

HEALTHY LIVING



INTERIM REPORT

FOR THE SIX MONTHS ENDED
31 DECEMBER 2021

HEALTHY HOMES



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Our Brands



“We are always looking at opportunities that make sense to explore within our two strategic segments, Healthy Living and Healthy Homes.”

Tony Falkenstein
Chief Executive Officer



Just Water.



Chair and Chief Executive Officer's Report

Half year ended 31 December 2021

		% Change
Total revenue	\$17.8 million	+16.9%
EBITDA	\$4.0 million	+7.8%
Net profit after tax	\$1.6 million	-4.6%
Total assets	\$55.8 million	+68.4%
Equity	\$26.8 million	+41.5%

The directors report only a small decrease in net earnings over the prior year, despite the significant challenges of the COVID-19 pandemic including the extended lockdown of our largest market Auckland.

The directors are pleased to advise that the acquisitions of About Health, Intenza and The Cylinder Guy offset to some extent the impact of reduced trading volumes in Healthy Homes product sales and installations and Just Water bottle deliveries due to the pandemic. Overall this resulted in the profitability being below that of the previous year.

Statement of Comprehensive Income highlights

	Current \$000	Previous \$000	% change
Total revenue	17,751	15,189	+16.9%
Profit before interest and tax	2,593	2,473	+4.9%
Net profit after tax	1,559	1,634	-4.6%



Operating review

The Healthy Living segment of the business was the star of the first half year. Just Water benefited from the early warm summer weather which increased the demand for bottled water.

About Health, which was acquired in May 2021 and has increased its revenue by 12.7% in the half year over the prior period when it was under the previous ownership. This business has strong positive cash flow.

Intenza, which was acquired in October 2021, assimilated well within the business, and back end systems have already started being incorporated as part of the About Health business. This business unit also enjoys strong positive cash flow.

The Healthy Homes segment was hit hard by the lockdowns, and it was only in the last two months of the half year that it started recovering. The directors consider that the reduced trading was as a direct result of the COVID-19 lockdowns, and subsequent supply chain issues significantly affecting the timing of the completion of building projects.

For the three months ending 31 January 2022, the Company ran a promotion for customers to go into a draw for a Tesla Model 3. This attracted new customers to the various businesses and was drawn on 1 February.

Given the ongoing expansion of the Group and recent business acquisitions, the directors are pleased to advise that the Executive Leadership Team has been expanded to include a dedicated role of Chief Financial Officer. Graeme Read is warmly welcomed to that position. Eldon Roberts continues with the Group as Chief Operating Officer. A General Manager – Healthy Homes position has also been created, with Luan Howitt commencing in that role on 28 February 2022. Lynne Jacobs continues as Group General Manager.



Chair and Chief Executive Officer's Report

(Continued)

Statement of Financial Position highlights

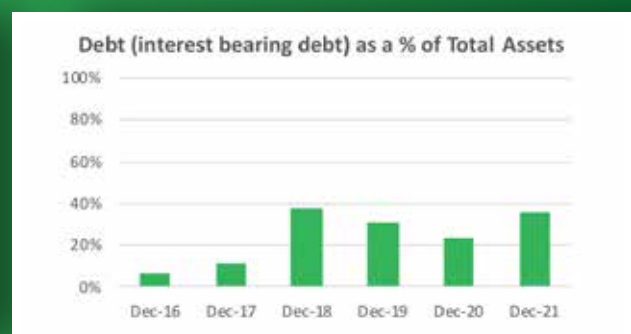
Shareholder equity increased from \$18.9 million at 31 December 2020 to \$26.8 million at 31 December 2021. (At 30 June 2021 shareholder equity was \$25.6 million.)

During the past year the interest-bearing debt levels of the Group relative to its total assets increased from 23% of total assets to 36% at 31 December 2021. The increase in debt levels occurred due to the acquisitions of About Health and Intenza during the past 12 months.

Cash flows from operating activities were \$1.1 million for the six months to 31 December 2021 compared to \$3.3 million for the six months to 31 December 2020. Management made the intentional decision to further invest working capital in inventory prior to the lockdowns as a result of the worldwide logistic constraints. As a result, inventory increased by \$1.6 million over the period.

Shareholder interim dividend

The directors have again declared an interim dividend of 1.0 cent per share, with a record date of 17 March 2022 and a payment date of 24 March 2022.



The future

The future continues to be uncertain with the COVID-19 pandemic still in everybody's line of vision. The directors believe that consumers are more focused on their health and wellbeing in this time of uncertainty.

Our intention remains to offer both growth and dividend yield to our investors, and we will continue to do so through both organic growth and acquisitions.

We are always looking at opportunities that make sense to explore within our two strategic segments, Healthy Living and Healthy Homes.

Thank you

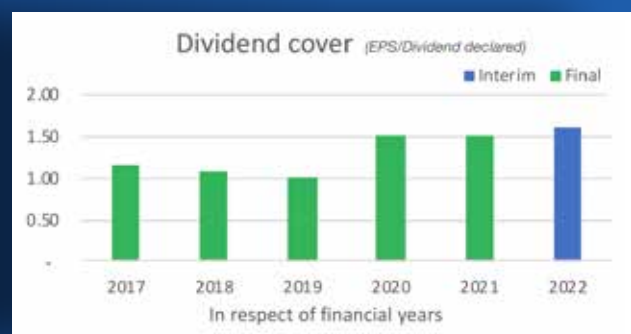
It has been another challenging period for our team, our customers, our suppliers and our shareholders. We have again come through positively, and we thank you for your support and loyalty.



Phil Norman
Chair



Tony Falkenstein
Chief Executive Officer



Consolidated Statement of Comprehensive Income

For the six months ended 31 December 2021

Notes	Group for the six months ended 31 December 2021 (unaudited) \$000	Group for the six months ended 31 December 2020 (unaudited) \$000
Revenue	17,447	15,072
Government grants	204	-
Other income	100	117
Revenue	17,751	15,189
Employee costs	(4,883)	(4,129)
Purchases of finished goods and consumables	(4,052)	(3,344)
Marketing expenses	(895)	(509)
Other expenses	(3,956)	(3,530)
Earnings before interest, tax, depreciation and amortisation	3,965	3,677
Depreciation	(695)	(673)
Amortisation of intangible assets	(444)	(257)
Amortisation of right of use assets	(233)	(274)
Profit before interest and tax	2,593	2,473
Interest expense	(479)	(235)
Profit before income tax	2,114	2,238
Income tax expense	(555)	(604)
Profit after tax for the period	1,559	1,634
Profit after tax is attributed to		
Shareholders of Just Life Group Limited	1,575	1,634
Non-controlling interests	(16)	-
Profit after tax for the period	1,559	1,634
Other comprehensive income		
Hedging reserve	59	(140)
Total comprehensive income	1,618	1,494
Total comprehensive income is attributed to		
Shareholders of Just Life Group Limited	1,634	1,494
Non-controlling interests	(16)	-
Total comprehensive income	1,618	1,494
Earnings per share for profit attributable to the shareholders of the parent		
Basic and diluted earnings per share (cents)	1.6	1.8

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

Consolidated Statement of Financial Position

As at 31 December 2021

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Notes	Group as at 31 December 2021 (unaudited) \$000	Group as at 31 December 2020 (unaudited) \$000	Group as at 30 June 2021 (audited) \$000
CURRENT ASSETS			
	34	9	201
Cash and cash equivalents			
Trade and other receivables	4	3,800	3,506
Contract work in progress		509	655
Inventories		3,339	1,759
Derivative assets		32	-
Total current assets	7,714	5,929	6,222
NON-CURRENT ASSETS			
Property, plant and equipment		10,911	10,222
Right of use assets		1,244	1,597
Intangible assets		35,942	14,838
Deferred tax assets		-	473
Contract assets		9	94
Total non-current assets	48,106	27,224	46,890
TOTAL ASSETS	55,820	33,153	53,112
CURRENT LIABILITIES			
Bank overdraft		421	254
Interest-bearing loans and borrowings	3	1,847	-
Trade and other payables		4,058	3,822
Derivative liabilities		-	145
Lease liabilities		331	411
Contract liabilities		399	699
Current tax liabilities		267	303
Total current liabilities	7,323	5,634	7,399
NON-CURRENT LIABILITIES			
Interest-bearing loans and borrowings	3	18,045	7,350
Lease liabilities		1,000	1,253
Deferred tax liabilities		2,689	-
Total non-current liabilities	21,734	8,603	20,150
TOTAL LIABILITIES	29,057	14,237	27,549
NET ASSETS	26,763	18,916	25,563
EQUITY			
Share capital		29,481	23,857
Accumulated losses		(5,478)	(6,449)
Share option reserve		33	21
Hedging reserve		34	(144)
Asset revaluation reserve		2,661	1,631
Non-controlling interests		32	-
TOTAL EQUITY	26,763	18,916	25,563

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

Consolidated Statement of Changes in Equity

For six months ended 31 December 2021

	Notes	Issued capital \$000	Retained earnings / (losses) \$000	Share option reserve \$000	Hedging reserve \$000	Asset revaluation reserve \$000	Non- controlling interest \$000	Total equity \$000
Balance as at 30 June 2020 (audited)		23,141	(7,089)	11	(4)	1,631	-	17,690
Profit for the period		-	1,634	-	-	-	-	1,634
Hedging reserve		-	-	-	(140)	-	-	(140)
Dividends paid	6	-	(994)	-	-	-	-	(994)
Issue of ordinary shares in relation to the Dividend Reinvestment Plan		716	-	-	-	-	-	716
Fair value of options issued		-	-	10	-	-	-	10
Balance as at 31 December 2020 (unaudited)		23,857	(6,449)	21	(144)	1,631	-	18,916
Profit for the period		-	1,675	-	-	-	(9)	1,666
Asset revaluation		-	-	-	-	1,030	-	1,030
Hedging reserve		-	-	-	119	-	-	119
Dividends paid		-	(903)	-	-	-	-	(903)
Issue of ordinary shares in relation to the Dividend Reinvestment Plan		607	-	-	-	-	-	607
Fair value of options issued		-	-	10	-	-	-	10
Issue of ordinary shares in relation to share options		247	-	-	-	-	-	247
Issue of ordinary shares in relation to capital raising		3,814	-	-	-	-	-	3,814
Non-controlling interest		-	-	-	-	-	57	57
Balance at 30 June 21 (audited)		28,525	(5,677)	31	(25)	2,661	48	25,563
Profit for the period		-	1,575	-	-	-	(16)	1,559
Hedging reserve		-	-	-	59	-	-	59
Dividends paid	6	-	(1,376)	-	-	-	-	(1,376)
Issue of ordinary shares in relation to the Dividend Reinvestment Plan		956	-	-	-	-	-	956
Fair value of options issued		-	-	2	-	-	-	2
Balance at 31 December 2021 (unaudited)		29,481	(5,478)	33	34	2,661	32	26,763

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

Consolidated Statement of Cash Flows

For the six months ended 31 December 2021

	31 December 2021 \$000	31 December 2020 \$000
Cash flows from operating activities		
Receipts from customers	18,203	15,752
Government grant received	204	-
Payments to suppliers and employees	(15,855)	(11,609)
Interest paid	(439)	(236)
Income tax paid	(969)	(603)
Net cash flows from operating activities	1,144	3,304
Cash flows from investing activities		
Aquisition through business combination	(2,119)	(2,100)
Purchase of property, plant and equipment	(584)	(330)
Proceeds from sale of property, plant and equipment	52	-
Purchases of intangible assets	(20)	(51)
Net cash flows used in investing activities	(2,671)	(2,481)
Cash flows from financing activities		
Proceeds from borrowings	1,828	-
Repayment of borrowings	-	(220)
Dividends paid to Company's shareholders (net of dividend reinvestment plan)	(421)	(278)
Lease repayment	(265)	(253)
Net cash flows from financing activities	1,142	(751)
Net (decrease)/increase in cash and cash equivalents	(385)	72
Cash and cash equivalents at beginning of financial year	(2)	(317)
Cash and cash equivalents at end of the period	(387)	(245)
Cash and cash equivalents include the following for the purpose of the cash flow statement	34	9
Bank overdrafts	(421)	(254)
Total cash and cash equivalents	(387)	(245)

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

Notes to the Consolidated Financial Statements

General information

The following consolidated interim financial statements for Just Life Group Limited (the 'Company') and its subsidiaries, (collectively the 'Group') are for the six months ended 31 December 2021 and represent the half year result for the Group.

The Group's vision is to enhance lives by providing premium products and services focused on the healthy living and healthy homes market sectors. Within the healthy living market sector, it provides filtered water solutions through Just Water and natural health supplements through About Health and Intenza. The Group provides solutions to healthier homes through its premium Solatube daylighting products, patented Unovent home ventilation systems, the provision of hot water solutions through The Cylinder Guy, ventilation solutions through Hometech, and rainwater harvesting through Designer Tanks.

Just Life Group Limited is a limited liability company which is domiciled and incorporated in New Zealand, and whose shares are publicly traded on the New Zealand Stock Exchange (NZX).

These consolidated interim financial statements have been approved for issue by the Board of Directors on 24th February 2022.

Basis of preparation

Statement of compliance

The consolidated interim financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP) as applicable for profit orientated entities. They comply with NZ IAS 34 Interim Financial Reporting and IAS 34 Interim Financial Reporting. The Interim Report does not include all the information normally included in the Annual Report. Accordingly, these Group consolidated interim financial statements should be read in conjunction with the Annual Report for the year ended 30 June 2021.

The accounting policies and methods of computation and presentation adopted in the consolidated interim financial statements are consistent with those described and applied in the Annual Report for the financial year ended 30 June 2021.

These consolidated interim financial statements are not audited.

Going concern

The consolidated interim financial statements have been prepared on a going concern basis. As at 31 December 2021 the Group had a working capital balance of \$0.4 million (2020: \$0.3 million). The Group trades profitably and has positive operating cash flows. The directors have assessed the financial performance of the Group, including forecast cash flows, and are satisfied that the going concern assumption remains appropriate.

Impact of COVID -19

The ongoing COVID-19 global pandemic has affected the Group's operating segments and the brands traded therein in different ways.

Healthy Living Segment

- About Health/Intenza has benefited from the trend of increased consumer interest in online shopping.
- Just Water has experienced reduced water deliveries caused by periods of lockdown and the reduction in customers teams operating from offices however this has been offset during the current period as a result of a significant uplift in water deliveries due to the early start of warm summer weather.

Healthy Homes Segment

- Hometech/Solatube/Unovent experienced a slowdown due to the national lockdowns, particularly with limited access to building sites during those periods. Ongoing national logistics issues relating to the supply of building products have delayed the post-lockdown recovery, however the directors are confident that this market will continue to perform strongly in the medium term due to the government's Kainga Ora build programme in place. Current confirmed orders remain at historic levels.
- The Cylinder Guy also experienced a significant slowdown in activity during the lockdowns due to a reluctance on the part of customers to undertake optional hot water cylinder upgrades during that time and increased competitor activity from plumbers seeking to fill their order books with essential work. The recovery of revenue has been slower than expected in subsequent periods. Management has implemented a program to focus the business on achieving pre-COVID-19 trading results. Management reassessed the carrying value of this business and determined, using a fair value less costs of disposal approach in accordance with IAS 36 and updated assumptions, that no impairment provision was required.

During the period \$0.2 million was received as COVID-19 support from the government.

The risk of resurgence of COVID-19 creates a continued level of uncertainty, although the diversified businesses of the Group assisted it in maintaining a consistent level of earnings. The directors have considered and concluded that there are no other events or changes in circumstances giving rise to an impairment indicator since the impairment assessment on 30 June 2021.

Notes to the Consolidated Financial Statements

1. Operating segment performance

An operating segment is a component of an entity that engages in business activities, earns revenue and incurs expenses, and for which the chief operating decision maker (CODM) reviews the operating results on a regular basis and makes decisions on resource allocation. The Group has determined its CODM to be the Board of Directors on the basis that it is this group which determines the allocation of resources to segments and assesses their performance.

The Group operates and sells products in New Zealand. It operates business related to ‘healthy living’ and ‘healthy homes’ to offer New Zealanders better choices. The eight major brands have been allocated to the following segments:

Healthy Living – Just Water, About Health, Intenza

Healthy Homes – Unovent, Solatube, Hometech, The Cylinder Guy, Designer Tanks

The Just Life Group Corporate segment includes the corporate overhead costs of the Group.

For the six month period ended 31 December 2021 (unaudited)	Healthy Living (unaudited) \$000	Healthy Homes (unaudited) \$000	Just Life Group Corporate (unaudited) \$000	Total Group (unaudited) \$000
Over time	5,036	1,653	-	6,689
At a point in time	4,914	5,844	-	10,758
Revenue	9,950	7,497	-	17,447
Other income	178	126	-	304
Employee costs	(3,165)	(1,496)	(222)	(4,883)
Other trading expenses	(3,140)	(5,436)	(327)	(8,903)
Earnings before interest, tax, depreciation and amortisation	3,823	691	(549)	3,965
Depreciation	(575)	(47)	(73)	(695)
Amortisation of right-of-use assets	(80)	(153)	-	(233)
Amortisation of intangible assets	(369)	(75)	-	(444)
Profit before interest and tax	2,799	416	(622)	2,593
Interest expense	-	-	(479)	(479)
Profit/(loss) before income tax	2,799	416	(1,101)	2,114
Income tax expense	(737)	(109)	291	(555)
Profit/(loss) for the period	2,062	307	(810)	1,559

1. Operating segment performance *(continued)*

For the six month period ended 31 December 2020 (unaudited)	Healthy Living (unaudited) \$000	Healthy Homes (unaudited) \$000	Just Life Group Corporate (unaudited) \$000	Total Group (unaudited) \$000
Over time	4,966	3,558	-	8,524
At a point in time	2,674	3,874	-	6,548
Revenue	7,640	7,432	-	15,072
Other income	47	70	-	117
Employee costs	(2,986)	(1,014)	(129)	(4,129)
Other trading expenses	(2,036)	(5,039)	(308)	(7,383)
Earnings before interest, tax, depreciation and amortisation	2,665	1,449	(437)	3,677
Depreciation	(570)	(34)	(69)	(673)
Amortisation of right-of-use assets	(102)	(172)	-	(274)
Amortisation of intangible assets	(193)	(64)	-	(257)
Profit before interest and tax	1,800	1,179	(506)	2,473
Interest expense	(47)	(22)	(166)	(235)
Profit/(loss) before income tax	1,753	1,157	(672)	2,238
Income tax expense	(473)	(312)	181	(604)
Profit/(loss) for the period	1,280	845	(491)	1,634

Just Life Group Limited use several non-GAAP measures when discussing financial performance. These include EBITDA, EBIT and working capital, which may be used internally by management to evaluate performance, analyse trends and allocate resources.

Non-GAAP financial measures should not be viewed in isolation nor considered as a substitute for measures reported in accordance with NZ IFRS.

2. Business combinations

Acquisitions in the current year

Intenza New Zealand

On 7 October 2021, the Group acquired the online supplements business of Intenza New Zealand Limited. Intenza owns well-known brands including Herbal Ignite Max and Prostate Power Flow.

The Group acquired Intenza as it enlarges the range of online supplements in the healthy living segment that can be offered to its customers to promote healthy living.

The fair values of the identifiable assets and liabilities of Intenza as at the date of acquisition were:

	31 December Fair value recognised on acquisition (unaudited) \$000
Assets	
Inventories	261
Property, plant and equipment	8
Trade marks	58
Customer relationships	303
Brands	407
	1,037
Liabilities	
Deferred tax liability	(199)
Total identifiable net assets at fair value	838
Provisional goodwill arising on acquisition	1,281
Cash paid	2,119

The goodwill of \$1,281,000 arising on acquisition is attributed to the business know-how and the premium paid for a proven business. None of the goodwill recognised is expected to be deductible for income tax purposes. The Group will finalise the provisional goodwill and the fair value assessment of the identifiable assets and liabilities following the completion of the annual accounts.

The contribution to the Group results for the half year ended 31 December 2021 was revenue of \$314,000 and operating profit before interest, tax, depreciation and amortisation of intangibles of \$135,000, excluding acquisition costs of \$57,000.

If the acquisition had occurred at the beginning of the year, the contribution to revenue and operating profit before interest, tax depreciation and amortisation of intangibles for the six months would have been \$654,000 and \$282,000 (excluding acquisition costs of \$57,000), respectively.

3. Interest-bearing liabilities

	Group as at 31 December 2021 (unaudited) \$000	Group as at 31 December 2020 (unaudited) \$000
Current	1,847	-
Non-current	18,045	7,350
Total	19,892	7,350

The net bank facility drawn as at 31 December 2021 was \$20.3 million (2020: \$7.6 million), and the undrawn bank facility was \$5.0 million (2020: \$4.6 million). On the 29 November 2021 the facility agreement D was increased from \$11.2 million to \$13.2 million. No other changes have occurred to the terms of the debt that were disclosed in the Annual Report.

4. Trade and other receivables

Trade and other receivables are recognised initially at fair value plus transaction costs and subsequently measured at amortised cost, using the effective interest method, less provision for impairment. Collectability of trade receivables is reviewed on an ongoing basis.

Trade receivables which are known to be uncollectable are written off. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the movement in the provision is recognised in other expenses of the consolidated statement of comprehensive income.

	Group as at 31 December 2021 (unaudited) \$000	Group as at 31 December 2020 (unaudited) \$000
Trade receivables	2,857	2,941
Doubtful debts provision	(130)	(206)
Other receivables	295	237
Net trade receivables	3,022	2,972
Prepayments	778	534
Total trade and other receivables	3,800	3,506
Movement in the provisions for doubtful trade receivables is as follows:		
Balance at the beginning of the year	207	444
Expected specific and ECL recognised	58	(162)
Receivables written off during the year as uncollectable	(135)	(75)
Balance at end of period	130	207

5. Financial instruments

Management determines the classification of the Group's liabilities at initial recognition. At initial recognition, the Group measures a financial liability at its fair value. After initial recognition, financial liabilities are measured at amortised cost using the effective interest method.

The Group measures all financial liabilities at amortised cost in the periods covered by these financial statements. Financial liabilities measured at amortised costs are non-derivative financial liabilities with fixed or determinable payments that are not quoted in an active market. Trade and other payables, employee benefits, related party loans and borrowings are classified as financial liabilities measured at amortised cost.

Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

5.1 Fair value of financial assets and liabilities

The Group's financial assets and liabilities by category are summarised as follows:

Cash and short-term deposits

These are short-term in nature and their carrying value is equivalent to their fair value.

Trade, related party and other receivables

These assets are short-term in nature and are reviewed for impairment; the carrying value approximates their fair value.

Trade, related party and other payables

These liabilities are mainly short-term in nature with their carrying value approximating their fair value.

Related party loans

Fair value is estimated based on current market interest rates available for receivables of similar maturity and risk. The interest rate is used to discount future cash flows.

Borrowings

Borrowings have fixed and floating interest rates. Fair value is estimated using the discounted cash flow model based on current market interest rates for similar products; their carrying value approximates their fair value.

5. Financial instruments *(continued)*

Fair values

The Group's financial instruments that are measured subsequent to initial recognition at fair value are grouped into levels based on the degree to which the fair value is observable:

Level 1 – fair value measurements derived from quoted prices in active markets for identical assets.

Level 2 – fair value measurements derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – fair value measurements derived from valuation techniques that include inputs for the asset or liability which are not based on observable market data.

There have been no transfers between levels or changes in the valuation methods used to determine the fair value of the Group's financial instruments during the period.

5.2 Financial assets measured at amortised cost

Financial assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the balance date, which are classified as non-current assets. Financial assets include cash and cash equivalents and receivables in the balance sheet.

Financial assets are carried at amortised cost using the effective interest method.

The Group assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired.

Prepayments and GST receivables do not meet the definition of a financial asset and have been excluded from the table below.

	Group as at 31 December 2021 (unaudited) \$000	Group as at 31 December 2020 (unaudited) \$000
Financial assets measured at amortised cost		
Cash and cash equivalent	34	9
Trade receivables and other receivables	2,727	2,278
Total financial assets measured at amortised cost	2,761	2,287

Notes to the Consolidated Financial Statements

5.3 Financial liabilities measured at amortised cost

	31 December 2021 (unaudited) \$000	31 December 2020 (unaudited) \$000
Financial liabilities measured at amortised cost		
Bank overdraft	421	254
Bank borrowings and other loans	19,892	7,350
Trade and other payables	3,194	2,939
Total financial liabilities measured at amortised cost	23,507	10,543

6. Dividends

During the period, the Group paid the final dividend relating to the 2021 financial year of \$1.37 million (2020: \$1.07 million).

7. Related party transactions

The Group's ultimate parent is the The Harvard Group Limited, which owns or has voting entitlements for 80.86% of the Company's shares. The remaining 19.14% is widely held. The Group's ultimate controlling parties are Tony Falkenstein and Ian Malcolm.

The Harvard Group Limited participated in the dividend reinvestment plan during the half year and were issued 1,078,843 shares valued at \$893,282 on 7 December 2021.

Pure SEO Limited, a company of which Tony Falkenstein and Ian Malcolm are directors and indirect shareholders, provided internet search engine optimisation services to the Group during the half year to the value of \$39,360 (2020: \$31,800). At 31 December 2021 the Group had a trade payable balance of \$8,142 (2020: nil) in respect of this related party.

Advisory Works Limited, a company of which Ian Malcolm is a director and shareholder, provided consulting services to the Group during the half year to the value of \$153 (2020: \$17,493). At 31 December 2021 the Group had no balances payable or receivable in respect of this related party.

7. Related party transactions *(continued)*

The Group provided services to the Jennian & Milestone group of companies, of which Richard Carver is a director and shareholder, during the half year to the value of \$2,562 (2020: \$319). At 31 December 2021 the Group had a trade receivable balance of \$617 (2020: nil) in respect of this related party.

Dialhog Limited, a company of which Ian Malcolm is a shareholder, provided services to the Group during the half year to the value of \$23,526 (2020: \$25,561). As at 31 December 2021 the Group had a trade payable balance of \$4,606 (2020: \$4,393) in respect of this related party.

Compensation of key management personnel of the Group

	31 December 2021 (unaudited) \$000	31 December 2020 (unaudited) \$000
Short-term employee benefits	508	436
Directors fees	87	77
Long-term benefits	2	11
Total compensation paid to key management personnel of the Group	597	524

These related party balances are materially consistent with those disclosed in the 2021 Annual Report.

8. Commitments

The Group has capital commitments of \$395,844 (2020: \$40,344). This increase is primarily due to the pre-ordering of inventory from overseas suppliers.

9. Contingent liabilities

There were no contingent liabilities for the Group at 31 December 2021.

10. Subsequent events

Dividend

Subsequent to 31 December 2021, the Board of Directors resolved to pay a fully imputed interim dividend of 1.0 cents per share payable to shareholders recorded on the share register as at 17 March 2022. The dividend will be paid on 24 March 2022.

There were no other events subsequent to 31 December 2021.

Independent auditor's review report

To the shareholders of Just Life Group Limited

Report on the consolidated interim financial statements

Our conclusion

We have reviewed the consolidated interim financial statements of Just Life Group Limited (the Company) and its subsidiaries (the Group) on pages 10 to 23, which comprise the consolidated statement of financial position as at 31 December 2021, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the period ended on that date, and significant accounting policies and other explanatory information.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements of the Group do not present fairly, in all material respects, the financial position of the Group as at 31 December 2021, and its financial performance and cash flows for the period then ended, in accordance with International Accounting Standard 34 *Interim Financial Reporting* (IAS 34) and New Zealand Equivalent to International Accounting Standard 34 *Interim Financial Reporting* (NZ IAS 34).

Basis for conclusion

We conducted our review in accordance with the New Zealand Standard on Review Engagements 2410 (Revised) *Review of Financial Statements Performed by the Independent Auditor of the Entity* (NZ SRE 2410 (Revised)). Our responsibilities are further described in the *Auditor's responsibilities for the review of the financial statements* section of our report.

We are independent of the Group in accordance with the relevant ethical requirements in New Zealand relating to the audit of the annual financial statements, and we have fulfilled our other ethical responsibilities in accordance with these ethical requirements. In addition to our role as auditor, our firm carries out other services for the Group in the areas of tax compliance services. The provision of these other services has not impaired our independence.

Directors responsibility for the financial statements

The Directors of the Company are responsible on behalf of the Company for the preparation and fair presentation of these consolidated interim financial statements in accordance with IAS 34 and NZ IAS 34 and for such internal control as the Directors determine is necessary to enable the preparation and fair presentation of consolidated interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial statements

Our responsibility is to express a conclusion on the consolidated interim financial statements based on our review. NZ SRE 2410 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the consolidated interim financial statements, taken as a whole, are not prepared in all material respects, in accordance with IAS 34 and NZ IAS 34. A review of consolidated interim financial statements in accordance with NZ SRE 2410 (Revised) is a limited assurance engagement. We perform procedures, primarily consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

Independent Auditor's Review Report



The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing and International Standards on Auditing (New Zealand) and consequently does not enable us to obtain assurance that we might identify in an audit. Accordingly, we do not express an audit opinion on these consolidated interim financial statements.

Who we report to

This report is made solely to the Company's Shareholders, as a body. Our review work has been undertaken so that we might state to the Company's Shareholders those matters which we are required to state to them in our review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Shareholders, as a body, for our review procedures, for this report, or for the conclusion we have formed.

The engagement partner on the review resulting in this independent auditor's review report is Leopino Foliaki.

For and on behalf of:

A handwritten signature in black ink, appearing to read 'Leopino Foliaki', written in a cursive style.

Chartered Accountants
24 February 2022

Auckland

Directors

Phil Norman

Chair and
Independent Director

Tony Falkenstein

Chief Executive Officer

Ian Malcolm

Non-executive Director

Richard Carver

Independent Director

Future Directors Programme

Jacinta Taliauli

Executive Management

Tony Falkenstein

Chief Executive Officer

Eldon Roberts

Chief Operating Officer

Graeme Read

Chief Financial Officer

Lynne Jacobs

Group General Manager

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Share register

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