

Appendix 4D

Preliminary financial statements for the half-year ended 31 December 2020 as required by ASX listing rule 4.2A

Results for announcement to the market (All comparison to half-year ended 31 December 2019)	\$	Up/down	Movement %
Revenue from ordinary activities	138,076,917	Up	60.0%
Net profit before tax	9,239,114	Down	(10.3%)
Profit after tax from ordinary activities (including significant items)	5,675,057	Down	(21.3%)
Profit after tax from ordinary activities (excluding significant items) ¹	9,218,773	Up	27.8%

¹ – Significant items excluded from the calculation of profit after tax relate to costs associated with:

- the initial public offering (IPO) and ASX listing totalling \$2,741,076; and
- ongoing claims management totalling \$1,207,629 to recover pre-acquisition debtors owing to ECM;
- director share issue costs totalling \$400,000; and
- mark to market investment revaluation of \$461,000.

Dividend information	Amount per share (cents)	Franked amount per share (cents)	Tax rate for franking credit
Final 2019 dividend per share (paid 10 October 2019)	0.885	0.885	30%
Final 2020 dividend per share	Nil	-	-
Interim 2021 dividend per share	Nil	-	-

Dividends:

Final dividend of 0.885 cents per share (fully franked) with a record date of 4 October 2019 with a payment date of 10 October 2019.

Details of entities over which control has been gained or lost during the period:

Not applicable.

Details of dividend reinvestment plan:

Not applicable.

Details of associates and joint venture entities:

Not applicable.

Audit:

The independent auditor's review report is attached to the Interim Financial Report. The independent auditor's review report does not contain any modified opinion, emphasis of matter or other matter paragraph.

	31 Dec 2020	30 Jun 2020	31 Dec 2019
	\$	\$	\$
Net tangible assets per security	0.28	0.24	0.18

Additional information supporting the Appendix 4D disclosure requirements can be found in the Directors' Report and the consolidated financial statements for the half-year ended 31 December 2020.

This report is based on the consolidated financial statements for the half-year ended 31 December 2020 which have been reviewed by Grant Thornton Audit Pty Ltd.

Interim Financial Report

GenusPlus Group Ltd and controlled entities
For the half-year ended 31 December 2020

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Contents

Section	Page
Directors' Report	1
Auditor's Independence Declaration	4
Consolidated Statement of Profit or Loss and Other Comprehensive Income	5
Consolidated Statement of Financial Position	6
Consolidated Statement of Changes in Equity	7
Consolidated Statement of Cash Flows	8
Notes to the Consolidated Financial Statements	9
Directors' Declaration	22
Independent Auditor's Review Report	23

Directors' Report

The Directors of GenusPlus Group Ltd present their interim report together with the financial statements of the Consolidated Entity, being GenusPlus Group Ltd and its controlled entities (the Group) for the six months ended 31 December 2020.

Directors details

The following persons were Directors of GenusPlus Group Ltd during the half year until the date of this report:

Non-executive Directors

Mr Simon High (Chairman)

Mr Paul Gavazzi

Mr José Martins

Executive Directors

Mr David Riches (Managing Director)

Review of operations and financial results

A review of the operations of the Group during the half year and the results of those operations saw an increase in revenue from \$86,269,914 to \$138,076,917.

The Group reported an increase in normalised EBITDA to \$16,907,856 which represents a margin of 12.2% on revenue and was slightly better than forecast due to more efficient use of internal resources rather than reliance on external service providers.

The profit of the Group for the half year after providing for income tax amounted to \$5,675,057 (December 2019: \$7,212,131). The decreased profit for the half year results from costs associated with the Group listing on the Australian Stock Exchange (ASX) of \$2,741,076 (after tax \$2,741,076), costs associated with ongoing recovery claims relating to the pre-acquisition debtors of ECM of \$1,207,629 (included in general and administrative expenses) (after tax \$845,340), Director share issue costs of \$400,000 (after tax \$280,000) and mark to market revaluation increase of investments of \$461,000 (after tax \$322,700). The underlying profit after tax for the Group has increased to \$9,218,773 reflecting consolidation of performance across the Group with an improved capability to deliver to meet customer requirements on larger scale projects.

The Group's net assets increased by 14% compared to the previous year ended 30 June 2020, which is mainly due to the confirmed profits earned by the Group.

Directors' Report (continued)

A comparison of the Group's performance from continuing operations is set out below:

	HY2021 \$	HY2020 \$	Change %	Prospectus Full Year 2021 Forecast \$	% of FY 2021 Forecast Achieved %
Revenue	138,076,917	86,269,914	60.1%	303,332,000	45.5%
EBITDA ¹	13,020,151	12,905,682			
EBITDA Normalised²	16,907,856	12,905,682	31.0%	32,258,000	52.4%
EBIT ¹	9,581,272	10,592,765			
EBIT Normalised²	13,468,977	10,592,765	27.2%	25,490,000	52.8%
NPAT	5,675,057	7,212,131			
NPAT Normalised²	9,218,773	7,212,131	27.8%	17,268,000	53.4%

1. These are non-IFRS measures that are unaudited but derived from auditor reviewed Half-Year Financial Statements. These measures are presented to provide further insight into GenusPlus Group's performance.

2. H1 2021 normalised (EBITDA / EBIT / NPAT) excluding Listing costs (\$2,741,076) and ECM Claim costs (\$1,207,629).

- EBITDA \$13,020,151 + \$2,741,076 + \$1,207,629 + \$400,000 - \$461,000 = \$16,907,856

- EBIT \$9,581,272 + \$2,741,076 + \$1,207,629 + \$400,000 - \$461,000 = \$13,468,977

- NPAT \$5,675,057 + \$2,741,076 + \$845,340 + \$280,000 - \$322,700 = \$9,218,773

Pipeline

The Group continues to achieve significant growth in its business underpinned by existing contracted work, revenue from panel clients, and anticipated revenue from its existing tender pipeline of works.

GenusPlus has secured 93% of the prospectus FY2021 forecast revenue of \$303 million based on revenue earned to date and existing contracted works expected to be completed by 30 June 2021.

GenusPlus has approximately \$106 million of contracted revenues secured for FY2022 which, when combined with its history of repeat panel revenues and its current \$840 million tender pipeline, provides a strong platform for continued growth.

In addition to the tendered pipeline there are further significant opportunities in progress that are at budget stage and not yet at formal tender stage, which is common in our industry.

Outlook

The start of the second half of FY2021 has seen some challenges with the COVID-19 lockdown in WA, cyclone and flooding in the Pilbara having an impact on the operations.

Whilst revenue has seen some impact, improved margins from better utilisation of internal resources has lead to GenusPlus re-affirming the Prospectus forecast of \$32.3 million normalised EBITDA for the full year to June 2021.

Directors' Report (continued)

Growth Strategy

Whilst the Group derives the majority of earnings from the core Powerlines Plus business in Western Australia, it continues to progress its growth strategy of expanding the Powerlines Plus business into the much larger east coast markets.

The recent strategic acquisitions in the Queensland and New South Wales markets through bolt on acquisitions of Powerlines Plus (QLD) Pty Ltd (previously Burton Power) and Powerlines Plus (NSW) Pty Ltd (previously Picton Power Lines) are the beginning of this strategy.

The Group currently generates a relatively small proportion of its revenue from east coast markets. It is focused on replicating its Western Australian business model into the larger east coast market which is dependent on the Group's ability to continue to grow the new operations or execute and integrate further bolt-on acquisitions.

Whilst Genus has expanded its capacity and capability with the addition of Diamond, ECM and Proton Power, these businesses are still in their infancy and have yet to contribute in a significant way to Genus' earnings.

Diamond, Proton and ECM businesses form an important part of GenusPlus' future strategy to leverage the Powerlines Plus platform to sustainably grow these businesses to provide a source of diversified earnings for the Group.

Dividends

The Directors have not declared an interim dividend for the six-month period ended 31 December 2020 (31 December 2019: 0.885 cents per share).

Lead auditor's independence declaration

The lead auditor's independence declaration as required under s307c of the *Corporations Act 2001* is set out on page 4 for the half year ended 31 December 2020.

Signed in accordance with a resolution of the directors:



David Riches

Director

23 February 2020

Auditor's Independence Declaration

To the Directors of GenusPlus Group Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of GenusPlus Group Limited for the half-year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



L A Stella
Partner – Audit & Assurance

Perth, 23 February 2021

Grant Thornton Audit Pty Ltd ACN 130 913 594
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Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 December 2020

	Notes	6 months to 31 Dec 2020 \$	6 months to 31 Dec 2019 \$
Revenue	6	138,076,917	86,269,914
Other income		2,711,407	938,993
Employee expenses		(37,854,204)	(23,557,778)
Raw materials and consumables used		(39,724,883)	(23,493,856)
Contractors and labour hire expenses		(38,610,770)	(22,659,273)
Motor vehicle expenses		(4,657,693)	(2,512,259)
Depreciation expense	10	(3,438,879)	(2,312,917)
General and administrative expenses		(4,179,548)	(2,080,059)
Costs associated with Initial Public Offering and ASX listing		(2,741,076)	-
Operating profit		9,581,272	10,592,765
Finance income		1,598	6,986
Finance costs		(343,756)	(296,706)
Profit before income tax		9,239,114	10,303,045
Income tax expense		(3,564,057)	(3,090,914)
Profit for the year		5,675,057	7,212,131
Other comprehensive income for the year, net of income tax			
Items that will be re-classified subsequently to profit or loss			
Exchange differences on monetary items denominated in foreign currency (net of tax)		86,925	-
Total comprehensive income for the year		5,761,982	7,212,131
Attributable to			
Owners of the Company		5,761,982	7,212,131
Earnings per share			
	13		
- Basic earnings per share (cents per share)		3.68	5.19
- Diluted earnings per share (cents per share)		3.67	5.19

This statement should be read in conjunction with the notes to the financial statements.

Consolidated Statement of Financial Position

As at 31 December 2020

	Notes	31 Dec 2020 \$	30 Jun 2020 \$
Current assets			
Cash and cash equivalents		31,108,265	39,798,707
Trade and other receivables	8	35,026,734	33,575,545
Contract assets	6	17,149,053	8,244,464
Inventories		1,297,119	1,499,852
Current tax asset		468,534	-
Other assets		2,927,961	2,146,732
Total current assets		87,977,666	85,265,300
Non-current assets			
Financial assets		1,483,049	922,000
Property, plant and equipment	10	21,900,420	18,655,391
Deferred tax assets		3,109,128	2,897,086
Right-of-use assets	11	3,753,252	4,033,628
Goodwill	9	1,613,914	1,613,914
Total non-current assets		31,859,763	28,122,019
Total assets		119,837,429	113,387,319
Current liabilities			
Trade and other payables	12	28,938,065	26,073,881
Contract liabilities	6	19,424,357	26,707,361
Lease liabilities – right of use	11	1,184,715	1,184,104
Financial liabilities		3,261,001	2,298,296
Current tax liabilities		-	233,274
Employee benefits		4,250,361	3,423,018
Provisions		50,000	50,000
Total current liabilities		57,108,499	59,969,934
Non-current liabilities			
Lease liabilities – right of use	11	2,650,204	2,888,484
Financial liabilities		5,348,098	3,047,863
Deferred tax liabilities		4,675,866	3,655,715
Employee benefits		732,459	665,002
Total non-current liabilities		13,406,627	10,257,064
Total liabilities		70,515,126	70,226,998
Net assets		49,322,303	43,160,321
Equity			
Issued capital	14	28,132,909	27,732,909
Reserves		(511,834)	(511,834)
Retained earnings		21,701,228	15,939,246
Total equity		49,322,303	43,160,321

This statement should be read in conjunction with the notes to the financial statements.

Consolidated Statement of Changes in Equity

For half-year ended 31 December 2020

Notes	Share capital \$	Retained earnings \$	Reserves \$	Total \$
Balance at 1 July 2019	18,800,695	6,503,494	(511,834)	24,792,355
Profit for the year	-	7,212,131	-	7,212,132
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	7,212,131	-	7,212,132
<i>Transactions with owners in their capacity as owners:</i>				
• dividends paid	-	(1,230,150)	-	(1,230,150)
Sub-total	-	(1,230,150)	-	(1,230,150)
<i>Changes in ownerships interests</i>				
• disposal of subsidiary	-	(23,740)	-	(23,740)
Sub-total		(23,740)	-	(23,740)
Balance at 31 December 2019	18,800,695	12,461,735	(511,834)	30,750,596
Balance at 1 July 2020	27,732,909	15,939,246	(511,834)	43,160,321
Profit for the year	-	5,675,057	-	5,675,057
Other comprehensive income (net of tax)	-	86,925	-	86,925
Total comprehensive income for the year	-	5,761,982	-	5,761,982
<i>Transactions with owners in their capacity as owners:</i>				
• issue of shares to Directors	14	400,000	-	400,000
		400,000	-	400,000
Sub-total		400,000	-	6,161,982
Balance at 31 December 2020	28,132,909	21,701,228	(511,834)	49,322,303

This statement should be read in conjunction with the notes to the financial statements.

Consolidated Statement of Cash Flows

For half-year ended 31 December 2020

Notes	6 months to 31 Dec 2020 \$	6 months to 31 Dec 2019 \$
Operating activities		
Receipts from customers	142,938,106	93,006,380
Payments to suppliers and employees	(144,497,200)	(77,954,611)
Interest received	1,598	6,986
Finance costs	(245,268)	(245,445)
Income tax paid	(3,457,756)	(2,317,693)
Net cash (used in) / provided by operating activities	(5,260,520)	12,495,617
Investing activities		
Proceeds from sale of property, plant and equipment	663,273	255,414
Purchase of property, plant and equipment	(6,718,252)	(1,979,539)
Proceeds from disposal of investments	-	66,923
Loans to other entities	(100,000)	-
Purchase of listed securities	-	(250,916)
Acquisition of subsidiaries (net of cash)	-	(1,578,452)
Net cash used in investing activities	(6,154,979)	(3,486,570)
Financing activities		
Proceeds from / (repayments) of borrowings	2,736,630	(673,997)
Dividends paid	-	(1,230,150)
Finance costs	(98,488)	(51,261)
Net cash provided by / (used in) financing activities	2,638,132	(1,955,408)
Net change in cash and cash equivalents held	(8,777,367)	7,053,639
Cash and cash equivalents at beginning of financial year	39,798,707	7,991,601
Effect of exchange rates	86,925	-
Cash and cash equivalents at end of financial year	31,108,265	15,045,240

This statement should be read in conjunction with the notes to the financial statements.

Notes to the Consolidated Financial Statements

1 Nature of operations

GenusPlus Group Ltd and subsidiaries' (the Group) principal activities include the construction and maintenance of transmission and distribution power lines and substations servicing the Western Australian, New South Wales and Queensland power networks as well as providing specialist Engineering, testing and commissioning services to the electrical and communications industries.

2 Statement of compliance with IFRS

The condensed interim consolidated financial statements of the Group are for the six months ended 31 December 2020 and are presented in Australian Dollars, which is the functional currency of the Parent Company. These accounts have been prepared in accordance with the requirements of the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. They do not include all of the information required in annual financial statements in accordance with Australian Accounting Standards and should be read in conjunction with the consolidated financial statements of the Group for the year ended 30 June 2020 and any public announcements made by the Group during the half-year in accordance with continuous disclosure requirements arising under the Australian Securities Exchange Listing Rules.

The interim financial statements have been prepared in accordance with the accounting policies adopted in the Group's most recent annual financial statements for the year ended 30 June 2020.

The consolidated interim financial report was approved by the Board of Directors on 23 February 2021.

3 Changes in accounting policies

3.1 New standards adopted by the Group

The Group has adopted all of the new and revised standards and interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current reporting. The adoption of new and revised standards and interpretations has no effect on the amounts reported for prior periods.

3.2 New standards not yet adopted by the Group

The Group has not elected to early adopt any issued standards and interpretations which are not mandatory for 31 December 2020 reporting periods. There are no other standards and interpretations that are not yet effective that would be expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transaction.

4 Estimates

When preparing the Interim Financial Statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the Interim Financial Statements, including the key sources of estimation uncertainty were the same as those applied in the Group's last annual financial statements for the year ended 30 June 2020.

5 Significant events and transactions

On 14 December 2020 GenusPlus Group Ltd was admitted to the full board of the Australian Stock Exchange (ASX:GNP) having completed an initial public offering (IPO). Under the terms of the IPO the selling shareholder disposed of 34,177,497 shares at an initial price of \$0.96. The full costs of the IPO were borne by the Group amounting to \$2,741,076.

During the half year \$1,207,629 in costs were incurred associated with ongoing claims to recover pre-acquisition debtors owing to ECM. The costs are included in general and administrative expenses in the Statement of Profit or Loss and Other Comprehensive Income.

6 Revenue

For the six month period ended 31 December 2020, revenue includes \$7,283,002 (2019: \$627,177) included in the contract liability balance at the beginning of the period, and nil (2019: nil) from performance obligations satisfied (or partially satisfied) in previous periods due to changes in transaction price.

The Group's revenue disaggregated by primary geographical markets is as follows:

	31 Dec 2020 \$	31 Dec 2019 \$
Western Australia	126,353,184	76,224,804
Queensland	6,049,721	5,435,351
South Australia	1,338,911	1,807,610
New South Wales	4,321,306	1,100,942
Victoria	13,795	1,701,207
	138,076,917	86,269,914

The Group's revenue disaggregated by pattern of revenue recognition is as follows:

	31 Dec 2020 \$	31 Dec 2019 \$
Products and services transferred over time	77,564,072	48,044,598
Products and services transferred at a point in time	60,512,845	38,225,316
	138,076,917	86,269,914

	31 Dec 2020 \$	30 Jun 2020 \$
Contract balances		
Contract assets	17,149,053	8,244,464
Contract liabilities	19,424,357	26,707,361

7 Segment reporting

The Group has four operating segments: overhead power infrastructure, underground power and telecommunications, electrical services and mechanical fabrication, and high voltage testing and commissioning.

Each of these operating segments is managed separately as each requires different technologies, marketing approaches and other resources. All inter-segment transfers are carried out at arm's length prices based on prices charged to unrelated customers in stand-alone sales of identical goods and services.

During the six-month period to 31 December 2020, there have been no changes from prior periods in the measurement methods used to determine operating segments.

The revenues and profit generated by each of the Group's operating segments and segment assets and liabilities are summarised as follows:

Six months to 31 December 2020							
	Overhead Power Infrastructure	Underground Power and Telecommunications	Electrical Services and Mechanical Fabrication	High Voltage Testing and Commissioning	Total Segments	Other / Eliminations	Total
	\$	\$	\$	\$	\$	\$	\$
Revenues	114,064,239	11,484,521	9,942,870	2,473,725	137,956,355	111,562	138,076,917
Inter-segment	-	2,576,326	924,584	799,318	4,300,228	(4,300,228)	-
Segment revenues	114,064,239	14,060,847	10,867,454	3,273,043	142,265,583	(4,188,666)	138,076,917
Profit before Income Tax	11,570,216	987,018	(222,041)	416,351	12,751,544	(3,512,430)	9,239,114
Assets	94,710,812	13,528,806	11,164,884	2,950,316	122,354,818	(2,517,389)	119,837,429
Liabilities	51,791,815	4,972,552	10,963,331	483,135	68,210,833	2,304,293	70,515,126

Six months to 31 December 2019							
	Overhead Power Infrastructure	Underground Power and Telecommunications	Electrical Services and Mechanical Fabrication	High Voltage Testing and Commissioning	Total Segments	Other / Eliminations	Total
	\$	\$	\$	\$	\$	\$	\$
Revenues	64,804,378	16,938,780	1,108,188	3,641,972	86,493,318	(223,403)	86,269,915
Inter-segment	959,960	2,313,902	78,037	663,167	4,015,066	(4,015,066)	-
Segment revenues	65,764,338	19,252,682	1,186,225	4,305,139	90,508,384	(4,238,469)	86,269,915
Profit before Income Tax	7,950,615	634,506	49,790	463,153	9,098,064	1,204,981	10,303,045
Assets	47,817,916	14,883,704	3,821,072	3,520,115	70,042,807	(3,684,730)	66,358,077
Liabilities	17,968,443	6,774,210	3,090,177	1,852,770	29,685,600	5,921,881	35,607,481

8 Trade and other receivables

	31 Dec 2020 \$	30 Jun 2020 \$
Current		
Trade receivables, gross	34,947,630	31,184,194
Allowance for expected credit losses	(77,449)	(77,449)
Trade receivables	34,870,181	31,106,745
Other receivables	156,553	2,468,800
Total trade and other receivables	35,026,734	33,575,545

All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.

All of the Group's trade and other receivables in the comparative periods have been reviewed for indicators of impairment. The impaired trade receivables are mostly due from customers that are experiencing financial difficulties.

9 Goodwill

The movements in the net carrying amount of goodwill is as follows:

	31 Dec 2020 \$	30 Jun 2020 \$
Gross carrying amount		
Balance at beginning of period	1,613,914	1,746,479
Increase resulting from change in business valuation	-	50,000
Disposal	-	(182,565)
Balance at end of the period	1,613,914	1,613,914
Accumulated impairment		
Balance at beginning of period	-	-
Impairment loss recognised	-	-
Balance at end of the period	-	-
Carrying amount at end of the period	1,613,914	1,613,914

10 Property, plant and equipment

For the 6 months ended 31 December 2020	Land and buildings	Leasehold improvements	Motor vehicles	Plant and equipment	Furniture, fixtures and fittings	Software and technology	Tooling and low value assets	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Gross carrying amount								
Balance at 1 July 2020	927,020	1,011,022	16,670,520	20,491,643	374,365	573,231	358,354	40,406,155
Additions	120,750	11,297	2,113,309	4,092,343	49,706	297,337	33,510	6,718,252
Re-classification	32,100	-	1,256,888	(1,376,045)	-	-	87,057	-
Disposals	-	(59,495)	(970,856)	(388,576)	(9,135)	(54,534)	(55,416)	(1,538,012)
Balance at 31 December 2020	1,079,870	962,824	19,069,861	22,819,365	414,936	816,034	423,505	45,586,395
Depreciation and impairment								
Balance at 1 July 2020	(26,511)	(112,732)	(7,957,159)	(13,005,414)	(135,569)	(273,840)	(239,539)	(21,750,764)
Disposals	-	45,035	501,132	279,814	3,773	49,472	55,416	934,642
Re-classification	(3,210)	(11,078)	(101,206)	136,728	-	-	(21,234)	-
Depreciation	(81,751)	(65,817)	(1,346,620)	(1,206,801)	(40,666)	(69,787)	(58,411)	(2,869,853)
Balance at 31 December	(111,472)	(144,592)	(8,903,853)	(13,795,673)	(172,462)	(294,155)	(263,768)	(23,685,975)
Carrying amount 31 December 2020	968,398	818,232	10,166,008	9,023,692	242,474	521,879	159,737	21,900,420

For the year ended 30 June 2020	Land and buildings	Leasehold improvements	Motor vehicles	Plant and equipment	Furniture, fixtures and fittings	Software and technology	Tooling and low value assets	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Gross carrying amount								
Balance at 1 July 2019	225,602	300,323	14,324,204	18,515,796	200,231	316,904	254,711	34,137,771
Additions	701,418	710,699	3,773,756	1,793,856	174,134	264,652	53,643	7,472,158
Acquisition through business combinations	-	-	205,000	2,667,086	-	-	50,000	2,922,086
Disposals	-	-	(1,632,440)	(2,485,095)	-	(8,325)	-	(4,125,860)
Balance at 30 June 2020	927,020	1,011,022	16,670,520	20,491,643	374,365	573,231	358,354	40,406,155
Depreciation and impairment								
Balance at 1 July 2019	(11,727)	(58,984)	(7,142,406)	(13,307,109)	(65,641)	(214,607)	(171,372)	(20,971,846)
Disposals	-	-	1,239,054	2,191,535	1,582	8,325	-	3,440,496
Depreciation	(14,784)	(53,748)	(2,053,807)	(1,889,840)	(71,510)	(67,558)	(68,167)	(4,219,414)
Balance at 30 June 2020	(26,511)	(112,732)	(7,957,159)	(13,005,414)	(135,569)	(273,840)	(239,539)	(21,750,764)
Carrying amount 30 June 2020	900,509	898,290	8,713,361	7,486,229	238,796	299,391	118,815	18,655,391

10 Property, plant and equipment (continued)

All depreciation and impairment charges are included within depreciation, amortisation and impairment of non-financial assets.

Total depreciation and amortisation recognised during the reporting period:

	Note	31 Dec 2020 \$	31 Dec 2019 \$
Depreciation		2,869,853	1,892,945
Depreciation – right of use assets		569,026	419,972
		3,438,879	2,312,917

The net assets of the Group have been pledged as security for the Group's other bank facilities (refer to Note 16).

11 Leases liabilities – right of use

Leases liabilities are presented in the statement of financial position as follows:

	Note	31 Dec 2020 \$	30 Jun 2020 \$
Current		1,184,715	1,184,104
Non – Current		2,650,204	2,888,484
Total leases		3,834,919	4,072,588

Group as a lessee

The Group has lease contracts for land and buildings and for various items of plant, motor vehicles and other equipment used in its operations. Leases of plant and equipment and motor vehicles and other equipment generally have lease terms between 3 and 5 years, whilst leases over land and buildings have lease terms of between 1 and 10 years. The Groups obligations under its leases are secured by the lessor title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

The Group also has certain leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets and the movement during the period:

	Note	31 Dec 2020 \$	30 Jun 2020 \$
As at the beginning of the reporting period		4,033,628	-
Additions		381,395	5,147,433
Depreciation expense		(569,026)	(1,046,292)
De-recognised during the period		(92,745)	(67,513)
As at the end of the reporting period		3,753,252	4,033,628

11 Lease liabilities – right of use (continued)

The following are the amounts recognised in profit or loss:

	Note	31 Dec 2020 \$	31 Dec 2019 \$
Depreciation of right-of-use assets		569,026	419,972
Interest expense on lease liabilities		98,488	51,261
Expense relating to short-term leases		1,694,541	1,736,289
		2,362,055	2,207,522

Future minimum lease payments in respect of right-of-use assets were as follows:

	Within 1 year \$	1-2 years \$	2-3 years \$	3-4 years \$	4-5 Years \$	After 5 years \$	Total \$
31 December 2020							
Lease payments	1,184,715	1,041,622	800,882	478,340	396,820	377,432	4,279,811
Finance charges	(164,359)	(117,092)	(74,310)	(48,830)	(29,596)	(10,706)	(444,893)
Net present values	1,020,356	924,530	726,572	429,510	367,224	366,726	3,834,918

	Within 1 year \$	1-2 years \$	2-3 years \$	3-4 years \$	4-5 Years \$	After 5 years \$	Total \$
30 June 2020							
Lease payments	1,184,104	958,021	908,522	544,379	428,643	637,275	4,660,944
Finance charges	(193,397)	(145,836)	(105,002)	(67,286)	(44,739)	(32,096)	(588,356)
Net present values	990,707	812,185	803,520	477,093	383,904	605,179	4,072,588

Additional information on the right-of-use assets by class of assets is as follows:

Right-of-use assets	Note	31 Dec 2020 \$	30 Jun 2020 \$
Carrying amounts			
Buildings			
Cost		5,007,888	4,920,184
Accumulated depreciation		(1,254,636)	(886,556)
Net carrying value		3,753,252	4,033,628

12 Trade and other payables

	Note	31 Dec 2020 \$	30 Jun 2020 \$
Unsecured liabilities:			
Trade payables		20,299,370	18,027,689
Sundry payables and accrued expenses		8,638,695	8,046,192
Total trade and other payables		28,938,065	26,073,881

All amounts are short-term. The carrying values of trade payables and other payables are considered to be a reasonable approximation of fair value.

13 Earnings per share

Both the basic and diluted earnings per share have been calculated using the profit attributable to shareholders of the parent company (GenusPlus Group Ltd) as the numerator, i.e. no adjustments to profits were necessary during the six month period to 31 December 2020 and 31 December 2019.

The weighted average number of shares for the purposes of the calculation of diluted earnings per share can be reconciled to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

	31 Dec 2020 \$	31 Dec 2019 \$
Weighted average number of shares used in basic earnings per share ¹	154,350,877	139,000,000
Shares deemed to be issued for no consideration in respect of share-based payments	400,000	-
Weighted average number of shares used in diluted earnings per share	154,505,225	139,000,000

1 – In accordance with AASB 133 paragraph 26, the weighted average number of shares outstanding during the period and for all periods presented shall be adjusted for events (such as share splits) that have changed the number of shares outstanding without a corresponding change in resources. As a result, the share split that occurred on 14 February 2020, described in Note 15, has been applied to the half year ended 31 December 2019.

14 Share capital

The share capital of the Group consists only of fully paid ordinary shares; the shares do not have a par value. Ordinary shares participate in dividends and the proceeds on winding up of the Group in proportion to the number of shares held.

Fully paid ordinary shares

	31 Dec 2020 Shares	30 Jun 2020 Shares	31 Dec 2020 \$	30 Jun 2020 \$
Beginning of period	154,350,877	1,390	27,732,909	18,800,695
Split of existing shares on a 1:100,000 basis	-	138,998,610	-	-
Private equity placement (b)	-	15,350,877	-	9,625,000
Shares issued to Directors (a)	400,000	-	400,000	-
Share issue costs	-	-	-	(692,786)
Total contributed equity at end of period	154,750,877	154,350,877	28,132,909	27,732,909

14 Share capital (continued)

- (a) During the six months to 31 December 2020, 400,000 shares were issued to Directors in accordance with their employment agreements relating to GenusPlus Group Ltd successfully listing on the ASX. GenusPlus Group Ltd (ASX: GNP) were officially listed on the ASX on 14 December at an initial listing price of \$0.96.
- (b) The Group issued 15,350,877 shares on 31 March 2020 as part of a private equity placement, corresponding to 9.95% of total shares issued. Each share has the same right to receive dividend and the repayment of capital and represents one vote at the Shareholders' Meeting of GenusPlus Group Ltd.

15 Dividends

	Half-year ended 31 December 2020		Half-year ended 31 December 2019	
	Dollars per share	Total \$	Cents per share	Total \$
Recognised amounts				
Fully paid ordinary shares				
Final dividend	-	-	0.885	1,230,150

No dividend was paid to shareholders during the half-year ended 31 December 2020. (31 December 2019 - 0.885 cents per share.)

16 Contingent assets and contingent liabilities

The Group has no contingent assets.

There were no material warranty or legal claims brought against the Group during the six months to 31 December 2020. Unless recognised as a provision, management considers these claims to be unjustified and the probability that they will require settlement at the Group's expense to be remote.

Further information on these contingencies is omitted so as not to prejudice the Group's position in the related disputes.

	31 Dec 2020 \$	30 Jun 2020 \$
Estimates of the potential financial effect of contingent liabilities that may become payable:		
Secured guarantee to company's bankers supported by a floating charge over the Group assets	31,669,742	31,852,117
Surety bonds secured by the Group assets	13,328,899	14,230,062
	44,998,641	46,082,179

The Commonwealth Bank of Australia guarantee facility has a limit of \$35,000,000 (30 June 2020 - \$35,000,000).

The Surety bond facility has a limit of \$20,000,000 (30 June 2020 - \$20,000,000).

17 Financial assets and liabilities

The carrying amounts of financial assets and financial liabilities in each category are as follows:

31 December 2020	Amortised cost \$	FVTPL \$	Total \$
Financial assets			
Cash and cash equivalents	31,108,265	-	31,108,265
Trade and other receivables	35,026,734	-	35,026,734
Contract assets	17,149,053	-	17,149,053
Other short term financial assets	100,049	-	100,049
Listed equity securities – VPR	-	1,383,000	1,383,000
Total financial assets	83,384,101	1,383,000	84,767,101

31 December 2020	Other liabilities amortised cost \$	Other liabilities FVTPL \$	Total \$
Financial liabilities			
Financial liabilities - current	3,261,001	-	3,261,001
Trade and other payables	28,938,065	-	28,938,065
Contract liabilities	19,424,357	-	19,424,357
Financial liabilities – non-current	5,348,098	-	5,348,098
Total financial liabilities	56,971,521	-	56,971,521

30 June 2020	Amortised cost \$	FVTPL \$	Total \$
Financial assets			
Cash and cash equivalents	39,798,707	-	39,798,707
Trade and other receivables	33,575,545	-	33,575,545
Contract assets	8,244,464	-	8,244,464
Listed equity securities - VPR	-	922,000	922,000
Total financial assets	81,618,716	922,000	82,540,716

30 June 2020	Other liabilities amortised cost \$	Other liabilities FVTPL \$	Total \$
Financial liabilities			
Financial liabilities - current	2,298,296	-	2,298,296
Trade and other payables	26,073,881	-	26,073,881
Contract liabilities	26,707,361	-	26,707,361
Financial liabilities – non-current	3,047,863	-	3,047,863
Total financial liabilities	58,127,401	-	58,127,401

18 Fair value measurement

The following table shows the levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis at 31 December 2020 and 30 June 2020:

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
31 December 2020				
Financial assets				
Listed securities	1,383,000	-	-	1,383,000
Other financial assets	-	-	100,049	100,049
Total assets	1,383,000	-	100,049	1,483,049
Financial liabilities				
Bank loans	-	(2,300,000)	-	(2,300,000)
Other financial liabilities	-	(6,309,099)	-	(6,309,099)
Contingent consideration	-	(50,000)	-	(50,000)
Total liabilities	-	(8,659,099)	-	(8,659,099)
Net fair value	1,383,000	(8,659,099)	100,049	(7,176,050)
30 June 2020				
Financial assets				
Listed securities	922,000	-	-	922,000
Total assets	922,000	-	-	922,000
Financial liabilities				
Bank loans	-	(3,010,119)	-	(3,010,119)
Other financial liabilities	-	(2,336,040)	-	(2,336,040)
Contingent consideration	-	(50,000)	-	(50,000)
Total liabilities	-	(5,396,159)	-	(5,396,159)
Net fair value	922,000	(5,396,159)	-	(4,474,159)

There were no transfers between Level 1 and Level 2 during the six month period to 31 December 2020 or the year to 30 June 2020.

Measurement of fair value of financial instruments

The Group's finance team performs valuations of financial items for financial reporting purposes, including Level 3 fair values, in consultation with third party valuation specialists for complex valuations. Valuation techniques are selected based on the characteristics of each instrument, with the overall objective of maximising the use of market-based information. The finance team reports directly to the chief financial officer (CFO) and to the Audit Committee. Valuation processes and fair value changes are discussed among the Audit Committee and the valuation team at least every year, in line with the Group's reporting dates. The valuation techniques used for instruments categorised in Levels 2 and 3 are described below.

18 Fair value measurement (continued)

Level 2 fair value measurements

Contingent consideration (Level 2)

The fair value of contingent consideration related to the acquisition of Burton Power (Powerlines Plus (Qld) Pty Ltd) has been determined through analysis of past profitability against management targets, estimated future cash-flows and achievement of targets agreed in the purchase agreement.

Level 3 fair value measurements

Other financial assets (Level 3)

The fair value of other financial assets related to an initial investment and loan provided to Maali Group Pty Ltd are measured in accordance with management assessment of the recoverability of the loan and investment. There are no indicators that the financial asset is impaired.

The following table provides information about the sensitivity of the fair value measurement to changes in the most significant inputs:

Fair value measurement of non-financial assets

The following table shows the levels within the hierarchy of non-financial assets measured at fair value on a recurring basis at 31 December 2020:

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
31 December 2020				
Property, plant and equipment:				
• Industrial land and buildings acquired under business combination	-	181,000	-	181,000

Fair value of the Group's property assets acquired under business combination through the purchase of KEC Contracting is estimated based on appraisals performed by independent, professionally-qualified property valuers. The valuation processes and fair value changes are reviewed by the Board of Directors and Audit Committee at each reporting date.

The carrying amount of the following financial assets and liabilities is considered a reasonable approximation of fair value:

- Trade and other receivables
- Cash and cash equivalents
- Trade and other payables

19 Events after the reporting date

No matters or circumstances have arisen since the end of the interim reporting period which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Directors' Declaration

In the opinion of the Directors of GenusPlus Group Ltd:

- a. The financial statements and notes set out on pages 5 to 21 are in accordance with the *Corporations Act 2001*, including:
 - i. Giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the six month period ended on that date; and
 - ii. Complying with Australian Accounting Standard AASB134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
- b. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors.

On behalf of the Directors



David Riches
Director

Dated the 23rd day of February 2021

Independent Auditor's Report

To the Members of GenusPlus Group Limited

Report on the review of the half year financial report

Conclusion

We have reviewed the accompanying half-year financial report of GenusPlus Group Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2020, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, 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 GenusPlus Group Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group'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.

Directors' responsibility for the half year financial report

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

Auditor's responsibility

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

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.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



L A Stella
Partner – Audit & Assurance

Perth, 23 February 2021