	**(48.1)**	(48.1)
Net deferred tax liabilities	**(21.0)**	(20.2)

(e) Unrecognised temporary differences

The Group has unused revenue tax losses for which no deferred tax asset has been recognised of $187.5 million (2022: $256.7 million) on the basis that it is not probable that the Group will derive future assessable income of a nature and amount sufficient to enable the temporary difference to be realised. Of the $187.5 million, $6.3 million (2022: $65.7 million) has no time limit expiry and $181.2 million (2022: $191.0 million) is subject to a time limit expiry of eight years from when the loss was incurred.

The Group also carries forward $709.8 million of capital losses. The losses have no time limit expiry but are subject to the REA Group Ltd income tax consolidated group satisfying either the Continuity of Ownership Test (COT) or the Similar Business Test on an ongoing basis.

Notes to the Consolidated Financial Statements

for the year ended 30 June 2023

RETURNS, RISK AND CAPITAL MANAGEMENT

This section sets out the policies and procedures applied to manage capital structure and the related risks and rewards. Capital structure is managed in such a way so as to maximise shareholder return, maintain optimal cost of capital and provide flexibility for strategic investment.

6. Cash and cash equivalents

Accounting policies

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of less than three months and are subject to an insignificant risk of change in value. For cash flow statement presentation purposes, cash and cash equivalents are as defined above, net of outstanding bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities in the Consolidated Statement of Financial Position.

	2023 $M	2022 $M
Cash at bank and in hand	**259.6**	247.4
Short-term deposits	**0.2**	0.8
Total cash and short-term deposits	**259.8**	248.2

(a) Cash flow reconciliation

	2023 $M	2022 $M
Profit for the year	**344.7**	371.7
Depreciation and amortisation	**91.8**	93.1
Share-based payment expense	**9.7**	10.4
Net exchange differences	**(2.7)**	(1.6)
Share of losses of associates	**18.4**	21.9
Net gain on divestment related activities	**–**	(23.1)
Other non-cash items	**2.1**	(1.5)
Change in operating assets and liabilities		
Acquisition/divestment of net working capital	**–**	(12.2)
(Increase) in trade receivables	**(0.8)**	(13.1)
Decrease in other assets	**0.6**	13.1
Decrease in net commission assets	**3.8**	14.5
Increase/(Decrease) in net deferred tax liabilities	**0.8**	(11.8)
Increase in trade and other payables	**9.5**	13.3
Increase in contract liabilities	**4.5**	11.8
(Decrease)/Increase in other liabilities and provisions	**(1.7)**	14.2
(Decrease) in current tax liabilities	**(8.0)**	(13.1)
Net cash inflow from operating activities	**472.7**	487.6

Notes to the Consolidated Financial Statements

for the year ended 30 June 2023

7. Trade and other receivables

Accounting policies

Trade receivables are initially recognised at the transaction price. Due to their short-term nature, trade receivables have not been discounted. Trade receivables are generally due for settlement between 15 and 60 days. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. A provision matrix is used to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of customer segments that have similar loss patterns. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows.

The ECL calculation performed at each reporting date reflects the Group's historical credit loss experience, adjusted for forward-looking factors specific to debtor profiles and the economic environment. Generally, trade receivables are written off if past due for more than one year. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 8. For the Group's maximum exposures to credit risk at balance date in relation to trade receivables, refer to Note 7.

Impairment losses are recognised in the Consolidated Income Statement within operations and administration expenses. When a trade receivable for which an allowance has been recognised becomes uncollectible in a subsequent period, it is written off against the provision account.

Key estimate and judgement

The provision matrix used to calculate ECLs is initially based on the Group's historical observed default rates and the matrix is adjusted for forward-looking information. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is an estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customers' actual default in the future.

	2023 $M	2022 $M
Trade receivables	**138.0**	137.4
Provision for expected credit losses	**(4.5)**	(4.7)
Net trade receivables	**133.5**	132.7
Current prepayments	**14.6**	9.3
Investment in short term assets	**15.3**	7.4
Accrued income and other receivables	**5.8**	6.3
Current trade and other receivables	**169.2**	155.7
Current financial assets	**26.5**	–
Non-current prepayments	**0.6**	0.4
Other assets	**1.9**	23.5
Other non-current assets	**2.5**	23.9

(a) Ageing of trade receivables

	2023 $M	2022 $M
Not due	**113.7**	117.3
1-30 days past due not impaired	**12.5**	10.7
31-60 days past due not impaired	**1.5**	1.4
61+ days past due not impaired	**5.8**	3.3
Provisions for expected credit losses	**4.5**	4.7
Total gross trade receivables	**138.0**	137.4

Notes to the Consolidated Financial Statements

for the year ended 30 June 2023

7. Trade and other receivables (continued)

During the year, a total expense of $0.5 million (2022: $0.3 million) was recognised in the Consolidated Income Statement in relation to trade receivables written off. Information about the Group's exposure to foreign currency, interest rate and credit risk in relation to trade and other receivables is provided in Note 8.

8. Financial risk management

The financial risks arising from the Group's operations comprise market, credit and liquidity risk. The Group seeks to manage risks in ways that will generate and protect shareholder value. Management of risk is a continual process and an integral part of business management and corporate governance. The Group's risk management strategy is aligned with the corporate strategy and company vision to ensure that it contributes to corporate goals and objectives.

The Board determines the Group's tolerance for risk, after taking into account the strategic objectives, shareholder expectations, financial and reporting requirements and the financial position, organisational culture and the experience or demonstrated capacity in managing risks. Management is required to analyse its business risk in the context of Board expectations, specific business objectives and the organisation's risk tolerance.

One of the key areas of the Group's risk management focus is on financial risk management of financial instruments, used to raise and distribute funds for the Group's operations and opportunities. Borrowings are made at variable interest rates. Cash and cash equivalents draw interest at variable interest rates. All other financial assets and liabilities are non-interest-bearing. The Group holds the following financial instruments:

	Notes	AASB 13 Fair value hierarchy level	AASB 9 Classification	2023 $M	2022 $M
Cash and cash equivalents	6		Amortised cost	**259.8**	248.2
Trade and other receivables[1]	7		Amortised cost	**139.3**	139.0
Investment in short term funds	7	2	FVTPL	**15.3**	7.4
Commission contract assets[2]	8(a)			**554.5**	579.0
Other financial asset[3]	8(b)	3	FVTPL	**26.5**	19.9
Other assets	8(b)		Amortised cost	**1.9**	3.6
Total financial assets and contract assets				**997.3**	997.1
Non-financial assets				**1,629.3**	1,571.7
Total assets				**2,626.6**	2,568.8
Trade and other payables[4]	11		Amortised cost	**112.8**	102.8
Commission liabilities	8(a)		Amortised cost	**431.6**	452.3
Interest bearing loans and borrowings	8(d)		Amortised cost	**403.2**	487.0
Total financial liabilities				**947.6**	1,042.1
Non-financial liabilities				**162.0**	163.4
Total liabilities				**1,109.6**	1,205.5

1 Excludes Prepayments $15.2 million (2022: $9.7 million) included in Other Receivables.
2 Commission contract assets are accounted for in accordance with AASB 15, with an Expected Credit Loss (**ECL**) measured in accordance with AASB 9. Refer to Note 8(a) for further details.
3 The financial asset ($26.5 million) 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. Refer to Note 8(b) for further details.
4 Excludes Current Indirect Tax Liability $10.2 million (2022: $11.2 million) included in Other Payables.

The Group assessed that the fair values of cash and cash equivalents, trade receivables and other assets, and trade and other payables approximate their carrying amounts largely due to the short-term maturities of these instruments. Refer to section (d) for measurement details on borrowings.

Notes to the Consolidated Financial Statements

for the year ended 30 June 2023

8. Financial risk management (continued)

(a) Commissions

Accounting policies

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 significant financing component is also involved when determining this variable consideration. As such, the contract asset is adjusted by recalculating the net present value of estimated future cash flows at the original effective interest rate. The transaction price is a percentage of the expected outstanding balance of the loan.

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. The trail commission liabilities that are initially recognised at fair value are subsequently carried at amortised cost using the effective interest rate (**EIR**) method. Any resulting adjustment to the carrying value is recognised as income or expense in the Consolidated Income Statement.

Key estimate and judgement

The determination of the assumptions used in the valuation of trailing commissions is based primarily on an annual actuarial assessment at year end of the underlying loan portfolio, including historical run-off rate analysis and consideration of current and future economic factors. These factors are complex, and the determination of assumptions requires a high degree of judgement.

The key assumptions underlying the expected value calculations of the trailing commission contract asset and the corresponding liability due to franchisees at 30 June are detailed below. The assumptions reflect the 'best estimate' of the trailing commission contract asset and corresponding liability at the time of performing the valuation.

Assumptions	2023	2022	Relationship of assumptions
Weighted average loan life	**4.0 years**	4.1 years	Average loan life is impacted by the future run-off rate. A reduction in the average loan life as a result of higher run-off would result in a lower net asset position. An increase / decrease by 1.0% in the run-off rate would lead to a movement in the net assets of $5.2 million.
Discount rate per annum	**4.5 – 6.5%**	4.5 – 5.5%	An increase / decrease by 1% in the discount rate would lead to a movement in the net assets of $0.9 million.
Average percentages paid to franchisees	**77.8%**	78.0%	An increase / decrease by 1% in the pay-out rate would lead to a movement in the net assets of $5.3 million.

Notes to the Consolidated Financial Statements

for the year ended 30 June 2023

8. Financial risk management (continued)

Future trail commission contract assets are due from a combination of highly rated major lenders. There have been no historical instances where a loss has been incurred, including through the global financial crisis. ECLs are not considered material and consequently have not been recognised. The carrying amounts of contract assets and financial liabilities recognised as they relate to trailing commissions are detailed below:

	2023 $M	2022 $M
Future trailing commission contract asset – current	**133.8**	137.5
Upfront commission contract asset – current	**17.4**	18.6
Total current commission contract assets	**151.2**	156.1
Future trailing commission contract asset – non-current	**403.3**	422.9
Future trailing commission liability – current	**103.8**	106.8
Upfront commission liability – current	**13.7**	15.4
Total current commission liabilities	**117.5**	122.2
Future trailing commission liability – non-current	**314.1**	330.1

(b) Financial assets

Accounting policies

Recognition and measurement

Financial assets are classified at initial recognition and subsequently measured at amortised cost, fair value through other comprehensive income (**OCI**), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. Except for trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. For a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are solely payments of principal and interest (**SPPI**) on the principal amount outstanding on specified dates. This assessment is referred to as the SPPI test and is performed at an instrument level. The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets at amortised cost is the category most relevant to the Group.

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the EIR method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Group's financial assets at amortised cost include trade receivables and other assets (Note 7).

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under AASB 132 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis. Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the Consolidated Income Statement when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment. The Group does not currently hold investments under this category.

Notes to the Consolidated Financial Statements

for the year ended 30 June 2023

8. Financial risk management (continued)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model.

Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value, with net changes in fair value recognised in the statement of profit or loss. The Group's financial assets held under this category include investment in short term assets and other non-current financial assets.

Impairment of financial assets and commission contract assets

The Group recognises an allowance for expected credit loss (**ECL**) for all debt instruments not held at fair value through profit or loss and commission contract assets and are measured on a 12-month basis. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

Further information about the Group's ECLs on trade receivables and other assets in Note 7.

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 30 June 2023 the Group reclassified this investment as a current financial asset as settlement for this transaction is expected to occur within the next 12 months. The balance associated with 99 Group is $26.5 million (June 2022: $19.9 million), which includes the additional $7.0 million committed funding paid during the period.

Notes to the Consolidated Financial Statements

for the year ended 30 June 2023

8. Financial risk management (continued)

(c) Financial liabilities

Accounting policies

Recognition and measurement

Financial liabilities are classified as subsequently measured at amortised cost, except for:

- Financial liabilities at fair value through profit or loss.
- Financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies.
- Financial guarantee contracts
- Commitments to provide a loan at a below-market interest rate.
- Contingent consideration recognised by an acquirer in a business combination to which AASB 3 applies.

All financial liabilities are recognised initially at fair value, and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, commission liabilities and loans and borrowings.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, as well as through the EIR amortisation process. Amortised cost is calculated by considering any discount or premium on acquisition, and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss. Fees paid on the establishment of loan facilities, which are not an incremental cost relating to the actual drawdown of the facility, are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawdown occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is amortised on a straight-line basis over the term of the facility. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. This category generally applies to interest-bearing loans and borrowings (refer to section (d)).

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by AASB 9 *Financial Instruments*. Gains or losses on liabilities held for trading are recognised in the Consolidated Income Statement. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in AASB 9 are satisfied.

(d) Borrowings

Facility[1]	Interest rate	Maturity	2023 $M	2022 $M
Syndicated facility – Tranche A[2]	BBSY + 1.0 – 2.1%	September 2024	**318.7**	400.0
Syndicated facility – Tranche B[2]	BBSY + 1.15 – 2.25%	September 2025	**–**	13.7

1 The carrying value of the debt approximates fair value.
2 The undrawn amount at 30 June 2023 was $281.3 million (2022: $186.3 million).

(i) Syndicated facility

The Group holds $600 million syndicated facility with National Australia Bank Limited as Lead Arranger, Australia and New Zealand Banking Group Limited, HSBC Bank Australia Limited, ING Bank (Australia) Limited and Commonwealth Bank of Australia. The facilities were initially recognised at fair value net of directly attributable transaction costs. As at 30 June 2023, the Group was in compliance with all applicable debt covenants.

Notes to the Consolidated Financial Statements

for the year ended 30 June 2023

8. Financial risk management (continued)

The Group's risk management policies and objectives are summarised below:

(e) Market risk – foreign exchange

Nature of risk	Risk management	Material arrangements	Exposure
Foreign currency risk arises when future transactions or financial assets and liabilities are denominated in a currency other than the entity's functional currency. The Group currently operates internationally and is therefore exposed to foreign exchange risk, relating to the Singapore Dollar (SGD), Indian Rupee (INR) and US Dollar (USD).	The Group manages foreign currency risk by evaluating its exposure to fluctuations and entering forward foreign currency contracts, where appropriate. The Group also holds foreign currency cash balances in order to fund significant transactions denominated in non-functional currencies.	At the reporting date, cash and cash equivalents included the AUD equivalent of $71.7 million (2022: $44.0 million) in SGD, INR and USD. At reporting date, no forward or foreign currency contracts were in place. The Group's exposure to foreign currency changes for all other currencies is not considered material.	Sensitivity analysis was performed to illustrate the impact of movements in each foreign currency with all other variables held constant and utilising a range of +5% to -5%: Cash and cash equivalents: the impact to the profit and loss would be between ($3.6 million) and $3.6 million.

(f) Market risk – cash flow interest rate

Nature of risk	Risk management	Material arrangements	Exposure
The Group is exposed to variable interest rate risk on its interest-bearing financial assets and liabilities due to the possibility that changes in interest rates will affect future cash flows. As at 30 June 2023, the Group's primary exposure to interest rate risk arises from interest bearing loans and borrowings (excluding lease liabilities) and cash and cash equivalents. Cash and cash equivalents consist primarily of cash and short-term deposits, which are predominately interest-bearing accounts.	Funds that are excess to short-term liquidity requirements are generally invested in short-term deposits. The Group is primarily exposed to domestic interest rate movements, therefore exposure and impact to foreign interest change is considered immaterial. The Group manages interest rate risk by evaluating its exposure to interest rate changes and entering contracts where appropriate.	As at 30 June 2023, the Group held cash and cash equivalents of $259.8 million (2022: $248.2 million), of which $0.2 million (2022: $0.8 million) was held in short-term deposits. As at 30 June 2023, the Group held interest bearing loans and borrowings (excluding lease liabilities) of $318.7 million (2022: $413.7 million) which are exposed to interest rate movements. See further details in section (d) on the Group's borrowing facilities.	Sensitivity analyses were performed to illustrate the impact of movements in interest rates, with all other variables held constant. Borrowings: the weighted average interest rate for the year ended 30 June 2023 was 4.13% (2022: 1.31%). If the interest rate were to increase or decrease by 10%, the impact to the interest expense would be between $1.5 million and ($1.5 million). Cash and cash equivalents: if cash and cash equivalents were to increase or decrease by 10%, based on historic interest rates, the impact to interest income would be between $0.7 million and ($0.7 million).

(g) Market risk – price

The Group does not have any listed equity securities that are susceptible to market price risk arising, other than the equity accounted investment in PropertyGuru (Note 16) at 30 June 2023 and 30 June 2022.

Notes to the Consolidated Financial Statements

for the year ended 30 June 2023

8. Financial risk management (continued)

(h) Credit risk

Nature of risk	Risk management	Material arrangements	Exposure
Credit risk can arise from the non-performance by counterparties of their contractual financial obligations towards the Group. The Group is exposed to credit risk from its operating activities (primarily from trade receivables and commission contract assets) and from its financing activities, including deposits with financial institutions.	It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures, which may include an assessment of their financial position, past experience and industry reputation, depending on the amount of credit to be granted. Receivable balances are monitored on an ongoing basis. Refer to Note 7 for further details on the expected credit loss policy. Credit risk arising from other financial assets, i.e. cash and cash equivalents, arises from default of the counterparty. The Group's treasury policy specifies a minimum long term "BBB-" or better investment grade risk rating for financial institutions in order to transact with the Group.	The gross trade receivables balance at 30 June 2023 was $138.0 million (2022: $137.4 million). Refer to Note 7 for an aging analysis of this balance. As at 30 June 2023, the Group held cash and cash equivalents of $259.8 million (2022: $248.2 million) of which $0.2 million (2022: $0.8 million) was held in short-term deposits.	The Group's maximum exposures to credit risk at balance date in relation to each class of recognised financial assets is the carrying amount of those assets. Refer to Note 7 for details on the provision for expected credit losses as at 30 June 2023.

(i) Liquidity risk

Nature of risk	Risk management	Material arrangements	Exposure
Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations as they fall due. Liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due.	Liquidity risk is managed via the regular review of forecasted cash inflows and outflows, with any surplus funds being placed in short term deposits to maximise interest revenue. Principally the Group sources liquidity from cash generated from operations and where required external bank facilities.	The gross trade receivables balance at 30 June 2023 was $138.0 million (2022: $137.4 million). Refer to Note 7 for an aging analysis of this balance. As at 30 June 2023, the Group held cash and cash equivalents of $259.8 million (2022: $248.2 million), of which $0.2 million (2022: $0.8 million) was held in short-term deposits. The Group also has access to the Syndicated facility with an undrawn amount of $281.3 million. See further details in section (j) on the Group's contractual maturities of financial assets and liabilities.	The table below categorises the Group's financial liabilities into their relevant maturity groupings. The amounts included are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Notes to the Consolidated Financial Statements

for the year ended 30 June 2023

8. Financial risk management (continued)

(j) Contractual maturities of financial liabilities, commissions contract assets and liabilities

	< 6 months $M	6-12 months $M	1-2 years $M	>2 years $M	Total contractual cash flows $M	Carrying amount $M
At 30 June 2023						
Commission contract assets	**92.6**	**61.1**	**106.0**	**413.8**	**673.5**	**554.5**
Commission contract liabilities	**(51.5)**	**(47.4)**	**(82.4)**	**(323.6)**	**(504.9)**	**(431.6)**
Trade payables	**(112.8)**	**–**	**–**	**–**	**(112.8)**	**(112.8)**
Interest bearing loans and borrowings	**(7.7)**	**(4.9)**	**(328.7)**	**(24.4)**	**(365.7)**	**(403.2)**
	(79.4)	**8.8**	**(305.1)**	**65.8**	**(309.9)**	**(393.1)**
At 30 June 2022						
Commission contract assets	94.5	62.3	112.5	420.7	690.0	579.0
Commission contract liabilities	(52.6)	(48.3)	(87.7)	(329.1)	(517.7)	(452.3)
Trade payables	(102.8)	–	–	–	(102.8)	(102.8)
Interest bearing loans and borrowings	(5.1)	(5.2)	(9.1)	(478.5)	(497.9)	(487.0)
	(66.0)	8.8	15.7	(386.9)	(428.4)	(463.1)

(k) Reconciliation of liabilities arising from financing activities

	Balance at 1 July 2022 $M	Additions $M	Principal payments $M	Other $M	Balance at 30 June 2023 $M
Current loans	–	–	–	–	**–**
Current lease liabilities	8.6	2.6	(6.0)	5.3	**10.5**
Total current interest-bearing loans and borrowings	**8.6**	**2.6**	**(6.0)**	**5.3**	**10.5**
Non-current loans[1]	411.7	–	(95.0)	–	**316.7**
Non-current lease liabilities	66.7	–	–	9.3	**76.0**
Total non-current interest-bearing loans and borrowings	**478.4**	**–**	**(95.0)**	**9.3**	**392.7**

1 Net of loan issuance costs of $2.0 million.

	Balance at 1 July 2021 $M	Additions $M	Principal payments $M	Other $M	Balance at 30 June 2022 $M
Current loans	–	–	–	–	–
Current lease liabilities	8.8	0.1	(8.9)	8.6	8.6
Total current interest-bearing loans and borrowings	8.8	0.1	(8.9)	8.6	8.6
Non-current loans	413.4	413.7	(413.4)	(2.0)	411.7
Non-current lease liabilities	73.4	1.8	–	(8.5)	66.7
Total non-current interest-bearing loans and borrowings	486.8	415.5	(413.4)	(10.5)	478.4

Notes to the Consolidated Financial Statements

for the year ended 30 June 2023

9. Property, plant and equipment

Accounting policies

Property, plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. The cost of property, plant and equipment includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset. The estimated useful life of leasehold improvements and right of use assets is the lease term and plant and equipment is over two to five years. An asset which generates independent cash flows is written down immediately if its carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the Consolidated Income Statement.

	Plant and equipment $M	Leasehold improvements $M	Right of use assets[2] $M	Total $M
Year ended 30 June 2023				
Opening net book amount	**7.4**	**9.4**	**65.6**	**82.4**
Additions[1]	**2.7**	**4.7**	**17.3**	**24.7**
Disposals (net of accumulated depreciation)	**–**	**–**	**(0.1)**	**(0.1)**
Depreciation charge	**(3.9)**	**(2.6)**	**(9.2)**	**(15.7)**
Impairment	**–**	**–**	**(0.9)**	**(0.9)**
Exchange differences (net)	**–**	**–**	**–**	**–**
Closing net book amount	**6.2**	**11.5**	**72.7**	**90.4**
At 30 June 2023				
Cost	**22.9**	**33.0**	**104.9**	**160.8**
Accumulated depreciation	**(16.7)**	**(21.5)**	**(32.2)**	**(70.4)**
Net book amount	**6.2**	**11.5**	**72.7**	**90.4**
Year ended 30 June 2022				
Opening net book amount	7.5	8.1	73.8	89.4
Additions	3.6	4.3	1.9	9.8
Disposals (net of accumulated depreciation)	–	(0.1)	–	(0.1)
Depreciation charge	(3.6)	(2.7)	(9.7)	(16.0)
Impairment	–	–	(0.5)	(0.5)
Exchange differences (net)	(0.1)	(0.2)	0.1	(0.2)
Closing net book amount	7.4	9.4	65.6	82.4
At 30 June 2022				
Cost	22.6	28.4	92.6	143.6
Accumulated depreciation	(15.2)	(19.0)	(27.0)	(61.2)
Net book amount	7.4	9.4	65.6	82.4

1 Additions include $17.3 million (2022: $1.9 million) in non-cash items relating to right of use assets.
2 Right of Use assets includes property leases with carrying value of $70.1 million (2022: $65.6 million) and IT equipment leases with carrying value of $2.6m (2022: Nil). Depreciation charge for property leases was $9.1 million (2022: $9.7 million) and IT equipment was $0.1m (2022: Nil).

Notes to the Consolidated Financial Statements

for the year ended 30 June 2023

10. Intangible assets and impairment

Accounting policies

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill is not amortised and is measured at cost less any impairment losses.

IT development and software costs incurred in developing products or systems and costs incurred in acquiring software and licences that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software and systems. Costs capitalised include external direct costs of materials and services and direct payroll and payroll related costs of employees' time spent on the project. Amortisation is calculated on a straight-line basis over 3 to 5 years. IT development costs include only those costs directly attributable to the development phase and are recognised only following completion of technical feasibility and where the Group has an intention and ability to use the asset.

Other intangible assets such as customer contracts and brands acquired by the Group are stated at cost less accumulated amortisation and impairment losses. Amortisation is charged to the Consolidated Income Statement on a straight-line basis over the estimated useful lives of the intangible assets, ranging from 3 to 17 years for customers contracts. The Group's brand assets have indefinite useful lives, and no amortisation charge is recognised.

Impairment testing is performed annually, or more frequently if events or changes in circumstances indicate there may be an impairment present.

The Group identifies its cash generating units (**CGUs**), which are the smallest identifiable groups of assets that generate cash inflows largely independent of cash inflows of other assets or other groups of assets. The Group monitors goodwill at a segment level and the carrying amount of goodwill acquired through business combinations has been assessed for impairment testing on that basis. An impairment loss is charged to the income statement to reduce the carrying amount in the balance sheet to its recoverable amount. The recoverable amount is the higher of an asset's or CGU's value in use or fair value less cost of disposal.

Key estimate and judgement

The Group assesses impairment of all assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. All estimates require management judgements and assumptions and are subject to risk and uncertainty that may be beyond the control of the Group.

The recoverable amount of an asset or CGU is the higher of its fair value less costs of disposal and its value in use. The determination of recoverable amount requires the estimation and discounting of future cash flows. These estimates include establishing forecasts of future financial performance, discount rates and terminal growth rates. Each of these is based on a 'best estimate' at the time of performing the valuation, and by definition, the estimate will seldom equal the related actual results.

The assets' residual values, useful lives and amortisation methods are reviewed and adjusted if appropriate, at each financial year end. The estimation of useful lives of assets has been based on historic experience and turnover policies. Any changes to useful lives may affect prospective amortisation rates and asset carrying values. In assessing whether a brand has a finite or indefinite useful life, the Group makes use of information on the long-term strategy of the brand, the level of growth or decline of the markets that the brand operates in, the history of the market and the brand's position within that market. Assets other than goodwill and intangible assets that have an indefinite useful life are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

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10. Intangible assets and impairment (continued)

	Goodwill $M	Software[1] $M	Customer contracts $M	Brands[2] $M	Total $M
Year ended 30 June 2023					
Opening net book amount	**575.8**	**170.5**	**63.1**	**32.9**	**842.3**
Additions - internally generated	**–**	**110.1**	**–**	**–**	**110.1**
Disposals (net of amortisation)	**–**	**(0.9)**	**–**	**–**	**(0.9)**
Amortisation charge	**–**	**(71.6)**	**(4.5)**	**–**	**(76.1)**
Exchange differences	**–**	**(0.4)**	**–**	**–**	**(0.4)**
Closing net book amount	**575.8**	**207.7**	**58.6**	**32.9**	**875.0**
As at 30 June 2023					
Cost	**829.8**	**608.8**	**79.4**	**50.1**	**1,568.1**
Accumulated amortisation and impairment	**(254.0)**	**(401.1)**	**(20.8)**	**(17.2)**	**(693.1)**
Closing net book amount	**575.8**	**207.7**	**58.6**	**32.9**	**875.0**
Year ended 30 June 2022					
Opening net book amount	575.8	153.0	67.6	36.8	833.2
Additions - internally generated	–	87.4	–	–	87.4
Disposals (net of amortisation)	–	(2.3)	–	–	(2.3)
Amortisation charge	–	(68.7)	(4.5)	(3.9)	(77.1)
Exchange differences	–	1.1	–	–	1.1
Closing net book amount	575.8	170.5	63.1	32.9	842.3
As at 30 June 2022					
Cost	829.8	513.7	79.4	50.1	1,473.0
Accumulated amortisation and impairment	(254.0)	(343.2)	(16.3)	(17.2)	(630.7)
Closing net book amount	575.8	170.5	63.1	32.9	842.3

1 Software includes capitalised development costs, being an internally generated intangible asset.
2 Brands includes indefinite life intangible assets allocated to the Property & Online Advertising CGU of $5.9 million (FY22: $5.9 million), Financial Services CGU of $11.4 million (FY22: $11.4 million), and to the India CGU of $15.6 million (FY22: $15.6 million).

(a) Impairment tests for goodwill and indefinite life intangibles

The Group monitors goodwill at segment level and performs an annual impairment test. The carrying amount of goodwill acquired through business combinations has been assessed for impairment testing as follows:

	Goodwill $M		Discount rates		Terminal growth rates	
	2023	2022	2023	2022	2023	2022
Australia – Property & Online Advertising	**283.0**	283.0	**12.7%**	11.7%	**4.0%**	3.0%
Australia – Financial Services	**129.5**	129.5	**13.3%**	12.4%	**4.0%**	3.0%
India	**163.3**	163.3	**N/A**	N/A	**N/A**	N/A
Total	**575.8**	575.8				

Notes to the Consolidated Financial Statements

for the year ended 30 June 2023

10. Intangible assets and impairment (continued)

Australian segments

The recoverable amounts for Australia – Property & Online Advertising and Australia - Financial Services have been determined based on a value-in-use calculation using cash flow projections from financial forecasts approved by the Board. These cash flow projections cover a five-year period for Australia – Property & Online Advertising and a seven-year period for Australia Financial Services, to appropriately reflect the growth profile of the respective businesses. Cash flows beyond the final year of cash flows are extrapolated using a terminal growth rate. The pre-tax discount rate applied to the cash flow projections and terminal growth rate are included in the table above.

India segment

The recoverable amount for India has been determined based on a fair value less costs of disposal calculation, based on a market value methodology. A revenue multiple is determined in reference to comparable companies and is then applied to Board approved financial forecasts. The inputs would be categorised as Level 2 within the fair value hierarchy.

(b) Result of impairment testing

The Group has not recorded an impairment charge relating to goodwill or other intangible assets for the year ended 30 June 2023 (2022: nil).

The Financial Services segment experienced slowing market activity during the year which resulted in a reduction in settlements and the underlying performance of the segment overall. The outcome of the annual impairment test on the Financial Services segment demonstrated that the carrying value is supported by the recoverable amount at 30 June 2023, albeit with reduced headroom.

(c) Key assumptions used for valuation calculations

Value-in-use

Discount rates (pre-tax) represent the current market specific to each segment, taking into consideration the time value of money and individual risks that have not been incorporated in the cash flow estimates. The discount rate calculation is based on specific circumstances of the Group and the segment and is derived from its weighted average cost of capital (**WACC**). Segment-specific risk is incorporated by applying additional regional risk factors. The WACC is evaluated annually based on publicly available market data.

Growth rate estimates are based on industry research and publicly available market data. The rates used to extrapolate the cash flows beyond the budget period include an adjustment to current market rates where required to approximate a reasonable long-term average growth rate. Over the extended forecast period, growth rate assumptions are above the terminal growth rate as the Group operates in a high growth industry.

Real estate industry and lending industry conditions impact assumptions including volume of real estate and borrowing transactions, number of real estate agencies, broker productivity and new development project spend. Assumptions are based on research and publicly available market data.

Fair value less cost of disposal

Revenue trading multiples for comparable companies using FY23 revenue forecasts have been applied.

Cost of disposal are estimated to be 2.5% of the valuation, representing incremental costs directly attributable to the disposal of the CGU which is consistent with FY22.

(d) Sensitivity to changes in assumptions

The value in use model to determine the recoverable amount of the Australia – Financial Services segment is sensitive to key assumptions given the limited headroom with which it supports the carrying value. These assumptions include discount rates, revenue and EBITDA growth rates and terminal growth rates. It continues to be a closely monitored segment of the business.

An increase in the pre-tax discount rate to 14.6% (i.e., 1.3%) in the Australia – Financial Services segment results in the carrying value equal to the recoverable value. A reduction in the terminal growth rate to 2.8% (i.e., -1.2%) in the Australia – Financial Services segment results in the carrying value equal to the recoverable value.

For all other segments, there is no reasonably possibly change in a key assumption used to determine the recoverable amount that would result in impairment.

Notes to the Consolidated Financial Statements

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11. Trade and other payables

Accounting policies

Trade and other payables are carried at amortised cost and are not discounted. These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are paid in accordance with vendor terms.

	2023 $M	2022 $M
Trade payables	**19.2**	15.0
Accrued expenses	**92.2**	82.4
Other payables	**11.6**	16.6
Total trade and other payables	**123.0**	114.0

12. Equity and reserves

(a) Equity

Accounting policies

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. The company does not have authorised share capital or par value in respect of its shares.

The number of ordinary shares issued at 30 June 2023 was 132,117,217 (2022: 132,117,217). The number of treasury shares held at 30 June 2023 was 52,061 (2022: 50,858).

	Ordinary Shares $M	Other contributed equity $M	Total $M
Balance at 1 July 2021	162.5	(10.4)	152.1
Acquisition of treasury shares	–	(16.0)	(16.0)
Settlement of vested performance rights	–	10.3	10.3
Balance at 30 June 2022	**162.5**	**(16.1)**	**146.4**
Balance at 1 July 2022	**162.5**	**(16.1)**	**146.4**
Acquisition of treasury shares	**–**	**(8.4)**	**(8.4)**
Settlement of vested performance rights	**–**	**8.2**	**8.2**
Tax associated with employee share schemes	**–**	**1.9**	**1.9**
Balance at 30 June 2023	**162.5**	**(14.4)**	**148.1**

Notes to the Consolidated Financial Statements

for the year ended 30 June 2023

12. Equity and reserves (continued)

(b) Reserves

Accounting policies

Share-based payments reserve represents the value of the grant of rights to executives under the Long-Term Incentive Plans and other compensation granted in the form of equity. The amounts are transferred out of the reserve when the rights vest and the shares are purchased on-market. Refer to Note 15 for further details on share-based payment arrangements.

Currency translation reserve is used to record exchange differences arising from the translation of the Financial Statements of its overseas subsidiaries and equity investments.

	Share-based payments reserve $M	Currency translation reserve $M	Total $M
Balance at 1 July 2021	14.4	26.0	40.4
Foreign currency translation differences	–	47.1	47.1
Total other comprehensive gain	–	47.1	47.1
Share-based payments	11.3	–	11.3
Settlement of vested performance rights	(10.3)	–	(10.3)
Balance at 30 June 2022	**15.4**	**73.1**	**88.5**
Balance at 1 July 2022	**15.4**	**73.1**	**88.5**
Foreign currency translation differences	**–**	**21.6**	**21.6**
Total other comprehensive gain	**–**	**21.6**	**21.6**
Share-based payments	**10.3**	**–**	**10.3**
Settlement of vested performance rights	**(8.2)**	**–**	**(8.2)**
Balance at 30 June 2023	**17.5**	**94.7**	**112.2**

(c) Non-controlling interests

Summarised financial information relating to each of the Group's subsidiaries with non-controlling interests (NCI) that are material to the Group before any intra-group eliminations is shown below:

	REA India $M	Other[1] $M	Total $M
Balance at 1 July 2021	69.8	0.4	70.2
Share of profit/(losses)	(13.6)	0.5	(13.1)
Other comprehensive income	4.4	–	4.4
Dividends paid	–	(0.2)	(0.2)
Balance at 30 June 2022	**60.6**	**0.7**	**61.3**
Net operating cash flow	(19.3)		
Net investing cash flow	(10.8)		
Net financing cash flow	61.5		
Balance at 1 July 2022	**60.6**	**0.7**	**61.3**
Share of profit/(losses)	**(11.8)**	**0.4**	**(11.4)**
Other comprehensive income	**0.7**	**–**	**0.7**
Dividends paid	**–**	**(0.4)**	**(0.4)**
Balance at 30 June 2023	**49.5**	**0.7**	**50.2**
Net operating cash flow	**(28.9)**		
Net investing cash flow	**(20.5)**		
Net financing cash flow	**81.0**		

1 'Other' represents other individually immaterial subsidiaries.

Notes to the Consolidated Financial Statements

for the year ended 30 June 2023

12. Equity and reserves (continued)

As at 30 June 2023, REA India had current assets of $90.4 million (2022: $50.9 million), non-current assets of $209.7 million (2022: $206.8 million), current liabilities of $37.1 million (2022: $27.9 million) and non-current liabilities of $21.3 million (2022: $22.0 million), all reported pre-intercompany eliminations.

Total funding provided during the year was $81.0 million (2022: $61.5 million) and the Group's ownership percentage increased by 4.7% to 78.0% at 30 June 2023. At 30 June 2023, News Corp holds a 22.0% interest in REA India (2022: 26.6%) on an undiluted basis.

13. Dividends

Accounting policies

Dividends determined to be paid are provided for when the dividend is appropriately authorised on or before the end of the reporting period but not distributed at the end of the reporting period.

	2023 $M	2022 $M
Paid during the period (fully franked at 30%)		
Interim dividend for 2023: 75.0 cents (2022: 75.0 cents)	**99.1**	99.1
Final dividend for 2022: 89.0 cents (2021: 72.0 cents)	**117.6**	95.1
Total dividends provided for or paid	**216.7**	194.2
Proposed and unrecognised as a liability (fully franked at 30%)		
Final dividend for 2023: 83.0 cents (2022: 89.0 cents). Proposed dividend is expected to be paid on 21 September 2023 out of retained earnings at 30 June 2023 but is not recognised as a liability at year end	**109.7**	117.6
Franking credit balance (based on a tax rate of 30%)		
Franking credits available for future years, adjusted for franking credits and debits that will arise from the settlement of liabilities or receivables for income tax and dividends after the end of the year	**788.8**	708.7
Impact on the franking account of the dividend recommended by the Directors since year end, but not recognised as a liability at year end	**(47.0)**	(50.4)

Notes to the Consolidated Financial Statements

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OUR PEOPLE

This section provides information about employee benefit obligations, including annual leave, long service leave and post-employment benefits. It also includes details about employee share plans.

14. Employee benefits

Accounting policies

Wage and salary liabilities are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

Long service leave liabilities are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Expected future payments are discounted using market yields at the end of the reporting period of high-quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Consolidated Income Statement.

Termination benefits are payable when employment is terminated before the normal retirement date, or an employee accepts voluntary redundancy in exchange for these benefits. It is recognised when the Group is demonstrably committed to either terminating employment according to a detailed formal plan without possibility of withdrawal or to providing termination benefits as a result of an offer made to encourage voluntary redundancy.

Share-based payments are further described in Note 15.

	2023 $M	2022 $M
Employee benefits		
Salary costs	**273.7**	266.8
Defined contribution superannuation expense	**27.6**	23.4
Share-based payments expense	**9.7**	10.4
Total employee benefits expenses	**311.0**	300.6
Provisions		
Current employee benefit provisions[1]	**12.5**	15.4
Non-current employee benefit provisions[2]	**8.2**	7.0
Total employee benefits provisions	**20.7**	22.4

1 Included within current provisions.
2 Included within non-current provisions.

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for the year ended 30 June 2023

15. Share-based payments

Accounting policies

The cost of **equity settled transactions** is recognised in employee benefits expense in the Consolidated Income Statement, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled (the vesting period), ending on the date on which the relevant employees become fully entitled to the award (the vesting date). At each reporting date until vesting, the cumulative charge to the Consolidated Income Statement is in accordance with the vesting conditions.

Equity settled awards granted by the Company to employees of subsidiaries are recognised in the subsidiaries' separate Financial Statements as an expense with a corresponding credit to equity. As a result, the expense recognised by the Group is the total expense associated with all such awards. Until an award has vested, any amounts recorded are contingent and will be adjusted if more or fewer awards vest than were originally anticipated.

Key estimate and judgement

The Group measures the cost of equity settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The Long-Term Incentive (LTI) plan, deferred share and deferred equity plan valuations were performed using the Black Scholes model and Monte Carlo simulation option pricing model. The accounting estimates and assumptions relating to equity settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact expenses and equity.

(a) LTI plan

The Group operates a LTI plan for executives identified by the Board. The plan is based on the grant of performance rights that vest as shares on a one-to-one basis at no cost to the employee subject to performance hurdles. Settlement of the performance rights is made in ordinary shares purchased on-market. The performance measures approved by the Board for all executives are based upon Group revenue and EPS compound annual growth rate, and relative Total Shareholder Return (**rTSR**) achievement over the performance period.

Rights are vested after the performance period. The LTI Plan 2023 rights performance period ended on 30 June 2023 and performance rights vest upon approval by the Board. As all other performance periods conclude in the future, no performance rights are exercisable (or have been exercised) at balance date.

The fair value of performance rights based on group revenue and EPS is estimated on the grant date using the Black Scholes option pricing model. The fair value of performance rights based on rTSR is estimated using a Monte Carlo simulation option pricing model.

The tables below summarise the movement in the Group's LTI plan during the year and other information required to understand how the fair value of the equity instruments has been determined.

Plan	Performance period	Balance at start of the year Number	Granted during the year Number	Exercised during the year[1] Number	Forfeited/ cancelled during the year Number	Balance at end of the year[2] Number
LTI Plan 2022 (Plan 13)	1 July 2019 – 30 June 2022	25,632	–	(22,300)	(3,332)	–
LTI Plan 2023 (Plan 14)	1 July 2020 – 30 June 2023	22,372	–	–	–	22,372
LTI Plan 2024 (Plan 15)	1 July 2021 – 30 June 2024	19,864	–	–	–	19,864
LTI Plan 2025 (Plan 16)	1 July 2022 – 30 June 2025	–	56,082	–	–	56,082
LTI Recovery Plan 2022	1 July 2020 – 30 June 2022	23,173	–	(2,507)	(20,666)	–
Total		**91,041**	**56,082**	**(24,807)**	**(23,998)**	**98,318**

1 The weighted average share price over the settlement period for these rights was $128.45.
2 The weighted average remaining contractual life of these rights at the end of the reporting period is 18 months.

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15. Share-based payments (continued)

Plan	Value per right at measurement date	Expected volatility[1]	Risk-free interest rate	Expected life of performance rights	Annual dividend yield
LTI Plan 2023 (Plan 14)	$135.82 - $277.38	27.5% - 35.0%	0.1% - 0.7%	20 – 38 months	1.0% - 1.1%
LTI Plan 2024 (Plan 15)	$151.91 - $167.47	27.5%	0.3% - 1.0%	38 months	1.1%
LTI Plan 2025 (Plan 16)	$56.09 - $118.31	30.0% - 32.5%	3.1% - 3.2%	38 months	1.7%

1 The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the rights is indicative of future trends, which may not necessarily be the actual outcome.

(b) Deferred equity plan

The deferred equity plan operates in the same manner as the Group's LTI plan, for certain non-executive employees, dependent on their position in the Group's remuneration framework. The performance measures approved by the Board for these employees are based upon personal performance and Group revenue, EBITDA, EPS and rTSR annual growth rate achievement over the performance period.

Rights are vested after the performance period. The deferred equity plan 2023 rights performance period ended on 30 June 2023 and the rights vest upon approval by the Board. As all other performance periods conclude in the future, no performance rights are exercisable (or have been exercised) at balance date.

The fair value of each performance right is estimated on the grant date using the same approach as the LTI plan.

The tables below summarise the movement in the Group's deferred equity plan during the year and other information required to understand how the fair value of the equity instruments has been determined.

Plan	Performance period	Balance at start of the year Number	Granted during the year Number	Exercised during the year[1] Number	Forfeited/ cancelled during the year Number	Balance at end of the year[2] Number
Deferred equity plan 2022	1 July 2020 – 30 June 2022	21,383	–	(18,340)	(3,043)	–
Deferred equity plan 2023	1 July 2021 – 30 June 2023	19,849	–	–	(3,906)	15,943
Deferred equity plan 2024	1 July 2022 – 30 June 2024	–	26,545	–	(2,659)	23,886
Total		**41,232**	**26,545**	**(18,340)**	**(9,608)**	**39,829**

1 The weighted average share price over the settlement period for these rights was $128.45.
2 The weighted average remaining contractual life of these rights at the end of the reporting period is 9 months.

Plan	Value per right at measurement date	Expected volatility[1]	Risk-free interest rate	Expected life of performance rights	Annual dividend yield
Deferred equity plan 2023	$155.84	27.5%	0.0%	26 months	1.1%
Deferred equity plan 2024	$120.33 - $140.55	30.0%	2.9%	26 months	1.7%

1 The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the rights is indicative of future trends, which may not necessarily be the actual outcome.

Notes to the Consolidated Financial Statements

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15. Share-based payments (continued)

(c) Deferred share plan

Rights granted under these plans vest 24 – 36 months after grant date. Each share right automatically converts into one ordinary share at an exercise price of nil at the end of the performance period, subject to service conditions. All performance periods conclude in the future and no performance rights are exercisable at balance date. The fair value of each performance right is estimated on the grant date using the Black Scholes model. The number of share rights granted is determined based on the dollar value of the award divided by the volume weighted average price (**VWAP**) leading up to the date of grant.

The tables below summarise the movement in the Group's deferred share plans during the year and the fair value of these equity instruments.

Plan	Performance period end date	Balance at start of the year Number	Granted during the year Number	Exercised during the year[1] Number	Forfeited/ cancelled during the year Number	Balance at end of the year[2] Number
Deferred share plan 2022 (ELT)	30 June 2022	5,774	–	(4,811)	(963)	–
Future leaders deferred share plan 2023	30 June 2023	3,166	–	(2,828)	(338)	–
Deferred share plan 2023 (Individuals)	30 June 2023	1,255	–	(1,255)	–	–
Key talent deferred share plan 2022	30 June 2023	11,800	–	(10,750)	(1,050)	–
Key talent deferred share plan 2022	1 March 2025	26,868	753	–	(3,016)	24,605
Deferred share plan 2023 (ELT)	30 June 2023	–	12,893	–	–	12,893
Deferred share plan 2024 (Individuals)	30 June 2024	–	2,316	–	–	2,316
Deferred share plan 2025 (Individuals)	30 June 2025	–	1,390	–	–	1,390
Key talent deferred share plan 2023	30 June 2025	–	6,192	–	(586)	5,606
Total		**48,863**	**23,544**	**(19,644)**	**(5,953)**	**46,810**

1 The weighted average share price over the settlement period for these rights was $142.56.
2 The weighted average remaining contractual life of these rights at the end of the reporting period is 14 months.

Plan	Value per right at measurement date
Key talent deferred share plan 2022	$131.28 - $133.51
Deferred share plan 2023 (ELT)	$111.08 - $116.28
Deferred share plan 2024 (Individuals)	$120.09 - $122.40
Deferred share plan 2025 (Individuals)	$118.09
Key talent deferred share plan 2023	$118.09 - $120.09

Notes to the Consolidated Financial Statements

for the year ended 30 June 2023

GROUP STRUCTURE

This section provides information on the Group structure and how this impacts the results of the Group as a whole, including parent entity information and details of investments in associates.

16. Investment in associates

Accounting policies

The Group's interest in equity accounted investees comprise interests in associates and joint ventures.

Associates are those entities in which the Group has significant influence, but no control or joint control over the financial or operating policies.

Interests in associates and joint ventures are accounted for using the equity method. They are recognised initially at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and other comprehensive income of equity accounted investees until the date of significant influence or joint control ceases.

At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group recognises the impairment loss in the Consolidated Income Statement.

(a) Interests in associates

(i) Move, Inc.

The Group has a 20% interest in Move, Inc. (**Move**), which is equity-accounted. The remaining 80% of Move is held by News Corp who granted the Group a put option to require News Corp to purchase all (but not less than all) of the Group's interest in Move, which can be exercised at any time at fair value, which has been assessed to be greater than the carrying value at 30 June 2023.

(ii) PropertyGuru Group Limited

The Group holds a 17.3% undiluted interest in PropertyGuru Group Limited (**PropertyGuru**), which is equity-accounted. The Group concludes it has significant influence over PropertyGuru due to REA's right to appoint a Director (Owen Wilson) to PropertyGuru's board of Directors. At 30 June 2023 the share price of PropertyGuru (NYSE: PGRU) was USD $4.44 (30 June 2022: USD $4.50). The decline in the share price since IPO listing in March 2022 continues to be considered an indicator of impairment.

(iii) Other (Campaign Agent Pty Ltd)

At 30 June 2023, the Group held a 29.4% interest in Campaign Agent Pty Ltd (**CampaignAgent**), included in the 'Other' category of investments in associates. At 30 June 2023, CampaignAgent had an investment carrying amount of $9.6 million and a loss of $1.2 million representing the Group's share for the year. CampaignAgent's total net liabilities at 30 June 2023 are $38.3 million, inclusive of $37.7 million relating to convertible preference share liabilities. On 5 July 2023, the Group obtained control of 100% of CampaignAgent and as part of this transaction the convertible preference shares were extinguished. The principal operating activities of CampaignAgent are to provide financing solutions in the property sale process and, as such, debt taken on by the company is secured against receivables. Refer to Note 23 for further information.

Notes to the Consolidated Financial Statements

for the year ended 30 June 2023

16. Investment in associates (continued)

The carrying amounts of investments in associates is provided below:

	Move		PropertyGuru		Other	
	2023 $M	2022 $M	2023 $M	2022 $M	2023 $M	2022 $M
Carrying amount of the investment	**314.9**	317.6	**286.1**	272.3	**41.7**	47.4

The share of (gains)/losses in associates is provided below:

	Move		PropertyGuru		Other	
	2023 $M	2022 $M	2023 $M	2022 $M	2023 $M	2022 $M
Share of (gain)/losses of associate	**9.9**[1]	(14.0)	**1.5**	30.8[2]	**7.0**	5.1

1 Includes REA's share of restructuring costs incurred ($3.7 million) by Move Inc. at 30 June 2023.
2 Includes REA's share of the IPO costs ($22.3 million) at 30 June 2022.

(b) Summarised financial information for material equity accounted investments

The following illustrates the summarised financial information of the Group's material investments in associates:

	Move	
	2023 $M	2022 $M
Current assets	**189.4**	259.1
Non-current assets	**1,688.4**	1,684.1
Current liabilities	**(267.4)**	(275.6)
Non-current liabilities	**(51.0)**	(95.8)
Net assets	**1,559.4**	1,571.8
Proportion of the Group's ownership	**20%**	20%
REA's share of net assets	**311.9**	314.4
Other[1]	**3.0**	3.2
Carrying amount of the investment	**314.9**	317.6
Revenue	**928.5**	995.8
Other operating costs	**(865.0)**	(833.6)
Interest/dividend income	**–**	0.2
Interest expense	**–**	–
Depreciation and amortisation[2]	**(103.2)**	(71.3)
Other	**(26.6)**	2.2
Income tax (expense)/benefit	**16.5**	(23.3)
Profit/(loss) for the year from continuing operations	**(49.7)**	70.0
Other comprehensive income	**–**	–
Total comprehensive profit/(loss)	**(49.7)**	70.0
Share of gain/(loss) of associates	**(9.9)**	14.0

1 Amount includes fair value uplift of intangible assets acquired and other adjustments.
2 Inclusive of amortisation of fair value uplift on acquisition of associates.

Notes to the Consolidated Financial Statements

for the year ended 30 June 2023

16. Investment in associates (continued)

	PropertyGuru[1]	
	2023 $M	2022 $M
Current assets	**351.1**	377.3
Non-current assets	**460.4**	413.6
Current liabilities	**(94.6)**	(133.3)
Non-current liabilities	**(19.1)**	(14.8)
Net assets	**697.8**	642.8
Proportion of the Group's ownership	**17.3%**	17.5%
REA's share of net assets	**121.0**	112.5
Other[2]	**165.1**	159.8
Carrying amount of the investment	**286.1**	272.3
Revenue	**115.9**	87.2
Other gains/(losses)	**0.6**	10.6
Other operating costs	**(123.8)**	(108.8)
Depreciation and amortisation	**(17.5)**	(14.1)
Other	**–**	(134.6)
Income tax (expense)/benefit	**(1.2)**	0.6
Profit/(loss) for the year from continuing operations	**(25.9)**	(159.1)
Other comprehensive income	**(30.1)**	2.1
Total comprehensive profit/(loss)	**(56.0)**	(157.0)

1 Based on latest publicly available information which represents the Balance Sheet as at 31 March 2023 and Income Statement for 9 months ended 31 March 2023 as PropertyGuru has a 31 December year-end.

2 Other primarily relates to the fair value uplift of intangible assets acquired and the net assets corresponding to the latest financial statements REA is permitted to disclose translated at closing rates at 30 June 2023.

(c) Impairment testing and key assumptions for material equity accounted investments

At 30 June 2023 PropertyGuru (NYSE: PGRU) had a fair value of USD $722m based on the quoted share price of USD $4.44 (30 June 2022: USD $4.50) and the latest publicly available number of issued shares. The decline in the share price since IPO listing in March 2022 resulted in an assessment of PropertyGuru's carrying value against its recoverable amount.

The recoverable amount was determined based on a value-in-use calculation, which was calculated using 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 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 internal analysis. Cash flows beyond the final year of the cash flow projections are calculated using a terminal growth rate.

	Discount rates		Terminal growth rates	
	2023	2022	2023	2022
PropertyGuru	**11.1%**	10.8%	**3.5%**	3.5%

The investment was tested for impairment as at 30 June 2023 and it was determined that the recoverable amount is greater than the carrying value albeit with reduced headroom.

Notes to the Consolidated Financial Statements

for the year ended 30 June 2023

16. Investment in associates (continued)

(d) Sensitivity to changes in assumptions

The assumptions used in calculating the VIU are sensitive and subject to some uncertainty. The calculation is most sensitive to:

- achievement of revenue and EBITDA margin forecasts.
- changes in the discount rate and terminal growth rate which are sensitive to the macro-economic and political environment (specifically inputs such as GDP growth rates, inflation, interest rates and market risk premium).

As a result, any adverse changes, in isolation, in key assumptions would result in the recoverable amount of PropertyGuru falling below the carrying amount, resulting in a future impairment to the investment.

17. Parent entity financial information

Accounting policies

The financial information for the parent entity has been prepared on the same basis as the Consolidated Financial Statements, except as set out below.

Investments in subsidiaries and associates are accounted for at cost. Dividends received from associates and joint ventures are recognised in the parent entity's Income Statement, rather than being deducted from the carrying amount of these investments.

In addition to its own current and deferred tax amounts, REA Group Ltd also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

The entities have also entered into a tax funding agreement under which the wholly owned entities fully compensate the Company for any current tax payable assumed and are compensated by the Company for any current tax receivable and deferred taxes relating to unused tax losses or unused tax credits that are transferred to REA Group Ltd under the tax consolidation legislation.

The funding amounts are determined by reference to the amounts recognised in the wholly owned entities' financial statements. Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable or payable to other entities in the group. Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly owned tax consolidated entities.

Where the parent entity has provided **financial guarantees** in relation to loans and payables of subsidiaries for no compensation, the fair values of these guarantees are accounted for as contributions and recognised as part of the cost of the investment.

The individual Financial Statements for the parent entity, REA Group Ltd show the following aggregate amounts:

	2023 $M	2022 $M
Current assets	**17.4**	3.6
Non-current assets	**456.5**	456.4
Total assets	**473.9**	460.0
Current liabilities	**247.5**	17.1
Non-current liabilities	**–**	–
Total liabilities	**247.5**	17.1
Net assets	**226.4**	442.9
Contributed equity	**154.1**	151.6
Reserves	**8.0**	6.3
Retained earnings	**64.3**	285.0
Total shareholders' equity	**226.4**	442.9
Profit/(loss) and other comprehensive income of the parent entity	**(4.0)**	192.5

Notes to the Consolidated Financial Statements

for the year ended 30 June 2023

17. Parent entity financial information (continued)

REA Group Ltd had net current liabilities of $230.1 million as at 30 June 2023 (2022: $13.5 million), driven by intercompany balances with its subsidiaries. REA Group Ltd intends to repay these balances as they fall due.

(a) Guarantees entered into by the parent entity

The parent entity has not provided unsecured financial guarantees in respect of loans of subsidiaries (2022: $nil).

Refer to Note 20 for further information relating to the Deed of Cross Guarantee.

(b) Commitments and contingencies

Refer to Note 19(b) for commitments held by the parent entity.

Notes to the Consolidated Financial Statements

for the year ended 30 June 2023

OTHER DISCLOSURES

This section includes other balance sheet and related disclosures not included in the other sections, for example property, plant and equipment, leases, commitments, related parties, remuneration of auditors, other significant accounting policies and subsequent events.

18. Leases

Accounting policies

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. A portion of an asset is an identified asset if it is physically distinct. If it is not physically distinct, the portion of an asset is not an identified asset, unless the lessee has the right to use substantially all the capacity of the asset during the lease term. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in AASB 16 *Leases*.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component based on its relative stand-alone prices. However, for property and IT equipment leases the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term. If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined or ascertained, the incremental borrowing rate. The Group used its incremental borrowing rate as the discount rate. The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease for each lessee and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments.
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group presents right-of-use assets in 'property, plant and equipment' and lease liabilities in 'interest bearing loans and borrowings' in the Consolidated Statement of Financial Position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment and office spaces under short-term arrangements. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term in operations and administration expense.

Notes to the Consolidated Financial Statements

for the year ended 30 June 2023

18. Leases (continued)

(a) Leases as a lessee

The Group typically leases office space over periods of two to seven years, with an option to renew the lease after that date. Lease payments are renegotiated on the exercise of renewal options to reflect market rentals. Some leases provide for additional rent payments that are based on changes in local price indices. For certain leases, the Group is restricted from entering into any sub-lease arrangements. The Group leases IT equipment with contract terms of one to five years. Most of these leases are short-term and/or leases of low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for leases meeting this criterion.

(i) Right-of-use assets

Right-of-use assets are presented as property, plant and equipment (see Note 9). The Group leases various assets including buildings and IT equipment.

(ii) Lease liabilities

Lease liabilities are presented as interest bearing loans and borrowings (see Note 8).

	2023 $M	2022 $M
Maturity analysis – undiscounted cash flows		
Less than one year	**12.6**	10.3
One to five years	**54.4**	43.5
More than five years	**29.6**	30.5
Total undiscounted lease liabilities at 30 June	**96.6**	84.3
Lease liabilities included in the Consolidated Statement of Financial Position	**86.5**	75.3
Current	**10.5**	8.6
Non-current	**76.0**	66.7

(iii) Amounts recognised in profit and loss

	2023 $M	2022 $M
Interest on lease liabilities	**2.2**	2.0
Expenses relating to short-term leases	**1.4**	0.7
Expenses relating to leases of low-value assets, excluding short-term, low value leases	**0.1**	0.1

(iv) Amounts paid during the year

	2023 $M	2022 $M
Total cash outflow for leases	**8.2**	10.9

(v) Extension options

A number of the Group's property leases contain extension options exercisable by the Group, up to 6 months before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group re-assesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control. The Group has an exposure of $0.8 million (2022: $2.2 million) from extension options not reflected in the lease liability.

Notes to the Consolidated Financial Statements

for the year ended 30 June 2023

19. Contingencies and commitments

(a) Contingent liabilities

(i) 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.

(ii) Guarantees

At 30 June 2023, the Group had bank guarantees totalling $11.8 million (2022: $11.1 million) in respect of various property leases for offices used by the Group.

(iii) Other Matters

From time to time, the Group is subject to both formal and informal reviews by various tax authorities as well as legal claims. The outcome of any tax reviews or audits will be continually assessed to determine whether any tax outflows are probable. At 30 June 2023 the Consolidated Statement of Financial Position accurately reflects all potential taxation liabilities where it is probable that any tax outflow may arise and the Group is taking reasonable steps to conclude all outstanding matters with the relevant tax authorities and legal claims.

(b) Commitments

The Group has no capital commitments at 30 June 2023 (2022: nil).

20. Related parties

(a) Transactions with related parties

	2023 $	2022 $
Ultimate parent entity (News Corporation), group entities and associates		
Sale of goods and services	**2,585,909**	3,225,093
Purchase of goods and services	**9,071,694**	9,902,519
Dividends paid	**133,080,087**	119,285,200
Management fee paid	**155,000**	155,000
Amounts receivable from ultimate parent, group entities and associates	**2,009,598**	816,133
Amounts owing to ultimate parent, group entities and associates	**5,133,881**	81,436
Key management personnel		
Short term employee benefits	**5,680,736**	5,796,342
Post-employment benefits	**181,391**	155,810
Long term employee benefits	**62,384**	105,814
Deferred Short Term Incentive Plan (STI Plan)	**494,982**	720,008
Long Term Incentive Plan (LTI Plan)	**2,255,630**	1,191,729

(i) Parent entities

The parent entity within the Group is REA Group Ltd. The ultimate parent entity of the Group is News Corporation (**News Corp**), a resident of the United States of America, which owns 61.42% of REA Group Ltd via its wholly owned subsidiary News Australia Pty Limited. News Corp is listed on the NYSE.

During the year, the Group sold advertising space at arm's length terms to News Corp (or one of its related entities) and recharged promotional costs. The Group also utilised advertising and support services of News Corp (or one of its related entities) on commercial terms and conditions.

Insurance premium recharges were paid to News Corp (or one of its related entities) and News Corp (or one of its related entities) recharged the Group relating to the use of IT content delivery services. The Group has entered certain agreements with independent third parties under the same terms and conditions as those negotiated by News Corp.

Notes to the Consolidated Financial Statements

for the year ended 30 June 2023

20. Related parties (continued)

(ii) Key management personnel

For a list of key management personnel and additional disclosures, refer to the Remuneration Report.

(iii) Commitments

Refer to Note 19 for details.

(b) Investment in subsidiaries and associates

Accounting policies

Subsidiaries are all those entities which the Group controls. Control exists if the Group has:

- Power over the investee (i.e., ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Subsidiaries are fully consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date on which control is transferred out of the Group. A change in ownership interest of a subsidiary that does not result in a loss of control is accounted for as an equity transaction.

The Financial Statements of subsidiaries are prepared for the same reporting period as the parent company, with the exception of certain Asian entities with a financial reporting period ending 31 December and REA India with a financial reporting period ending 31 March. All subsidiaries apply consistent accounting policies to their Financial Statements.

The consolidated Financial Statements incorporate the assets, liabilities and results of the following subsidiaries and associates of REA Group Ltd as at 30 June 2023 in accordance with the above accounting policy.

Name of entity	Country of incorporation	Equity Holding 2023 %	Equity Holding 2022 %
REA US Holding Co. Pty Ltd	Australia	**100**	100
realestate.com.au Pty Limited	Australia	**100**	100
1Form Online Pty Ltd[1]	Australia	**–**	100
Flatmates.com.au Pty Ltd	Australia	**100**	100
PropTrack Pty Ltd	Australia	**100**	100
NOVII Pty Ltd	Australia	**56.2**	56.2
HomeGuru Finance Pty Ltd[2]	Australia	**56.2**	56.2
REA Financial Services Holding Co. Pty Ltd	Australia	**100**	100
Mortgage Choice Pty Ltd	Australia	**100**	100
FinChoice Pty Limited	Australia	**100**	100
Help Me Choose Pty Limited	Australia	**100**	100
realestate.com.au Home Loans Mortgage Broking Pty Ltd	Australia	**100**	100
Smartline Home Loans Pty Ltd	Australia	**100**	100
Smartline Operations Pty Limited	Australia	**100**	100
REA Asia Holding Co. Pty Ltd	Australia	**100**	100
iProperty.com Events Sdn. Bhd.	Malaysia	**100**	100
Think iProperty Sdn. Bhd.[3]	Malaysia	**–**	100
REA Hong Kong Management Co Limited	Hong Kong	**100**	100
GoHome H.K. Co. Limited[4]	Hong Kong	**–**	100
SMART Expo Limited[5]	Hong Kong	**–**	100
Big Sea International Limited	British Virgin Islands	**100**	100

Notes to the Consolidated Financial Statements

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20. Related parties (continued)

Name of entity	Country of incorporation	Equity Holding 2023 %	Equity Holding 2022 %
GoHome Macau Co Ltd	Macau	**100**	100
REA Group Hong Kong Limited	Hong Kong	**100**	100
REA HK Co Limited	Hong Kong	**100**	100
REA Group Consulting (Shanghai) Co., Limited	China	**100**	100
Austin Bidco Pty Ltd	Australia	**100**	100
iProperty Group Pty Ltd	Australia	**100**	100
iProperty Group Asia Pte. Ltd.[6]	Singapore	**–**	100
REA India Pte. Ltd.[7]	Singapore	**78.0**	73.3
Locon Solutions Private Limited[8]	India	**78.0**	73.3
Realty Business Intelligence Private Limited[9]	India	**–**	73.3
PropTiger Marketing Services Private Limited[8]	India	**78.0**	73.3
Aarde Technosoft Private Limited[9]	India	**–**	73.3
Makaan.com Private Limited[9]	India	**–**	73.3
Oku Tech Private Limited[10]	India	**62.5**	58.6
Blue Sword Real Estate Buying and Selling Brokerage One Person LLC	United Arab Emirates	**78.0**	73.3
Associates:			
Move, Inc.[11]	United States	**20.0**	20.0
Managed Platforms Pty Ltd[12]	Australia	**26.8**	27.5
ScaleUp Mediafund 2.0 Pty Limited[13]	Australia	**16.7**	16.7
ScaleUp Mediafund Management Pty Ltd[13]	Australia	**16.7**	–
ScaleUp MediaFund 3.0 Trust[13]	Australia	**16.7**	–
Realtair Pty Limited[14]	Australia	**37.1**	35.8
Campaign Agent Pty Ltd[15]	Australia	**29.4**	29.8
Simpology Pty Limited[16]	Australia	**35.2**	35.2
PropertyGuru Group Limited[17]	Grand Cayman	**17.3**	17.5

1 Deregistered on 28 May 2023.
2 HomeGuru Finance Pty Ltd is 100% owned by NOVII Pty Ltd.
3 Deregistered on 3 April 2023.
4 Deregistered on 7 October 2022.
5 Deregistered on 7 October 2022.
6 Deregistered on 19 April 2023.
7 Equity Holding increased to 75.1% on 15 December 2022 and 78.0% on 30 June 2023. Diluted holding is 77.9% (2022: 73.2%).
8 100% owned by REA India Pte. Ltd.
9 Amalgamated with Locon Solutions Private Limited on 16 December 2022.
10 80.09% owned by REA India Group (7.73% held by Locon Solutions Private Limited and 72.36% held by REA India Pte. Ltd.). Balance owned by external parties.
11 Investment is held by REA US Holding Co. Pty Ltd.
12 Investment is held by realestate.com.au Pty Limited and decreased to 26.8% as a result of various issues of new shares throughout the financial year to satisfy the vesting of employee share options. Diluted holding is 27.1% (2022: 22.7%).
13 Investment is held by realestate.com.au Pty Limited and was acquired on 8 June 2023.
14 Investment is held by realestate.com.au Pty Limited and increased to 37.1% on 14 February 2023. Diluted holding is 31.9% (2022: 30.7%).
15 Investment is held by realestate.com.au Pty Limited. Diluted holding is 26.5% (2022: 26.5%).
16 Investment is held by realestate.com.au Pty Limited. Diluted holding is 33.8% (2022: 33.8%).
17 Investment is held by REA Asia Holding Co. Pty Ltd.

Notes to the Consolidated Financial Statements

for the year ended 30 June 2023

20. Related parties (continued)

(c) Deed of Cross Guarantee

Pursuant to ASIC Corporations (Wholly-owned Companies) Instrument 2016/785, relief has been granted to realestate.com.au Pty Limited, Austin Bidco Pty Ltd, PropTrack Pty Ltd, Flatmates.com.au Pty Ltd, Smartline Home Loans Pty Ltd, Smartline Operations Pty Limited, iProperty Group Pty Ltd, REA Financial Services Holding Co. Pty Ltd, Mortgage Choice Pty Ltd and REA Asia Holding Co. Pty Ltd (the **Closed Group**) from the *Corporations Act 2001* requirements for the preparation, audit and lodgement of separate Financial Statements.

As a condition of the Class Order, REA Group Ltd and realestate.com.au Pty Limited entered into a Deed of Cross Guarantee (the **Deed**) on 26 May 2009, with all other entities added to the Deed during the 2019, 2020, 2021 and 2022 financial years. The effect of the Deed is that REA Group Ltd guarantees to each creditor payment in full of any debt in the event of winding up of the aforementioned entities under certain provisions or if they do not meet their obligations under the terms of overdrafts, loans, leases or other liabilities subject to the guarantee. The controlled entities have also given a similar guarantee in the event that any other party to the Deed is wound up or if it does not meet its obligations under the terms of overdrafts, leases or other liabilities subject to the guarantee.

Consolidated Income Statement	2023 $M	2022 $M
Profit from continuing operations before income tax	**569.8**	597.1
Income tax expense	**(171.7)**	(180.8)
Profit for the year	**398.1**	416.3
Summary of movements in consolidated retained earnings		
Retained earnings at beginning of the financial year	**1,909.5**	1,587.9
Earnings for the year	**398.2**	416.3
Other	**0.4**	99.5
Dividends provided for or paid during the year	**(216.7)**	(194.2)
Retained earnings at end of the financial year	**2,091.4**	1,909.5

Notes to the Consolidated Financial Statements

for the year ended 30 June 2023

20. Related parties (continued)

Consolidated Statement of Financial Position	2023 $M	2022 $M
ASSETS		
Current assets		
Cash and cash equivalents	**188.0**	207.2
Trade and other receivables	**321.3**	375.7
Total current assets	**509.3**	582.9
Non-current assets		
Plant and equipment	**88.2**	81.0
Intangible assets	**170.7**	132.6
Deferred tax assets	**11.7**	13.9
Other non-current assets	**405.2**	446.3
Investment in associates	**327.9**	319.7
Investment in subsidiaries	**531.0**	450.1
Total non-current assets	**1,534.7**	1,443.6
Total assets	**2,044.0**	2,026.5
LIABILITIES		
Current liabilities		
Trade and other payables	**198.8**	287.7
Current tax liabilities	**16.7**	19.3
Provisions	**12.5**	14.9
Contract liabilities	**80.3**	79.7
Interest bearing loans and borrowings	**10.5**	8.5
Total current liabilities	**318.8**	410.1
Non-current liabilities		
Provisions	**6.1**	5.9
Other non-current liabilities	**314.1**	330.6
Interest bearing loans and borrowings	**392.6**	478.3
Total non-current liabilities	**712.8**	814.8
Total liabilities	**1,031.6**	1,224.9
Net assets	**1,012.4**	801.6
EQUITY		
Contributed equity	**(1,148.4)**	(1,156.4)
Reserves	**69.4**	48.5
Retained earnings	**2,091.4**	1,909.5
Total Equity	**1,012.4**	801.6

Notes to the Consolidated Financial Statements

for the year ended 30 June 2023

21. Remuneration of auditors

Services provided by the auditor of the parent entity and the auditor's related practices, as well as non-EY audit firms, are categorised as below:

- Category 1: Fees paid or payable to the auditor of the parent entity for auditing the statutory financial report of the parent covering the group, and for auditing statutory financial reports of any controlled entities.
- Category 2: Fees paid or payable for assurance services that are required by legislation and are required by that legislation to be provided by the auditor of the parent entity.
- Category 3: Fees paid or payable for other assurance and agreed-upon procedures services that are required by legislation or other contractual arrangements, where there is discretion as to whether the service is provided by the auditor of the parent or another non-EY audit firm; and
- Category 4: Fees paid or payable for other services (including tax compliance).

During the year, the following fees were paid or payable for services provided by the auditor of the parent entity and its related practices, as well as non-EY audit firms, split for the categories described above:

	EY Australia		Related practices of EY Australia		Non EY Audit Firms[1]	
	2023 $	2022 $	2023 $	2022 $	2023 $	2022 $
Category 1 fees	**1,695,982**	1,650,875	**62,580**	294,730	**437,749**	235,360
Category 2 fees	**17,000**	13,000	**–**	–	**–**	–
Category 3 fees	**15,000**	12,000	**–**	–	**–**	24,875
Category 4 fees	**303,100**	272,175	**36,497**	41,473	**505,711**	501,649
Total auditor's remuneration	**2,031,082**	1,948,050	**99,077**	336,203	**943,460**	761,884

1 Non-EY Audit Firms are not the group auditors.

Notes to the Consolidated Financial Statements

for the year ended 30 June 2023

22. Other accounting policies

Accounting policies

Foreign currency translation

The consolidated Financial Statements are presented in Australian dollars, which is the Group's **presentation currency**. Items included in the Financial Statements of each of the Group's entities are measured using the currency of the primary economic environments in which the entity operates ("the functional currency").

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

All foreign exchange gains and losses are presented in the Income Statement on a net basis within operations and administration expenses.

Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in the Income Statement as part of the fair value gain or loss. Translation differences on non-monetary assets are included in the fair value reserve in equity.

The results and financial position of all the **Group entities** (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows, with all resulting exchange differences are recognised in OCI:

- Assets and liabilities for each Statement of Financial Position presented are translated at the closing rate at the date of that Statement of Financial Position; and
- Income and expenses for each Income Statement are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions).

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

Provisions are measured at the present value of the Group's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

New standards, interpretations and amendments adopted by the Group.

Several new or amended accounting standards and interpretations were effective for the Group from 1 July 2022. However, these are not considered relevant to the activities of the Group, nor have a material impact on the financial statements of the Group.

New standards, interpretations and amendments not yet adopted by the Group.

New accounting standards, interpretations and amendments have been issued but are not yet effective. However, these are not considered relevant to the activities of the Group, nor are they expected to have a material impact on the financial statements of the Group.

Notes to the Consolidated Financial Statements

for the year ended 30 June 2023

23. Events after the Statement of Financial Position date

Acquisition of Campaign Agent Pty Ltd

On 5 July 2023, the Group acquired the remaining interest in Campaign Agent Pty Ltd (CampaignAgent). The Group previously held a 29.4% (undiluted) interest and was classified as an investment in associate (refer to Note 16). CampaignAgent provides financing of the vendor marketing schedule and agent commissions within the residential property market. The acquisition provides the Group with an opportunity to offer a deferred payment solution to accommodate vendor preferences, support agencies working capital requirements and assist in the property transaction process.

The total purchase cash consideration is $39.0 million. The acquisition was achieved in stages, resulting in the 29.4% interest held immediately before the acquisition being fair valued with a gain on acquisition to be reflected in the consolidated income statement during the year ending 30 June 2024. The principal operating activities of CampaignAgent are to provide financing solutions in the property sale process and, as such, debt taken on by the company is secured against receivables.

The fair values of the identifiable assets and liabilities of the business combination at the date of acquisition have not been finalised as the acquisition occurred close to the date these financial statements were authorised for release. The business combination will be finalised within 12 months of the acquisition date, in line with accounting standards. Refer to Note 16 Investments in Associates for details of CampaignAgent's contribution to the Group for the year ended 30 June 2023.

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

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

a. in the Directors' opinion the Financial Statements and notes for the financial year ended 30 June 2023 set out on pages 66 to 118 are in accordance with the *Corporations Act 2001* (Cth), including:
   (i) complying with the Australian Accounting Standards and Corporations Regulations 2001; and
   (ii) giving a true and fair view of the financial position and performance of the Company and the consolidated entity.

b. 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.

c. the Basis of Preparation note confirms that the Financial Statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

d. the Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2023; and

e. as at the date of this declaration, there are reasonable grounds to believe that the members of the Closed Group identified in Note 20 to the Financial Statements will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the Deed of Cross Guarantee.

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

Mr Hamish McLennan
Chairman

Mr Owen Wilson
Chief Executive Officer

Melbourne
11 August 2023

Independent Auditor's Report

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Independent auditor's report to the members of REA Group Ltd

Report on the audit of the financial report

Opinion

We have audited the financial report of REA Group Ltd ("the Company") and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the consolidated financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2023 and of its consolidated financial performance for the year ended on that date; and

b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the 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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

Independent Auditor's Report

continued

Building a better working world

Property and online advertising revenue recognition and its reliance on automated processes and controls

Why significant	How our audit addressed the key audit matter
The Group recognised $1,122.3m in Property and online advertising revenue for the year ended 30 June 2023. The Group's revenue recognition processes are heavily reliant on IT systems with automated processes and controls over the capturing and measurement of transactions. These processes include a combination of manual and automated controls. The understanding and testing of the IT systems and controls that process revenue transactions is a key part of our audit. The recognition of revenue is considered a key audit matter due to the significance of revenue to the financial report and the level of audit effort required, with the associated disclosures found in Note 3.	In performing our audit procedures, we: • Assessed the design and operating effectiveness of relevant controls over the capture and measurement of revenue transactions. • Assessed the Group's manual and automated controls over IT systems relevant to revenue recognition. • Examined the process and controls over the capture and determination of the timing of revenue recognised, as well as performed testing on a sample of transactions to supporting evidence. • Performed data analysis procedures over the revenue transactions and the relationship of these transactions against the contract liability, trade receivables and cash accounts. We also assessed the timing, aging profile and nature of the transactions. • Assessed the Group accounting policies set out in Note 3, and the adequacy of disclosures for compliance with the revenue recognition requirements of Australian Accounting Standards. Our IT specialists were involved in the conduct of these procedures where appropriate.

Impairment assessment of intangible assets and Investment in associates

Why significant	How our audit addressed the key audit matter
At 30 June 2023, the Group held $875.0m in goodwill and other identifiable intangible assets (relating to software, customer contracts and brands) and $642.7m in investment in associates. As outlined in Note 10 and Note 16 to the financial report, impairment testing is performed by the Group annually to support the carrying value of goodwill and other identifiable intangible assets and is performed in relation to the investment in associates whenever there is an indicator of impairment. The recoverable amount for both the Australia - Property and online advertising Cash Generating Unit ("CGU") and Australia - Financial services CGU, to which goodwill is allocated has been determined using a value-in-use model, whereas the recoverable amount of the India CGU to which goodwill is allocated, was determined using the fair value less cost of disposal model. Investment in associates are accounted for under the equity method and are tested for impairment whenever there is an indicator of impairment. For PropertyGuru, where management identified indicators of impairment, the recoverable amount was determined using a value in use model. As this process involves estimates and significant judgments regarding forecasted future cash flow projections, discount rate, growth rates and terminal values, as well as the significant value of the intangible asset balances and investment in associates, we have determined that this is a Key Audit Matter.	In performing our impairment audit procedures for goodwill and intangibles as well as for investments in associates, we: • Assessed the appropriateness and application of the methodologies applied to estimate recoverable amount. • Assessed the key inputs and assumptions including board approved cash flows, discount rates and growth rates adopted in the estimated recoverable amount. • Evaluated whether the Group's determination of its CGUs is in accordance with Australian Accounting Standards, including the consideration of the level at which goodwill is allocated and monitored. • Compared the cash flows used in the assessment to the actual and budgeted financial performance of the underlying CGUs and associates. • Assessed the reasonableness of the Group's sensitivity analysis around the key assumptions to determine whether any reasonably possible changes would result in an impairment where no impairment had been recognised. • Compared earnings multiples to those observable from external market data of comparable listed entities, where available. • Assessed the adequacy of the disclosures made in the financial report. Our valuation specialists were involved in the conduct of these procedures where appropriate.

Independent Auditor's Report

continued

EY
Building a better working world

Financial services: Trailing commissions

Why significant	How our audit addressed the key audit matter
At 30 June 2023, the Group recognised a contract asset representing the expected value of trailing commissions receivable of $554.5m and a corresponding trailing commission payable of $431.6m representing the net present value of trailing commissions payable by the Group, as disclosed in Note 8. The measurement of the trailing commissions is considered a key audit matter due to the size of the contract assets and trailing commission payable and the degree of judgment and estimation uncertainty associated with the calculations. Key areas of judgment include: • The estimation of the discount rate • The payout ratio; and • Loan book run off rate assumptions.	In performing our audit procedures, we: • Assessed the appropriateness and application of the measurement methodologies applied including the mathematical accuracy. • Assessed the key inputs and assumptions applied, including the discount rate and the assessment of the run-off rate assumptions. • Assessed the completeness and accuracy of the loan data used in managements model by testing a sample of the data back to external supporting documents such as lender commission statements and contracts with lenders and brokers. • Tested the key management controls in place to assess the reasonableness of the measurement outcome. • Performed an independent assessment, developed by internal experts, using the loan data inputs and assumptions applied by management, to recalculate the trailing commission receivable and payable. • Assessed the adequacy and appropriateness of the disclosures related to trailing commissions within the financial report. Our actuarial specialists were involved in the conduct of these procedures where appropriate.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2023 annual report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditor's Report

continued

Building a better working world

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

Independent Auditor's Report

continued

Building a better working world

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of REA Group Ltd for the year ended 30 June 2023, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Ernst & Young

Ernst & Young

Alison Parker
Partner

Melbourne, Australia
11 August 2023

Historical results

A$M (except where indicated)	2023	2022	2021	2020	2019
Consolidated Results:					
Revenue from continuing operations	**1,183.2**	1,160.2	927.8	820.3	874.9
Profit before interest and tax (EBIT)	**523.2**	554.8	473.0	239.3	252.6
Profit before income tax	**512.9**	547.9	468.4	233.7	245.0
Profit for the year attributable to owners of the parent	**356.1**	384.8	322.7	112.4	105.0
Earnings per share from continuing operations (cents)	**269.7**	291.4	244.6	85.3	79.7
Return on average shareholders' equity (% p.a.)	**26%**	30%	31%	13%	11%
Dividend and distribution	**216.7**	194.2	150.3	155.4	154.1
Dividend per ordinary share (cents)	**158.0**	164.0	131.0	110.0	118.0
Dividend franking (% p.a)	**100%**	100%	100%	100%	100%
Dividend cover (times)	**1.59**	1.91	2.08	0.72	0.68
Financial Ratios:					
Net tangible asset backing per share ($)	**4.86**	3.94	0.84	1.63	0.93
Net EBITDA (continuing operations) interest cover (times)	**43.24**	132.65	262.36	68.14	30.02
Gearing (debt / debt and shareholders' equity) (%)	**21%**	26%	30%	27%	26%
Financial Statistics:					
Income from dividends and interest	**7.2**	1.3	2.2	2.9	2.2
Depreciation and amortisation provided during the year	**91.8**	93.1	82.6	78.6	59.6
Net finance expense / (income)	**17.5**	6.9	4.6	5.6	7.6
Net cash inflow from operating activities	**472.7**	487.6	321.4	419.1	364.1
Capital expenditure and acquisitions	**133.6**	194.7	381.5	101.2	64.7
Balance Sheet Data as at 30 June:					
Current assets	**612.7**	560.0	687.1	373.1	306.9
Non-current assets	**2,013.9**	2,008.8	1,668.1	1,217.4	1,274.8
Total Assets	**2,626.6**	**2,568.8**	**2,355.2**	**1,590.5**	**1,581.7**
Current liabilities	**360.8**	349.8	351.6	317.7	444.9
Non-current liabilities	**748.8**	855.7	864.4	408.3	231.4
Total Liabilities	**1,109.6**	**1,205.5**	**1,216.0**	**726.0**	**676.3**
Net Assets	**1,517.0**	**1,363.3**	**1,139.2**	**864.5**	**905.4**
Shareholders' Equity					
Contributed equity	**148.1**	146.4	152.1	92.0	89.6
Reserves	**112.2**	88.5	40.4	67.8	68.1
Retained profits	**1,206.5**	1,067.1	876.5	704.3	747.3
Shareholders' equity attributable to REA	**1,466.8**	**1,302.0**	**1,069.0**	**864.1**	**905.0**
Non-controlling interests in controlled entities	**50.2**	61.3	70.2	0.4	0.4
Total Shareholders' equity	**1,517.0**	**1,363.3**	**1,139.2**	**864.5**	**905.4**
Other data as at 30 June:					
Fully paid shares (000's)	**132,117**	132,117	132,117	131,715	131,715
REA share price:					
– year's high ($)	**143.30**	176.81	173.11	117.30	97.37
– year's low ($)	**108.61**	95.29	102.95	62.05	69.23
– close ($)	**143.03**	111.83	169.03	107.88	96.04
Market capitalisation ($b)	**18.9**	14.8	22.3	14.2	12.6
Employee headcount	**3,307**	3,103	2,931	1,496	1,642
Number of shareholders	**23,878**	24,531	20,842	19,155	14,359

Shareholder information

as at 8 August 2023

Listing information

REA Group Ltd is listed, and our issued shares are quoted on the Australian Securities Exchange (ASX) under the code: REA

Share capital and voting rights

As at 8 August 2023, REA Group Ltd had 132,117,217 fully paid ordinary shares on issue which were held by 23,344 shareholders. The Constitution provides for votes to be cast (a) on a show of hands, one vote for each shareholder; and (b) on a poll, one vote for each fully paid share.

Distribution of shareholders and shareholdings as at 8 August 2023

Size of holding	Number of shareholders	Number of Shares	% of issued capital
1 to 1,000	22,161	3,376,857	2.56
1,001 to 5,000	1,005	1,965,881	1.49
5,001 to 10,000	83	597,909	0.45
10,001 to 100,000	76	2,158,418	1.63
100,001 and over	19	124,018,152	93.87
Total	**23,344**	**132,117,217**	**100**

The number of shareholders holding less than a marketable parcel of shares ($500) was 281 (based on the closing market price on 8 August 2023 of $157.69).

Twenty largest shareholders as at 8 August 2023

	Shareholder Name	Number of Shares	% of issued capital
1	News Australia Pty Limited	81,141,397	61.42
2	HSBC Custody Nominees (Australia) Limited	17,094,504	12.94
3	J P Morgan Nominees Australia Pty Limited	9,082,581	6.87
4	Citicorp Nominees Pty Limited	7,381,059	5.59
5	BNP Paribas Noms Pty Ltd	1,402,001	1.06
6	Citicorp Nominees Pty Limited	1,374,836	1.04
7	National Nominees Limited	1,367,148	1.03
8	BNP Paribas Nominees Pty Ltd	1,349,783	1.02
9	HSBC Custody Nominees (Australia) Limited-Gsco Eca	972,642	0.74
10	Australian Foundation Investment Company Limited	577,000	0.44
11	Netwealth Investments Limited	525,831	0.40
12	HSBC Custody Nominees (Australia) Limited	367,745	0.28
13	Vintage Crop Pty Ltd	315,087	0.24
14	Jennifer Margaret Findlow-Howell	291,239	0.22
15	BNP Paribas Nominees Pty Ltd Hub24 Custodial Serv Ltd	219,065	0.17
16	Mr Timothy John Twomey Stewart	170,400	0.13
17	Mutual Trust Pty Ltd	149,588	0.11
18	BNP Paribas Noms(NZ) Ltd	136,246	0.10
19	Marensa Pty Ltd	100,000	0.08
20	Mirrabooka Investments Limited	94,250	0.07
	Total for Top 20	**124,112,402**	**93.94**

Shareholder information

as at 8 August 2023

Substantial shareholders as at 8 August 2023

The following organisations have disclosed a substantial shareholder notice to ASX.

Shareholder Name	Number of Shares	% of voting power
News Australia Pty Limited	81,141,397	61.42

On-market purchases of REA securities

During the 2023 financial year, 64,511 shares were purchased on-market for the purposes of REA's employee incentive schemes at an average price per share of $128.03. There is no current on-market buy-back of the Company's shares.

Unquoted equity securities

As at 8 August 2023, 138,147 performance rights with 88 holders were on issue pursuant to REA's employee incentive schemes.

Corporate information

Directors

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

Chief Financial Officer

Janelle Hopkins

Company Secretary

Tamara Kayser

Principal Registered Office in Australia

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
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

REA Group