



Directors' Comments

Half Year Ended 30 June 2021

11 August 2021

The Directors of Devine Limited (**Devine**) announce the following results for the half year ended 30 June 2021:

	Six month period ended	
	June 2021 (\$'millions)	June 2020 (\$'millions)
Total revenue	20.3	12.8
Net loss before tax ¹	(3.2)	(0.9)
Net loss after tax ¹	(3.2)	(0.9)
Net Tangible Assets - \$ per share	\$0.39	\$0.43
EPS – cents per share	(2.0) cents	(0.6) cents

Review of operations

Devine recorded revenue of \$20.3 million for the period. The change from the previous period was primarily due to the:

- Settlement of additional lots in Victoria during the current period due to the timing of land stage titling;
- Settlement of an englobo parcel of land at Redbank Plains in Queensland; and
- Settlement of additional lots in Queensland during the current period.

Devine reported a loss before tax for the six months to 30 June 2021 of \$3.2m (June 2020 \$0.9m).

During the period to 30 June 2021, Devine achieved the following outcomes:

- The settlement of 108 land allotments in total.
- At Stonehill in Bacchus Marsh, Victoria, Devine progressed the delivery of the project with four stages comprising 115 allotments at varying stages of construction and forecast to commence settlement from late 2021 to mid-2022. Stonehill recorded 85 sales for the half year.

¹ Includes profits from discontinued operations. Refer note 7 in the 30 June 2021 Interim Report.

- Progress toward the completion of the Company's Newbridge joint venture development, at Wallan in Victoria, with 67 allotments settling in the period to 30 June 2021. All lots in the final stage of the project are under contract.
- Devine's Mawson Green community development in the Adelaide Hills recorded 31 sales in the six months to 30 June, resulting in the bringing forward of the project's final off-the-plan release.
- At Mountview and Brookside in south-east Queensland, an undeveloped 4.1 hectare site at the Mountview project settled in June 2021, while an 8.8 hectare parcel of the Brookside site that was contracted in 2020 progressed to unconditional status, with settlement forecast for December 2021.
- Land sales in the regional Queensland markets of Gladstone and Townsville experienced some increases but remain relatively subdued.

Financing facilities

Devine's existing Multi Option Facility, expiring 31 March 2022, remains in place.

Outlook

Devine continues to progress the existing projects in its Communities land development business and further position itself for the purchase of new development sites where good value exists.

Devine continues to pursue the resolution of the remaining contractual and insurance claims in the construction business.

Devine will continue to monitor the commercial opportunities within its portfolio, particularly with respect to the KSD2 site in the Brisbane suburb of Hamilton.

Devine will continue to monitor and respond to developments in the economy, especially the impacts of Covid-19 restrictions.

Takeover offer from CIMIC Residential Investments Pty Ltd

During the period CIMIC Group, through its subsidiary CIMIC Residential Investments Pty Ltd (CRI), made an offer to acquire the shares in Devine that it did not already own pursuant to an off-market takeover at a price of \$0.24 cash per share.

On 9 July 2021, CRI achieved a relevant interest in 91.61% of Devine's shares, enabling it to compulsorily acquire all the remaining Devine shares. On 15 July 2021 (final day of the offer period), CRI achieved a relevant interest in 95.66% of Devine's shares. The compulsory acquisition process is underway for the remaining Devine shares and is expected to be completed during August.

Following compulsory acquisition of the remaining Devine Shares, CRI has said that it intends to seek to procure the removal of Devine from the official list of ASX.

These Directors' Comments form an integral part of the Directors' Report within the half year ended 30 June 2021 financial report.

ENDS

Issued by Devine Limited ABN 51 010 769 365 www.devinegroup.com.au

Authorised by the Devine Limited Board

Contact Mr James Mackay, Company Secretary T +61 7 3608 6361