

APPENDIX 4D

1. COMPANY DETAILS

Name of entity:	Johns Lyng Group Limited
ABN:	86 620 466 248
Reporting period:	For the half-year ended 31 December 2020
Previous periods:	For the year ended 30 June 2020 For the half-year ended 31 December 2019

2. RESULTS FOR ANNOUNCEMENT TO THE MARKET

				\$
Revenue from ordinary activities (sales)	up	18.9%	to	277,834
Profit from ordinary activities after tax attributable to the owners of Johns Lyng Group	up	20.9%	to	9,568
Total comprehensive income attributable to the owners of Johns Lyng Group	up	19.9%	to	9,437

Explanatory note on results

The profit for the Group after providing for income tax and non-controlling interests amounted to \$9,568,000 (31 December 2019: \$7,915,000). For further information refer to 'operating and financial review' section within the attached Directors' report.

3. CONTROL GAINED OVER ENTITIES OR BUSINESSES

Not applicable.

4. LOSS OF CONTROL OVER ENTITIES OR BUSINESSES

Not applicable.

5. DIVIDENDS

Ordinary Shares	31 December 2020 ¹	31 December 2019 ²
	\$	\$
Dividends paid during the half-year (fully franked)	4,898,000	6,667,000

1. The final dividend in respect of the year ended 30 June 2020 was paid on 15 September 2020.

2. The final dividend in respect of the year ended 30 June 2019 was paid on 1 October 2019.

On 23 February 2021, the Board declared an interim dividend of 2.2 cents per share (fully franked) (31 December 2019: 1.8 cents per share), representing 52% of NPAT attributable to the owners of Johns Lyng Group for the half-year ended 31 December 2020. The interim dividend will be paid on 16 March 2021 with a record date of entitlement of 1 March 2021.

6. DIVIDEND REINVESTMENT PLANS

Not applicable.

APPENDIX 4D

7. NET TANGIBLE ASSETS

Net Tangible Assets (NTA) per ordinary security for the half-year ended 31 December 2020 was 2.06 cents (Restated 31 December 2019: 1.91 cents).

The calculation of NTA per ordinary security excludes right-of-use assets recorded on adoption of AASB 16 (Leases). Were right-of-use assets to be included, NTA per ordinary security for the half-year ended 31 December 2020 would be 7.81 cents (31 December 2019: 6.42 cents).

8. DETAILS OF ASSOCIATES AND JOINT VENTURE ENTITIES

Not applicable.

9. FOREIGN ENTITIES

Details of origin of accounting standards used in compiling the report:

Not applicable.

10. AUDIT QUALIFICATION OR REVIEW

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the independent auditor resulting in an unqualified opinion. The review report is attached as part of the Financial Report for the half-year ended 31 December 2020.

11. ATTACHMENTS

Details of attachments (if any):

The Financial Report of Johns Lyng Group Limited for the half-year ended 31 December 2020 is attached.

12. CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Refer to the attached financial statements.

13. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Refer to the attached financial statements.

14. CONSOLIDATED STATEMENT OF CASH FLOWS

Refer to the attached financial statements.

15. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Refer to the attached financial statements.

16. OTHER INFORMATION REQUIRED BY LISTING RULE 4.2A.3

Other information requiring disclosure to comply with Listing Rule 4.2A.3 is contained in the Financial Report for the half-year ended 31 December 2020 (which includes the Directors' report).

17. ACCOUNTING STANDARDS

This report has been compiled using Australian Accounting Standards and International Financial Reporting Standards.

18. EVENTS AFTER THE REPORTING PERIOD

On 23 February 2021, the Board declared an interim dividend of 2.2 cents per share (fully franked) (31 December 2019: 1.8 cents per share), representing 52% of NPAT attributable to the owners of Johns Lyng Group for the half-year ended 31 December 2020. The interim dividend will be paid on 16 March 2021 with a record date of entitlement of 1 March 2021.

There are no other matters or circumstances that have arisen since 31 December 2020 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 periods.



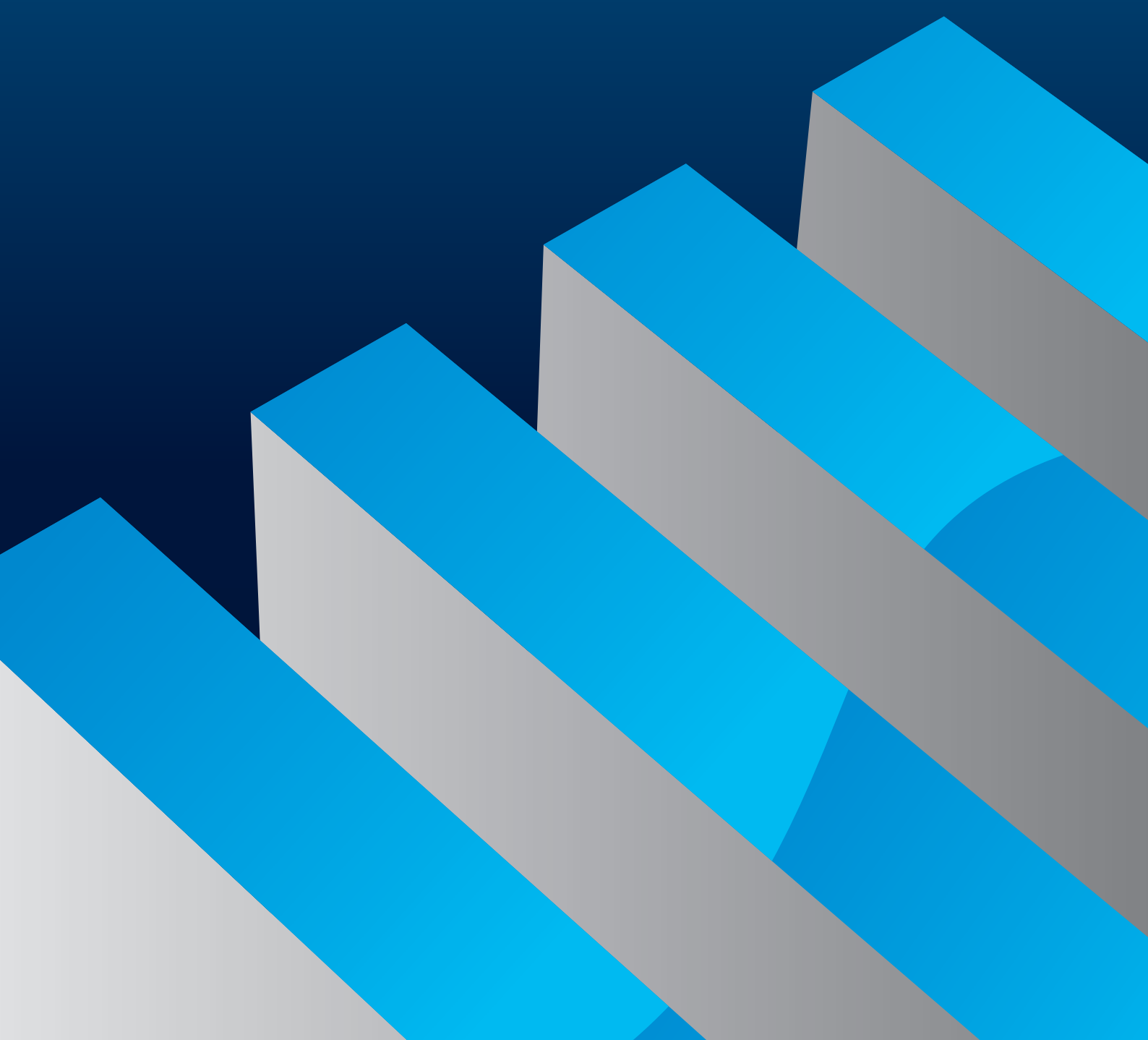
JOHNS LYNG GROUP LIMITED

ABN 86 620 466 248

AND CONTROLLED ENTITIES

FINANCIAL REPORT

for the half-year ended 31 December 2020



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31 December 2020

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DIRECTORS' REPORT

31 December 2020

The Directors present their report, together with the financial statements of the group consisting of Johns Lyng Group Limited (referred to hereafter as the 'Company' or the 'Parent Entity') and the entities it controlled (referred to hereafter as 'Johns Lyng', 'Johns Lyng Group', or the 'Group') at the end of, or during the half-year ended 31 December 2020.

PRINCIPAL ACTIVITIES

The principal activities of the Group consist of Insurance Building and Restoration Services, Commercial Building Services and Commercial Construction. There were no significant changes in the nature of the Group's activities during the period.

DIRECTORS AND COMPANY SECRETARY

The following persons were directors or the Company secretary of Johns Lyng Group during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

- Peter Nash (Chairman and Non-executive Director. Appointed 1 October 2017.)
- Scott Didier AM (Managing Director. Appointed 28 September 2017.)
- Lindsay Barber (Executive Director. Appointed 14 July 2017.)
- Adrian Gleeson (Executive Director. Appointed 28 September 2017.)
- Pip Turnbull (Executive Director. Appointed 17 June 2020.)
- Nick Carnell (Executive Director. Appointed 1 September 2020.)
- Robert Kelly (Non-executive Director. Appointed 1 December 2017.)
- Larisa Moran (Non-executive Director. Appointed 10 September 2018.)
- Curt Mudd (Non-executive Director. Appointed 1 December 2018.)
- Peter Dixon (Non-executive Director. Appointed 25 February 2020.)
- Rebecca Weir (Company Secretary. Appointed 25 February 2020.)
- Todd Richards (Company Secretary. Appointed 25 February 2020. Resigned 30 November 2020.)

OPERATING AND FINANCIAL REVIEW

Financial information in the operating and financial review is based on the reviewed condensed consolidated financial statements for the half-year ended 31 December 2020.

Profit for the Group after providing for income tax and non-controlling interests amounted to \$9.6m (31 December 2019: \$7.9m).

- Sales revenue for the half-year ended 31 December 2020 of \$277.8m (31 December 2019: \$233.7m) was \$44.1m higher as a result of increased activity and job volumes in the Insurance Building and Restoration Services and Commercial Construction segments (partially offset by lower activity and sales revenue in the Commercial Building Services segment as a result of the COVID-19 pandemic).
- Gross margin for the half-year ended 31 December 2020 increased to 20.8% (31 December 2019: 20.6%) – materially consistent with the prior corresponding period.
- Profit before tax (excluding goodwill written off) for the half-year ended 31 December 2020 of \$22.1m (31 December 2019: \$15.1m) was \$7.0m higher as a result of increased sales and gross profit relative to overhead expenses.
- Income tax expense for the half-year ended 31 December 2020 was \$6.3m (31 December 2019: \$4.1m).

ROUNDING OF AMOUNTS

The Company is of a kind referred to in the Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

DIRECTORS' REPORT

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this Directors' report.

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

On behalf of the directors



Peter Nash
Chairman

23 February 2021



Scott Didier AM
Managing Director

23 February 2021

AUDITOR'S INDEPENDENCE DECLARATION



JOHNS LYNG GROUP LIMITED AND CONTROLLED ENTITIES
ABN 86 620 466 248

AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF JOHNS LYNG GROUP LIMITED AND CONTROLLED ENTITIES

In relation to the independent auditor's review for the half-year ended 31 December 2020, to the best of my knowledge and belief there have been:

- (i) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) no contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

This declaration is in respect of Johns Lyng Group Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to be "N R Bull".

N R BULL
Partner

23 February 2021

A handwritten signature in black ink, appearing to be "Pitcher Partners".

PITCHER PARTNERS
Melbourne

Pitcher Partners. An independent Victorian Partnership ABN 27 975 255 196. Level 13, 664 Collins Street, Docklands, VIC 3008

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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half-year ended 31 December 2020

		Consolidated	
	Note	31 December 2020 \$'000	31 December 2019 \$'000
Revenue			
Sales income	4	277,834	233,697
Cost of sales		(219,966)	(185,453)
Gross profit		57,868	48,244
Other revenue and income	4	2,130	1,502
Expenses			
Administration expenses		(749)	(477)
Advertising expenses		(805)	(1,265)
Depreciation and amortisation		(4,534)	(3,668)
Employee benefits expenses		(20,430)	(17,548)
Finance costs		(872)	(932)
Goodwill written off		(1,771)	–
Insurance expenses		(1,356)	(1,030)
IT expenses		(1,941)	(1,698)
Motor vehicle expenses		(1,683)	(1,716)
Occupancy expenses		(593)	(728)
Printing, postage and stationery expenses		(896)	(802)
Professional fees		(1,319)	(1,243)
Telephone and communication expenses		(771)	(699)
Transaction related expenses		(257)	(424)
Travel expenses		(313)	(1,127)
Other expenses		(1,333)	(1,284)
Total expenses		(39,623)	(34,641)
Profit before income tax		20,375	15,105
Income tax expense		(6,328)	(4,085)
Profit after income tax for the half-year		14,047	11,020
Other comprehensive income for the half-year			
Movement in foreign currency translation reserve		(131)	(42)
Total comprehensive income for the half-year		13,916	10,978
Profit for the half-year is attributable to:			
Owners of Johns Lyng Group		9,568	7,915
Non-controlling interest		4,479	3,105
		14,047	11,020
Total comprehensive income for the half-year is attributable to:			
Owners of Johns Lyng Group		9,437	7,873
Non-controlling interest		4,479	3,105
		13,916	10,978
		Cents	Cents
Earnings per share (EPS) for profit from continuing operations attributable to equity holders of the Parent Entity:			
Basic earnings per share		4.29	3.56
Diluted earnings per share		4.28	3.56

The above condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

		Consolidated	
	Note	31 December 2020 \$'000	30 June 2020 \$'000
Assets			
Current assets			
Cash and cash equivalents		53,245	46,768
Trade and other receivables		55,440	63,002
Inventories		1,048	1,855
Accrued income		27,344	34,041
Other current assets		2,163	1,904
Total current assets		139,240	147,570
Non-current assets			
Property, plant and equipment		14,613	12,365
Intangibles		48,315	50,677
Right-of-use assets		14,400	14,226
Deferred tax assets		5,202	4,561
Total non-current assets		82,530	81,829
Total assets		221,770	229,399
Liabilities			
Current liabilities			
Trade and other payables		85,055	91,316
Borrowings		4,946	5,646
Current tax payable		4,738	4,198
Employee provisions		8,341	7,120
Non-controlling interest liabilities		1,094	619
Right-of-use lease liabilities		3,875	3,611
Income in advance		17,257	23,602
Total current liabilities		125,306	136,112
Non-current liabilities			
Right-of-use lease liabilities		12,299	12,281
Borrowings		11,609	16,917
Deferred tax liability		4,261	4,324
Employee provisions		410	663
Total non-current liabilities		28,579	34,185
Total liabilities		153,885	170,297
Net assets		67,885	59,102
Equity			
Issued capital	5	64,381	60,460
Reserves	6	(20,336)	(20,656)
Retained earnings		16,674	12,004
Equity attributable to the owners of Johns Lyng Group		60,719	51,808
Non-controlling interests	7	7,166	7,294
Total equity		67,885	59,102

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half-year ended 31 December 2020

	Issued capital	Reserves	Retained earnings	Non-controlling interest	Total equity
Consolidated – 31 December 2020	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2020	60,460	(20,656)	12,004	7,294	59,102
Profit for the half-year	–	–	9,568	4,479	14,047
Movement in foreign currency translation reserve	–	(131)	–	–	(131)
Total comprehensive income for the half-year	–	(131)	9,568	4,479	13,916
<i>Transactions with owners in their capacity as owners:</i>					
Transactions with non-controlling interests	–	476	–	–	476
Issue of shares in connection with business combination	3,372	–	–	–	3,372
Dividends	–	–	(4,898)	(1,387)	(6,285)
Distributions	–	–	–	(3,220)	(3,220)
Share based payments	5	519	–	–	524
Issue of shares – vesting of Performance Rights ¹	544	(544)	–	–	–
Balance at 31 December 2020	64,381	(20,336)	16,674	7,166	67,885

¹ Issued under the Employee and Executive Incentive Plan as detailed in the Prospectus.

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half-year ended 31 December 2020

	Issued capital	Reserves	Retained earnings	Non-controlling interest	Total equity
Consolidated – 31 December 2019	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2019	60,018	(21,837)	6,821	(646)	44,356
Profit for the half-year	–	–	7,915	3,105	11,020
Movement in foreign currency translation reserve	–	(42)	–	–	(42)
Total comprehensive income for the half-year	–	(42)	7,915	3,105	10,978
<i>Transactions with owners in their capacity as owners:</i>					
Transactions with non-controlling interests	–	286	–	(191)	95
Non-controlling interests recognised on business combination	–	–	–	6,922	6,922
Dividends	–	–	(6,667)	(525)	(7,192)
Distributions	–	–	–	(1,728)	(1,728)
Share based payments	–	370	–	–	370
Issue of shares – vesting of Performance Rights ¹	142	(142)	–	–	–
Balance at 31 December 2019	60,160	(21,365)	8,069	6,937	53,801

¹ Issued under the Employee and Executive Incentive Plan as detailed in the Prospectus.

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the half-year ended 31 December 2020

	Consolidated	
	31 December 2020 \$'000	31 December 2019 \$'000
Cash flows from operating activities		
Receipts from customers	314,502	264,254
Payments to suppliers and employees	(281,001)	(244,025)
Interest received	96	163
Finance costs	(872)	(932)
Income tax paid	(6,491)	(7,195)
Net cash from operating activities	26,234	12,265
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	494	237
Payments for property, plant and equipment	(1,792)	(436)
Payments for intangibles (capitalised software)	–	(187)
Cash acquired on acquisition	–	8,297
Payments for business acquisitions	–	(14,801)
Net cash used in investing activities	(1,298)	(6,890)
Cash flows from financing activities		
Proceeds from borrowings	–	19,405
Repayment of borrowings	(6,702)	(11,430)
Payments to non-controlling interests	(2,884)	(1,412)
Receipts from non-controlling interests	–	476
Payments to related parties	(52)	–
Payment of right-of-use (principal) lease liabilities	(2,004)	(1,414)
Repayment of hire purchase liabilities	(1,919)	(1,249)
Dividends paid	(4,898)	(6,667)
Net cash used in financing activities	(18,459)	(2,291)
Net increase in cash and cash equivalents	6,477	3,084
Cash and cash equivalents at the beginning of the financial half-year	46,768	30,063
Cash and cash equivalents at the end of the financial half-year	53,245	33,147

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 December 2020

NOTE 1. GENERAL INFORMATION

The financial statements cover Johns Lyng Group Limited and its controlled entities as a group. The financial statements are presented in Australian dollars, which is the Group's functional and presentation currency.

Johns Lyng Group is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

1 Williamsons Road
Doncaster VIC 3108

Principal place of business

1 Williamsons Road
Doncaster VIC 3108

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

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 23 February 2021. The Directors have the power to amend and reissue the financial statements.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation of the condensed consolidated half-year financial report

These condensed consolidated financial statements for the interim half-year reporting period ended 31 December 2020 have been prepared in accordance with Australian Accounting Standard AASB 134 (Interim Financial Reporting) and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. Compliance with AASB 134 (Interim Financial Reporting) ensures compliance with International Financial Reporting Standard IAS 34 (Interim Financial Reporting).

These condensed consolidated financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual financial report for the year ended 30 June 2020 and any public announcements made by the Company during the interim reporting period in accordance with continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies applied in this half-year financial report are consistent with those of the annual financial report for the year ended 30 June 2020.

(b) Rounding of amounts

The Company is of a kind referred to in the *ASIC Corporations Instrument 2016/191*, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 December 2020

NOTE 3. OPERATING SEGMENTS

Identification of reportable operating segments

The Group is organised into four operating segments: Insurance Building and Restoration Services, Commercial Building Services, Commercial Construction and Other. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM's') in assessing performance and in determining the allocation of resources.

The CODM's review revenue and EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM's are consistent with those adopted in the financial statements.

The information reported to the CODM's is on a monthly basis.

Accounting policy for operating segments

Operating segments are presented using the 'management approach', whereby the information presented is on the same basis as the internal reports provided to the CODM's. The CODM's are responsible for the allocation of resources to operating segments and assessing their performance.

Operating segment information

	Insurance Building and Restoration Services	Commercial Building Services	Commercial Construction	Other	Intercompany eliminations	Total
Consolidated – 31 December 2020	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue						
Sales to external customers	216,738	22,260	38,772	64	–	277,834
Intersegment sales	7,218	156	–	274	(7,648)	–
Total sales revenue	223,956	22,416	38,772	338	(7,648)	277,834
Total other revenue and expenses	(197,446)	(22,511)	(37,558)	(2,250)	7,648	(252,117)
EBITDA¹	26,510	(95)	1,214	(1,912)	–	25,717
Depreciation and amortisation	(3,438)	(1,100)	(25)	29	–	(4,534)
Interest income	87	7	2	–	–	96
Finance costs	(619)	(234)	(19)	–	–	(872)
Banking facility arrangement fee amortisation	–	–	–	(32)	–	(32)
Profit/(loss) before income tax expense	22,540	(1,422)	1,172	(1,915)	–	20,375
Income tax expense						(6,328)
Profit after income tax expense						14,047

¹ EBITDA includes transaction related expenses of \$225,537 and goodwill written off of \$1,770,929 shown in the condensed consolidated statement of profit or loss and other comprehensive income.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 December 2020

NOTE 3. OPERATING SEGMENTS (continued)

	Insurance Building and Restoration Services	Commercial Building Services	Commercial Construction	Other	Intercompany eliminations	Total
Consolidated – 31 December 2019	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue						
Sales to external customers	183,171	31,060	18,887	579	–	233,697
Intersegment sales	9,342	830	–	554	(10,726)	–
Total sales revenue	192,513	31,890	18,887	1,133	(10,726)	233,697
Total other revenue and expenses	(174,098)	(29,791)	(18,389)	(2,573)	10,726	(214,125)
EBITDA¹	18,415	2,099	498	(1,440)	–	19,572
Depreciation and amortisation	(3,159)	(491)	(44)	26	–	(3,668)
Interest income	133	23	5	2	–	163
Finance costs	(911)	(30)	7	2	–	(932)
Banking facility arrangement fee amortisation	–	–	–	(30)	–	(30)
Profit/(loss) before income tax expense	14,478	1,601	466	(1,440)	–	15,105
Income tax expense						(4,085)
Profit after income tax expense						11,020

¹ EBITDA includes transaction related expenses of \$394,619 shown in the condensed consolidated statement of profit or loss and other comprehensive income.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 December 2020

NOTE 4. REVENUE AND OTHER INCOME

	Consolidated	
	31 December 2020 \$'000	31 December 2019 \$'000
Sales income		
Insurance Building and Restoration Services	216,738	183,171
Commercial Building Services	22,260	31,060
Commercial Construction	38,772	18,887
Other	64	579
	277,834	233,697
Other revenue and income		
Interest income	96	163
Profit on sale of property, plant and equipment	177	30
Management fees	224	259
Other revenue	1,633	1,050
	2,130	1,502

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 December 2020

NOTE 5. EQUITY – ISSUED CAPITAL

	Consolidated			
	31 December 2020 Shares	30 June 2020 Shares	31 December 2020 \$'000	30 June 2020 \$'000
Ordinary shares – fully paid	224,008,910	222,388,980	64,381	60,460

Movements in ordinary share capital

Details	Date	Shares	\$'000
Opening balance	1 July 2020	222,388,980	60,460
Issue of shares – vesting of Performance Rights	1 July 2020	259,366	339
Issue of shares – business acquisition	14 October 2020	1,253,233	3,372
Issue of shares – vesting of Performance Rights	23 November 2020	87,381	205
Issue of shares – Loan Funded Shares	23 November 2020	18,136	–
Issue of shares – Executive Incentive Plan	23 November 2020	1,814	5
Balance	31 December 2020	224,008,910	64,381

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The Company does not have a limited amount of authorised share capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

There is no current on-market share buy-back.

Accounting policy for issued capital

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.

Loan Funded Shares

Peter Nash was issued 18,136 Loan Funded Shares during the half-year ended 31 December 2020. Under the terms of his contract, he is entitled to \$50,000 worth of Loan Funded Shares on each anniversary date of his appointment.

In accordance with relevant accounting standards, the Loan Funded Shares have been classified as options and are therefore not recognised within share capital.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 December 2020

NOTE 6. EQUITY – RESERVES

	Consolidated	
	31 December 2020 \$'000	30 June 2020 \$'000
Foreign currency translation reserve	(261)	(130)
Options reserve	1,262	1,287
Changes in subsidiary interests reserve	(21,337)	(21,813)
Balance at 31 December 2020	(20,336)	(20,656)

Movements in reserves

Movements in each class of reserve during the current financial half-year are set out below:

	Foreign currency translation reserve	Options reserve	Changes in subsidiary interests reserve	Total
Consolidated	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2020	(130)	1,287	(21,813)	(20,656)
Transactions with non-controlling interests	–	–	476	476
Foreign currency translation	(131)	–	–	(131)
Share based payments	–	519	–	519
Issue of shares on vesting of Performance Rights ¹	–	(544)	–	(544)
Balance at 31 December 2020	(261)	1,262	(21,337)	(20,336)

¹ Issued under the Employee and Executive Incentive Plan as detailed in the Prospectus.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 December 2020

NOTE 7. NON-CONTROLLING INTEREST

	Consolidated	
	31 December 2020 \$'000	30 June 2020 \$'000
Non-controlling interest – paid up capital in subsidiaries	1,877	1,877
Non-controlling interest – share of retained earnings/(accumulated losses)	(113)	(82)
Non-controlling interest – share of acquisition date net intangible assets recognised on consolidation ¹	5,402	5,499
	7,166	7,294
Non-controlling interest – paid up capital in subsidiaries		
Opening balance	1,877	889
Transactions with the Group	–	(105)
Issue of shares through business combination	–	941
Issue of shares to non-controlling interests	–	152
Closing balance	1,877	1,877
Non-controlling interest – share of retained earnings/(accumulated losses)		
Opening balance	(82)	(1,535)
Share of profit after income tax	4,576	6,541
Share of dividends	(1,387)	(901)
Share of distributions	(3,220)	(3,901)
Transactions with the Group	–	(218)
Retained earnings/(accumulated losses) acquired through business combination	–	(68)
Closing balance	(113)	(82)
Non-controlling interest – share of acquisition date net intangible assets recognised on consolidation¹		
Opening balance	5,499	–
Reserves acquired through business combination ¹	–	5,693
Share of profit after income tax	(97)	(194)
Closing balance	5,402	5,499

¹ The non-controlling interest's share of acquisition date net intangible assets recognised on consolidation represents the non-controlling interest's proportionate share of the acquiree's identifiable net intangible assets recognised on consolidation including: trademarks, customer contracts and deferred tax liabilities.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 December 2020

NOTE 8. DIVIDENDS

	Consolidated	
	31 December 2020 \$'000	31 December 2019 \$'000
Dividends paid		
Dividends paid of 2.2 cents per share (31 December 2019: 3.0 cents per share) fully franked at 30%	4,898	6,667
Dividends declared after the reporting period and not recognised		
Since the end of the reporting period, the Directors have recommended/declared a dividend of 2.2 cents per share (31 December 2019: 1.8 cents per share) fully franked at 30%	4,928	4,000

NOTE 9. EVENTS AFTER THE REPORTING PERIOD

On 23 February 2021, the Board declared an interim dividend of 2.2 cents per share (fully franked) (31 December 2019: 1.8 cents per share), representing 52% of NPAT attributable to the owners of Johns Lyng Group for the half-year ended 31 December 2020. The interim dividend will be paid on 16 March 2021 with a record date of entitlement of 1 March 2021.

There are no other matters or circumstances that have arisen since 31 December 2020 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 periods.

DIRECTORS' DECLARATION

31 December 2020

The directors declare that:

- 1 In the directors' opinion, the financial statements and notes thereto, as set out on pages 1 to 16, are in accordance with the *Corporations Act 2001*, including:
 - (a) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
 - (b) giving a true and fair view of the financial position of the Group as at 31 December 2020 and of its performance for the half-year ended on that date.
- 2 In the directors' opinion there are reasonable grounds, at the date of this declaration, to believe that *Johns Lyng Group Limited* will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of directors.

On behalf of the directors



Peter Nash
Chairman

23 February 2021



Scott Didier AM
Managing Director

23 February 2021

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF JOHNS LYNG GROUP



JOHNS LYNG GROUP LIMITED AND CONTROLLED ENTITIES

ABN 86 620 466 248

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF JOHNS LYNG GROUP LIMITED AND CONTROLLED ENTITIES

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Johns Lyng Group Limited, "the Company" and its controlled entities "the Group", which comprises the condensed consolidated statement of financial position as at 31 December 2020, the condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Johns Lyng Group Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Johns Lyng Group Limited's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the Directors for the Financial Report

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

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF JOHNS LYNG GROUP



JOHNS LYNG GROUP LIMITED AND CONTROLLED ENTITIES

ABN 86 620 466 248

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF JOHNS LYNG GROUP LIMITED AND CONTROLLED ENTITIES

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

A handwritten signature in black ink, appearing to be "NR Bull".

N R BULL
Partner

A handwritten signature in black ink, appearing to be "Pitcher Partners".

PITCHER PARTNERS
Melbourne

23 February 2021

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