APPENDIX 4E

Preliminary final report

1. COMPANY DETAILS

Name of entity: Johns Lyng Group Limited

ABN: 86 620 466 248

Reporting period: For the financial year ended 30 June 2021

Previous corresponding period: For the financial year ended 30 June 2020

2. RESULTS FOR ANNOUNCEMENT TO THE MARKET

			$'000
Revenues from ordinary activities (sales)	up	14.8%	568,373
Profit from ordinary activities after tax attributable to the owners of Johns Lyng Group	up	17.1%	18,560
Total comprehensive income for the year attributable to the owners of Johns Lyng Group	up	15.2%	18,170

Explanatory note on results

The profit for the Group after providing for income tax and non-controlling interests amounted to $18,560,000 (30 June 2020: $15,850,000). 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

	Dividend per share	Franked amount	Record date	Payment date	Total amount $'000
Year ended 30 June 2021					
Final dividend	2.8 cents	100%	30 August 2021	14 September 2021	6,310
Interim dividend	2.2 cents	100%	1 March 2021	16 March 2021	4,928
Total dividends	**5.0 cents**	**100%**			**11,238**
Year ended 30 June 2020					
Final dividend	2.2 cents	100%	31 August 2020	15 September 2020	4,898
Interim dividend	1.8 cents	100%	2 March 2020	17 March 2020	4,000
Total dividends	**4.0 cents**	**100%**			**8,898**

Current period

On 24 August 2021, the Board declared a final dividend of 2.8 cents per share (fully franked). This final dividend is in addition to the previously announced half year (interim) dividend of 2.2 cents per share (fully franked), totalling 5.0 cents per share (fully franked) and representing 61% of NPAT attributable to the owners of Johns Lyng Group for FY21.

The final dividend will be paid on 14 September 2021 with a record date of entitlement of 30 August 2021.

Previous period

The Board declared a final dividend of 2.2 cents per share (fully franked). The final dividend was in addition to the previously announced half year (interim) dividend of 1.8 cents per share (fully franked), totalling 4.0 cents per share (fully franked) and representing 56% of NPAT attributable to the owners of Johns Lyng Group for FY20. The final dividend was paid on 15 September 2020 with a record date of entitlement of 31 August 2020.

6. DIVIDEND REINVESTMENT PLANS

Not applicable.

7. NET TANGIBLE ASSETS

Net Tangible Assets (NTA)[1] per ordinary security for the year ended 30 June 2021 was 10.07 cents (30 June 2020: 3.06 cents).

[1] Includes right-of-use assets and lease liabilities

8. DETAILS OF ASSOCIATES, JOINT VENTURE ENTITIES AND DIVIDEND INCOME

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 have been audited and an unqualified opinion has been issued.

11. ATTACHMENTS

Details of attachments (if any):

The Annual Report of the Group for the financial year ended 30 June 2021 is attached.

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

Refer to the attached Annual Report.

13. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Refer to the attached Annual Report.

14. CONSOLIDATED STATEMENT OF CASH FLOWS

Refer to the attached Annual Report.

15. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Refer to the attached Annual Report.

16 OTHER INFORMATION REQUIRED BY LISTING RULE 4.3A

Other information requiring disclosure to comply with Listing Rule 4.3A is contained in the 30 June 2021 Financial Report (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

Bright & Duggan – strategic bolt-on acquisitions

Post 30 June 2021, Bright & Duggan made 3 strategic bolt-on acquisitions including:

- Change Strata Management (100% equity interest): 1 July 2021;
- Structure Building Management (75%[1] equity interest): 1 July 2021; and
- Shift Facilities Management (75%[1] equity interest): 1 July 2021.

[1] Bright & Duggan's net equity interest post 25% back-to-back sell-down in Bright & Duggan Facilities Management (BDFM) to Mite Domazetovski (Managing Director of BDFM)

Johns Lyng Group appointed to lead Victorian storm damage recovery

On 5 July 2021 the Group announced that it had entered into a contract with the State Government of Victoria for the provision of clean-up and Makesafe works on private properties damaged by Victoria's recent severe storms. The extensive storm damage is spread across 39 local Government areas and the initial phase of work (focused on private properties) is to be delivered through joint funding of $55.5m from the Australian Federal and Victorian State Governments. The initial program may be extended across further work phases including public properties in due course.

Acquisition of Unitech Building Services

On 12 July 2021 (effective 1 July 2021), the Group acquired a 60% controlling equity interest in Unitech Building Services - a South Australian-based insurance building services company.

Acquisition of Steamatic Australia

On 29 July 2021 (effective 1 July 2021), the Group acquired a 60% controlling equity interest in Steamatic Australia - a leading national restoration services company.

FY21 Final Dividend

On 24 August 2021, the Board declared a final dividend of 2.8 cents per share (fully franked). This final dividend is in addition to the previously announced half year (interim) dividend of 2.2 cents per share (fully franked), totalling 5.0 cents per share (fully franked) and representing 61% of NPAT attributable to the owners of Johns Lyng Group for FY21.

The final dividend will be paid on 14 September 2021 with a record date of entitlement of 30 August 2021.

Government imposed lockdowns in response to Covid-19 continue to create uncertainty in various states around Australia. Lockdowns to date, including since the end of the financial year, have not had a material impact on the business as at the date of this report.

There are no other matters or circumstances that have arisen since 30 June 2021 that have significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

19. ANNUAL GENERAL MEETING

Johns Lyng Group Limited advises that its Annual General Meeting will be held on Thursday, 18 November 2021. The time and other details relating to the meeting will be advised in the Notice of Meeting to be sent to all shareholders and released to the ASX immediately after despatch.

In accordance with the ASX Listing Rules, valid nominations for the position of director are required to be lodged at the registered office of the Company by 5:00pm (AEST) on Friday, 1 October 2021.

JOHNS LYNG GROUP

ANNUAL REPORT 2021

JOHNS LYNG GROUP LIMITED

JOHNS LYNG GROUP

Annual Report 2021

JOHNS LYNG GROUP LIMITED

Valuing People | 65 YEARS STRONG

CONTENTS

CORPORATE DIRECTORY

DIRECTORS

Peter Nash (Chairman and Non-executive Director)
Scott Didier AM (Managing Director)
Lindsay Barber (Executive Director)
Nicholas (Nick) Carnell (Executive Director - appointed 1 September 2020)
Adrian Gleeson (Executive Director)
Philippa (Pip) Turnbull (Executive Director)
Robert Kelly (Non-executive Director)
Curtis (Curt) Mudd (Non-executive Director)
Larisa Moran (Non-executive Director)
Peter Dixon (Non-executive Director)

COMPANY SECRETARY

Hasaka Martin (appointed 23 February 2021)
Todd Richards (resigned 30 November 2020)
Rebecca Weir (resigned 23 February 2021)

REGISTERED OFFICE

1 Williamsons Road
Doncaster VIC 3108

AUDITOR

Pitcher Partners
Level 13, 664 Collins Street
Docklands VIC 3008

LAWYERS

MinterEllison
Level 20, Collins Arch
447 Collins Street
Melbourne VIC 3000

KCL Law
Level 4, 555 Lonsdale Street
Melbourne VIC 3000

BANKERS

Australia and New Zealand Banking Group Limited
833 Collins Street
Docklands VIC 3008

SHARE REGISTRY

Link Market Services
Level 13, Tower 4,
727 Collins Street
Melbourne VIC 3000

PRINCIPAL PLACE OF BUSINESS

1 Williamsons Road
Doncaster VIC 3108

ANNUAL GENERAL MEETING (AGM)

18 November 2021

STOCK EXCHANGE LISTING

Johns Lyng Group shares are listed on the Australian Securities Exchange (ASX code: JLG)

WEBSITE

www.johnslyng.com.au


JOHNS LYNG

FY21 SNAPSHOT

Group Revenue

$568.4m

+14.8% **(FY20: $495.1m)**

Group EBITDA[1]

$52.6m

+28.3% **(FY20: $41.0m)**

[1] Excluding Transaction related expenses of $0.4m (FY20: $0.7m) and non-recurring goodwill written off of $1.8m (FY20: nil)

Geographical Footprint

Australian Locations

30 Johns Lyng Locations Nationally[1]

39 Steamatic Locations Nationally[1]

(Including 5 company owned metro locations and 34 regional franchisees)

19 Bright & Duggan Locations Nationally[1]

[1] Includes all subsidiaries and acquisitions post year-end

International Locations

43 Steamatic USA Locations

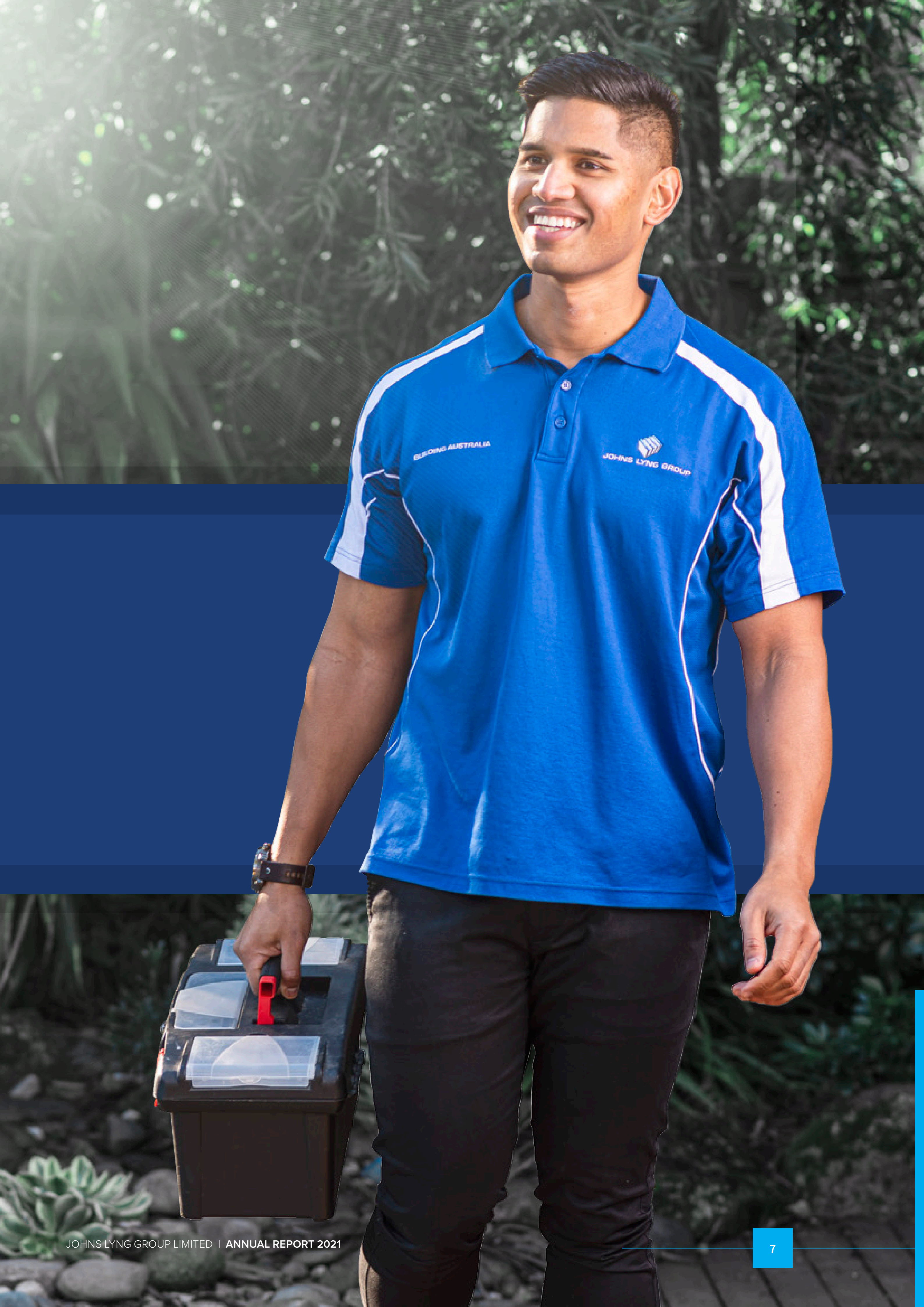
(Including 41 franchisees, 1 company owned franchise and corporate head office)

11 Steamatic International Franchise Agreements

Recent Acquisitions

1. **Change Strata Management (100%):** 1 July 2021
2. **Structure Building Management (75%)[1]:** 1 July 2021
3. **Shift Building Management (75%)[1]:** 1 July 2021
4. **Unitech Building Services (60%):** 12 July 2021 (effective 1 July 2021)
5. **Steamatic Australia (60%):** 29 July 2021 (effective 1 July 2021)

[1] Bright & Duggan's net equity interest post 25% back-to-back sell-down in Bright & Duggan Facilities Management (BDFM) to Mite Domazetovski (Managing Director of BDFM)


BUILDING AUSTRALIA
JOHNS LYNG GROUP

CHAIRMAN & CEO'S LETTER

A YEAR OF FINANCIAL GROWTH AND SUCCESS

Dear Shareholders,

On behalf of the Board of Directors and Management team, we are pleased to present the Johns Lyng Group Annual Report for the 2021 Financial Year.

FY21 was another year of robust growth for the Group, once again driven primarily by our core Insurance Building and Restoration Services Division (IB&RS).

Group Revenue was $568.4 million, representing growth of 14.8% from FY20, while EBITDA grew 28.3% to $52.6 million.

To deliver another impressive financial performance following last year's excellent result is an encouraging reflection of the strength and resilience of our Group and underscores our capacity for ongoing growth. Against the backdrop of the ongoing Covid-19 pandemic, which continued to disrupt global markets throughout the year, this result highlights a key point of competitive difference for our Group in that we are generally insulated from such broader market factors.

It is once again important to reflect on the key drivers of our FY21 performance. A result that is driven by robust Business as Usual (BaU) growth, supported by a strong contribution from catastrophe (CAT) related activity, clearly and succinctly demonstrates our value proposition.

Our IB&RS Division remains the cornerstone of our Group, recording revenue and EBITDA growth of 12.1% and 24.2% on FY20 respectively. This organic growth was driven by consistently high job volumes of BaU insurance work supported by a series of new client wins and contract extensions.

The result reflects the strength of our relationships in the market and our commitment to delivering exceptional service – both of which are keys to securing repeat business and ensuring we remain the market leader.

Additionally, our capacity to respond to CAT events when they occur is an important point of difference in the market and we continue to build upon and refine our offering year in, year out.

During the year, we responded to CAT events that struck in southeast Queensland, northern New South Wales, and Western Australia, among others.

The value of working tirelessly to build our scale and national footprint was validated at the conclusion of the year when we were chosen to enter into an exclusive contract with the State Government of Victoria to provide clean-up works on private properties damaged by severe storms in regional locations in June 2021. This represents a major opportunity for the Group, with the full scope of works expected to be extended across several ongoing phases.

This also pleasingly reflects the growing awareness of the Johns Lyng brand among key Government stakeholders across various Australian jurisdictions.

We made sound progress in executing our growth strategy during the year, through the ongoing development of our strata market presence. Additionally, several important strategic acquisitions were completed shortly after the financial year end.

Particularly impressive in the context of the Covid-19 environment was a record financial performance from our Commercial Construction Division. The business' appointment to a Victorian Government panel (Cladding Safety Victoria) for cladding rectification works on unsafe buildings was an important milestone and again reflects our growth and brand equity.

While our results are again very pleasing for FY21, we will continue to strive for growth in FY22, expand our reach and scale, and continue to identify and capitalise on expansion opportunities.

Organic Growth

New contract wins and contract extensions during the year represented solid progression of our organic growth strategy, and further acknowledgement of the increasing strength of our offering in the market.

These included appointment to national building and restoration panels for Westpac General Insurance Limited, Chubb, RACQ, and Honey Insurance.

OUR RESULTS ARE A REFLECTION OF THE STRENGTH OF OUR RELATIONSHIPS

We value these partnerships with leading nationally recognised insurance brands and look forward to continually delivering the highest levels of service and exceptional outcomes over a long period of time. We also thank our people, who continue to go above and beyond to ensure we maintain these standards and win this work.

The Group also made important steps in expanding our reach and geographic footprint during the year, opening new offices in major regional centres including Batemans Bay, Port Macquarie, Tamworth, Mildura, Warrnambool, and Benalla.

We'll continue to work to identify opportunities and look to capture more of the market in FY22 and beyond.

Strategic Growth

During the year, we made further pleasing progress in the development of our Johns Lyng Strata Building Services business, which was launched in conjunction with the acquisition of Bright & Duggan in FY20. This dedicated business unit delivers domestic and commercial building and restoration works for strata buildings and insurers.

Strata represents one of our most significant growth opportunities and, accordingly, we continue to invest in growing our capability and our footprint in this market. To reiterate the size of the opportunity, the sector consists of some 2.9 million strata titled lots nationally, and we see multiple cross-sell opportunities including insurance works, scheduled and emergency maintenance and repairs, and a direct-to-consumer offering.

To that end, during FY21 we were pleased to announce our appointment to building and restoration panels with three new dedicated strata insurance industry clients, which reflects important progress of our strata market strategy.

We also completed three strategic strata-related acquisitions (shortly post the financial year end), which are central to our ongoing market expansion. We were clear when we embarked upon our strata market strategy that consolidation was a key goal given the fragmented nature of the sector, and so this result is a pleasing reflection of that intent.

Change Strata Management is a 'bolt-on' addition to Bright & Duggan's existing portfolio contributing an additional 2,974 lots across 75 schemes, while Structure Building Management and Shift Building Management reflect a further step into building and facilities management. These businesses hold existing management contracts with 58 Sydney buildings, encompassing more than 7,250 lots.

Expanding into building management and capitalising on cross-selling opportunities is an important strategic step as we continue to refine our offering and service protocols in the strata market.

Another important acquisition completed shortly post the financial year end, was Unitech, a South Australian-based insurance building services company.

With a strong base of insurance industry clients, Unitech presents clear synergies with Johns Lyng's core business offering and will increase our exposure to the South Australian market, in an important element of geographic expansion.

The increased reach will allow us to bolster our CAT response in the region and we'll also be well placed to grow our Makesafe and large-loss insurance building offering in the market. We also expect to introduce our restoration services business, Restorx, into South Australia.

Also subsequent to the financial year end, we completed the acquisition of Steamatic Australia, in an important progression of our strategy for the $US200 billion global restoration services market following the acquisition of the Steamatic Global Master Franchise in FY19.

Steamatic Australia currently manages 39 locations including 34 regional franchisees and 5 company-owned metro locations which significantly increases our geographic scale and capacity to respond to CAT events.

Commercial Construction

Our Commercial Construction Division delivered a record performance in FY21, driven primarily by an increasing volume of large-loss insurance building work, the result of an ongoing focus on growing and leveraging key relationships, and demonstrating the core value offering of the business. The FY21 performance followed a strong FY20 result and is an encouraging indication of the future growth trajectory for this division.

The business has established a very sound working relationship with Cladding Safety Victoria, a Victorian state body responsible for the rectification of unsafe buildings.

To this point, we have been awarded contracts for 17 building rectification jobs. Rectification remains a high priority for both the Victorian and New South Wales State Governments, with a significant number of buildings scheduled for works.

It is a credit to the team to be recognised as a leader in this area in Victoria and we think this will stand us in good stead as this important program of work rolls out.

Board Composition

We were pleased to welcome Mr Nick Carnell to the Board in September 2020.

Nick is the Group Executive General Manager, overseeing company-wide operations. He commenced working with Johns Lyng in 2014, as Manager of the Group's Insurance Building business unit and has since progressed through a number of senior management roles.

Having played an instrumental role in the Group's growth in recent years, his appointment adds significant business knowledge to the expertise of the Board.

Nick's appointment brings the total number of Johns Lyng Group Board members to 10, comprising five Non-executives and five Executives, and represents pleasing progression of our leadership development and long-term succession planning.

Outlook

We are well placed for another positive year in FY22, with a solid BaU job registration pipeline ahead of us.

We also expect revenues from FY21 CAT related activity to continue to flow through FY22, while work stemming from the Victorian State Government contract, with respect to the June storms, is expected to commence early in FY22.

We will continue to assess further acquisitions and strategic growth opportunities.

Building upon our digital service capability will remain an ongoing priority, including our broker response platform, as we look to ensure our offering remains market-leading and at the cutting edge. The intent is always to enhance the customer experience and maximise efficiency in order to maintain the high standards that keep our clients coming back and ensure we keep growing.

We look forward to updating you on our progress as the new financial year progresses.

Regards,

Peter Nash
Chairman
24 August 2021

Scott Didier AM
Managing Director
24 August 2021

COMPANY PROFILE

A MARKET LEADING INTEGRATED BUILDING SERVICES GROUP

Johns Lyng Group is a market leading integrated building services group delivering building and restoration services nationally and internationally along with strata management services in Australia.

The Group's core business is built on its ability to rebuild and restore a variety of properties and contents after damage by insured events including: impact, weather and fire events.

OUR HISTORY

Beginning in 1953 as Johns & Lyng Builders, initially servicing Melbourne and its surrounding areas, the Group has grown into a diversified international business with over 1,200 employees and a subcontractor base in excess of 6,000.

Johns Lyng has a diversified client base comprising: major insurance companies, insurance brokers, loss adjusters, commercial enterprises, local and state governments, body corporates/owners' corporations and retail customers.

The Group's national footprint and reach facilitates superior project outcomes across major metropolitan and regional areas. The Group operates offices in all major Australian cities and high risk regional areas such as northern Queensland, regional Victoria and regional New South Wales.

Johns Lyng Group's deep expertise and diversity create a unique blend of talent and capabilities which are a significant point of difference and a source of sustainable competitive advantage.

The Group's highly experienced and long-serving executive team continually demonstrate their commitment to business growth through innovation and entrepreneurship.

The Group's entrepreneurial and 'can do' attitude is underpinned by core values of: Respect, Integrity, Courtesy and Honesty.

Johns Lyng defines itself by delivering exceptional customer service outcomes every time – this is the reason the Group is still going strong after more than 68 years.

ASX

Oct–2017
Listed on the Australian Securities Exchange (ASX)

Jul–2018
Divestment of Club Home Response & Sankey Glass

Dec–2018
Commenced Strata Building Services operations in NSW (roll-out)

Feb–2019
Acquired Dressed for Sale (56.6%)

Apr–2019
Acquired Steamatic Inc. (100%)

Aug–2019
Acquired Bright & Duggan (51% voting / 46% economic equity interest)

Jan–2020
Acquired Steamatic Nashville (USA) - inaugural franchisee buy-out (100%)

Feb–2020
Acquired Capitol Strata (85%)

April–2020
Acquired Air Control (60%)

Jul–2021
Acquired:
Change Strata (100%)

Structure Building Management (75%)[1]

Shift Building Management (75%)[1]

Unitech Building Services (60%)

Steamatic Australia (60%)

[1] Bright & Duggan's net equity interest post 25% back-to-back sell-down in Bright & Duggan Facilities Management (BDFM) to Mite Domazetovski (Managing Director of BDFM)

Insurance Building & Restoration Services

Building fabric repair, contents restoration, hazardous waste removal and strata management

- Revenue: $444.6m (FY20: $396.7m)
- Revenue contribution: 78.2% (FY20: 80.1%)
- EBITDA[1]: $50.8m (FY20: $40.9m)
- EBITDA[1] contribution: 96.6% (FY20: 99.8%)

[1] Excluding Transaction related expenses of $0.1m (FY20: $0.5m)

Commercial Building Services

Residential and commercial flooring, emergency domestic (household) repairs, retail shop-fitting, HVAC mechanical services and pre-sale property staging

- Revenue: $45.7m (FY20: $54.1m)
- Revenue contribution: 8.0% (FY20: 10.9%)
- EBITDA[1]: $3.5m (FY20: $2.8m)
- EBITDA[1] contribution: 6.6% (FY20: 6.9%)

[1] Excluding Transaction related expenses of $0.1m (FY20: $0.1m) and non-recurring goodwill written off of $1.8m (FY20: nil)

Commercial Construction

Commercial construction projects in the cladding rectification, large-loss insurance, education, aged care, retail, community, hospitality and residential sectors

- Revenue: $77.8m (FY20: $43.6m)
- Revenue contribution: 13.7% (FY20: 8.8%)
- EBITDA: $2.1m (FY20: $1.0m)
- EBITDA contribution: 4.0% (FY20: 2.5%)

GEOGRAPHICAL FOOTPRINT

NATIONAL & INTERNATIONAL LOCATIONS

Johns Lyng's core business is built on its ability to rebuild and restore a variety of properties and contents after damage by insured events including: impact, weather and fire events.

The Group's diversified portfolio of insurance building and restoration services businesses deliver comprehensive work programs across a variety of industries including: insurance, commercial, industrial and government sectors along with strata management.

Johns Lyng also operates a portfolio of complementary commercial building services businesses including: residential and commercial flooring, emergency domestic (household) repairs, retail shop-fitting, HVAC mechanical services, pre-sale property staging and a commercial construction business (Johns Lyng Commercial Builders).

The Group's values driven, meritocratic culture is built on its equity partnership model. The majority of subsidiary businesses are partially owned by management.

This model provides a transparent and equitable incentive framework and ensures goal alignment driving synergies between group and business unit performance.

JOHNS LYNG GROUP

Australian National Footprint

30 locations nationally[1]

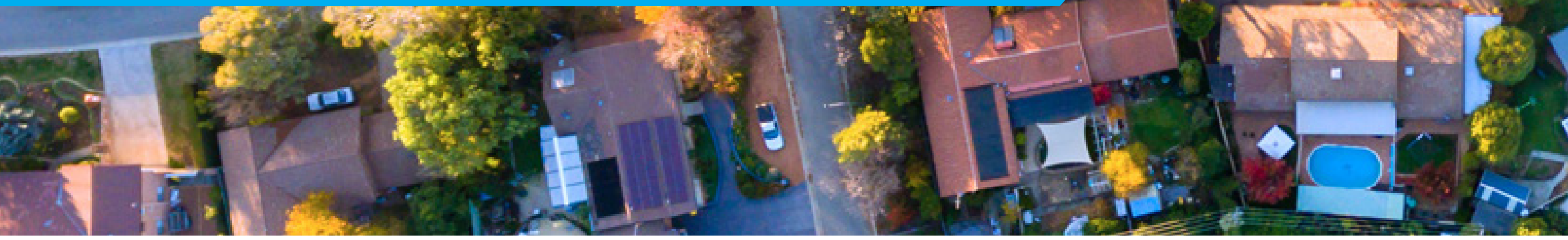
- Head Office (1)
- State/Territory Offices (5)
- Regional Offices (17)
- Operational Warehouses (2)
- Dressed for Sale (3)
- Air Control (1)[2]
- Unitech Building Services (1)

[1] Excluding Bright & Duggan Strata Management and Steamatic Australia

[2] Air Control also operates from Johns Lyng's offices in Sydney and Brisbane

GEOGRAPHICAL FOOTPRINT

NATIONAL & INTERNATIONAL LOCATIONS



Steamatic Australia

In July 2021, Johns Lyng acquired a 60% controlling equity interest in Steamatic Australia - a leading national restoration services company.

Established in 1986 under the Steamatic Inc. master franchise, the business currently employs 190 staff and operates a total of 39 locations including 34 regional franchisees and 5 company-owned metro locations.

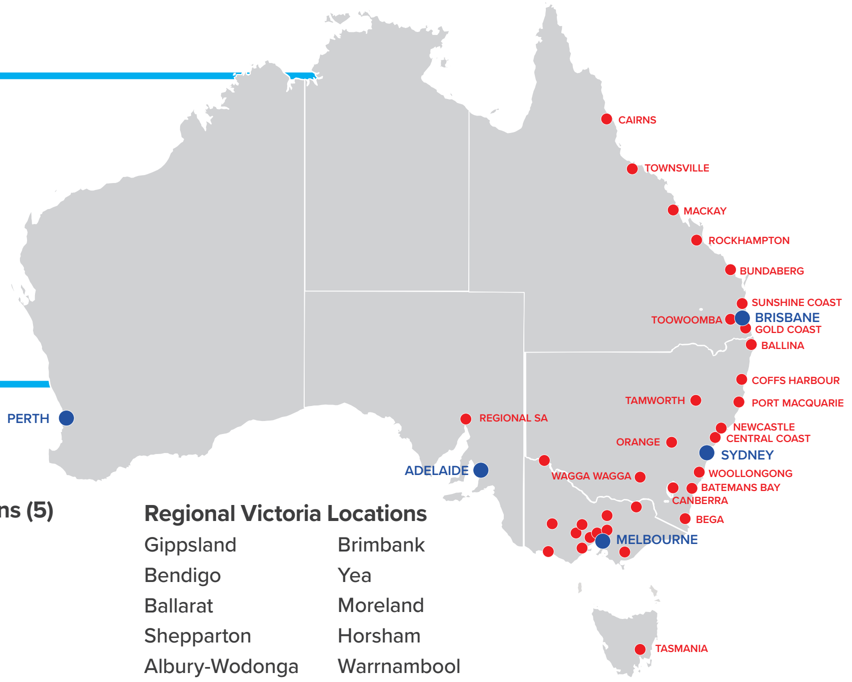
Steamatic Australia founder and CEO Oliver Threlfall retained the remaining 40% equity of the business and will maintain day-to-day operational responsibility along with his long-standing senior management team.

The deal consolidates Johns Lyng's position as a national market leader in restoration services and represents natural progression following the Group's acquisition of the Steamatic Global Master Franchise in FY19.

While Steamatic's Australian operations will continue to run independently of Restorx (Johns Lyng's existing restoration services business), the acquisition significantly increases the Group's capacity to service incremental BaU work and CAT events nationally.

Australian National Footprint

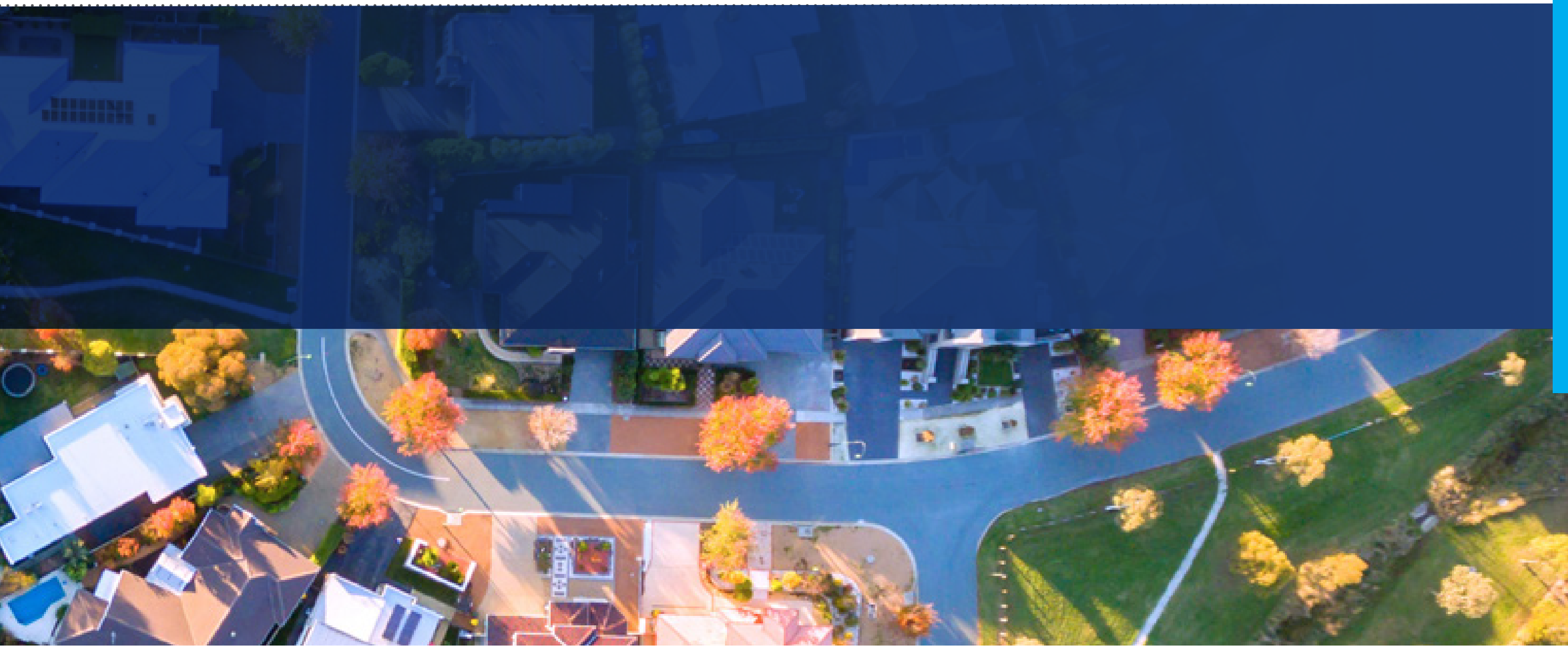
39 locations nationally



- **Company-owned Locations (5)**
- **Franchise Locations (34)**

Regional Victoria Locations

Gippsland	Brimbank
Bendigo	Yea
Ballarat	Moreland
Shepparton	Horsham
Albury-Wodonga	Warrnambool
Mildura	Geelong



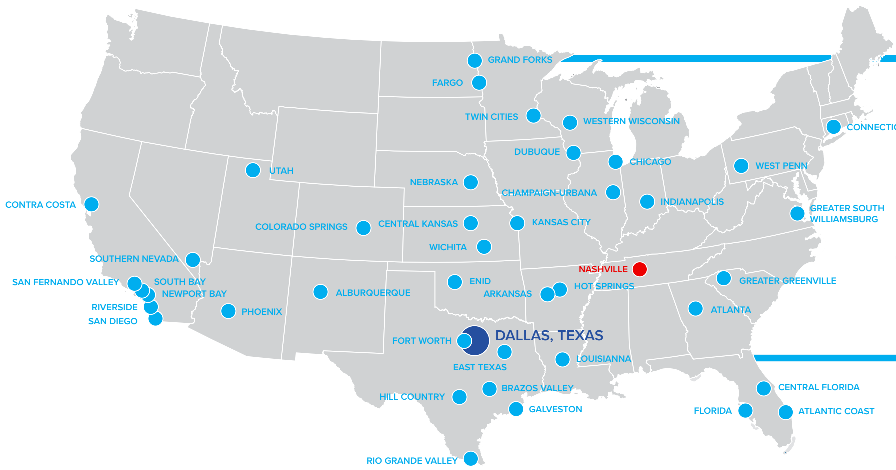
USA Operations

In April 2019, Johns Lyng acquired the trade and business assets of Steamatic Inc. (Steamatic) – a US based fire and flood restoration services company.

Established in 1948, Steamatic is a household name in the US market with 42 current US Franchisees (including 1 company owned franchise) and 11 International Master Franchise Agreements.

This 'platform' acquisition provides the Group additional opportunities to introduce existing Johns Lyng core services into the US market through Steamatic – in particular the Group's insurance building and general contracting businesses.

In January 2020, the Group acquired 100% of the trade and business assets of Steamatic Nashville (USA). This initial franchisee buy-out is in-line with the Group's US growth strategy.



USA Footprint

43 US Locations (Including 1 Company Owned Franchise) & 11 International Master Franchise Agreements

- Head Office (1)
- Franchisees (41)
- Nashville (company owned) (1)

“Strata represents one of our most significant growth opportunities and we will continue to invest in growing our capability and footprint accordingly.”

GEOGRAPHICAL FOOTPRINT

DIVERSIFICATION INTO STRATA MANAGEMENT

Bright & Duggan - Strata Management

Founded in 1978, Bright & Duggan is a leading strata, facilities and building management business.

Following Johns Lyng's initial acquisition of a controlling 51% voting/46% economic equity interest in August 2019, Bright & Duggan acquired an 85% equity interest in Capitol Strata in February 2020.

Post 30 June 2021, Bright & Duggan made 3 strategic bolt-on acquisitions including:

- Change Strata Management (100% equity interest): 1 July 2021;
- Structure Building Management (75%[1] equity interest): 1 July 2021; and
- Shift Facilities Management (75%[1] equity interest): 1 July 2021.

[1] Bright & Duggan's net equity interest post 25% back-to-back sell-down in Bright & Duggan Facilities Management (BDFM) to Mite Domazetovski (Managing Director of BDFM)

Bright & Duggan's current (enlarged) business employs more than 317 staff across 19 offices with a portfolio comprising:

- A total of 86,977 lots under strata and/or building management contracts across 3,302 buildings/ schemes including:
  - 79,195 lots under strata management across 3,243 strata schemes;
    - Of which, Bright & Duggan also undertakes building management for 5,964 lots across 70 buildings; and
  - 7,782 lots across 59 buildings under discrete building management contracts

Current portfolio under management:

86,977 Lots/Units

3,302 Buildings/ Strata Schemes

Bright & Duggan acquisitions post 30 June 2021:

SHIFT

National Footprint

19 locations nationally

- Bright & Duggan (14)
- Capitol (3)
- Change (1)
- Structure (1)

BUSINESS DIVISION OVERVIEW

INSURANCE BUILDING & RESTORATION SERVICES (IB&RS)

JOHNS LYNG MAKESAFE BUILDERS

Makesafe Builders provides an immediate emergency response service ensuring the safety of residential and commercial properties along with the general public. Operating 24/7, our teams are constantly on standby, ready to respond and make properties safe following damage from impact, weather, fire and other similar events.

RESTORX SERVICES

For over 25 years, Restorx has been delivering preventative and reactive restoration services for properties and contents in emergency situations. Restored items include: clothing, furniture, flooring and ceiling materials for every conceivable type of contamination.

JOHNS LYNG EXPRESS BUILDERS

Express Builders is a specialist high volume/small works reinstatement business (typically less than $30,000 in job value). Express Builders provides a range of fast response building services, reinstating residential and commercial properties following damage from impact, weather, fire and other similar events.

JOHNS LYNG INSURANCE BUILDERS

Specialising in large-loss and complex works, Insurance Builders is focused on efficient building fabric repair and restoration solutions (typically greater than $30,000 in job value). Utilising sub-contractors across a range of trades, Insurance Builders reinstates residential and commercial properties for insurers and their policy holders, often via loss adjusters.

JOHNS LYNG Aztech SERVICES

Aztech specialises in the environmentally safe removal of hazardous materials. With specific expertise and a focus on the removal of asbestos, Aztech provides specialist removal and restoration services.

JOHNS LYNG REGIONAL BUILDERS

In regional areas, the Insurance Building and Restoration Services division is represented by Regional Builders, which combines Johns Lyng's services including: Makesafe, Restorx, Express Builders and Insurance Builders throughout Australia.

Johns Lyng Strata Services delivers domestic and commercial building and restoration works for: strata insurers, loss adjusters, brokers and property/strata managers.

Leveraging an extensive network of qualified trades, Huski Home Services operates an online platform for direct to customer (B2C) repairs and maintenance jobs. Huski also partners with major clients including: insurance companies, property and strata management companies and automobile clubs providing a tailored 'white label' service offering.

Bright & Duggan is a leading strata, facilities and building management business with 86,977 lots under strata and/or building management contracts across 3,302 buildings/strata schemes.

Bright & Duggan acquisitions post 30 June 2021:

Established in 1948, Steamatic is a US based fire and flood restoration services company. Steamatic operates a Global Master Franchise Network with 42 US Franchisees (including 1 company owned franchise) and 11 International Master Franchise Agreements.

BUSINESS DIVISION OVERVIEW

INSURANCE BUILDING & RESTORATION SERVICES (IB&RS)

Johns Lyng Group acquisitions post 30 June 2021

In July 2021, Johns Lyng acquired a 60% controlling equity interest in Unitech Building Services - a South Australian-based insurance building services company.

Founded in 1995, Unitech has established a strong base of insurance industry clients, presenting clear synergies with Johns Lyng's core business offering.

Current owners and Co-Directors Anthony and Deborah Gorle retained the remaining 40% equity of the business and will continue day-to-day management. Unitech, and its 26 staff, will be integrated into Johns Lyng's existing operations significantly increasing the Group's market share in SA.

In July 2021, Johns Lyng acquired a 60% controlling equity interest in Steamatic Australia - a leading national restoration services company.

Established in 1986 under the Steamatic Inc. master franchise, the business currently employs 190 staff and operates a total of 39 locations including 34 regional franchisees and 5 company-owned metro locations.

Steamatic Australia founder and CEO Oliver Threlfall retained the remaining 40% equity of the business and will maintain day-to-day operational responsibility along with his long-standing senior management team.

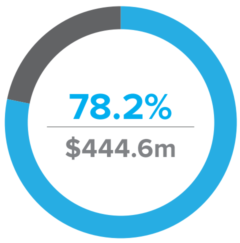
The deal consolidates Johns Lyng's position as a national market leader in restoration services and represents natural progression following the Group's acquisition of the Steamatic Global Master Franchise in FY19.

While Steamatic's Australian operations will continue to run independently of Restorx (Johns Lyng's existing restoration services business), the acquisition significantly increases the Group's capacity to service incremental BaU work and CAT events nationally.

IB&RS Results

Insurance Building & Restoration Services	FY21 $m	FY20 $m	Change %
Revenue	444.6	396.7	12.1%
EBITDA[1]	50.8	40.9	24.2%

[1] Excluding Transaction related expenses of $0.1m (FY20: $0.5m)



IB&RS revenue contribution to the Group


STEAMATIC
Restoration & Cleaning

BUSINESS DIVISION OVERVIEW

COMMERCIAL BUILDING SERVICES (CBS)

With more than 25 years in business and typically delivering work programs up to $2 million project value, Trump Floorcoverings has become a leading provider of commercial floorcovering services to customers in both the commercial and retail sectors.

Shopfit plans, designs and delivers solutions for retail, food & beverage and commercial clients including new store fit-outs and upgrades of existing premises. Shopfit offers a national solution typically delivering work programs up to $2 million project value.

Air Control is a leading Victorian based heating, ventilation and air conditioning mechanical services business. Founded in 2004, with an established track record servicing assets such as commercial office buildings, hotels, shopping centers and large retail chains, Air Control's recurring maintenance revenues are bolstered by project and emergency work from a diversified client base.

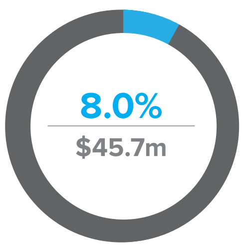
Dressed for Sale is a pre-sale residential property staging and styling business operating in Adelaide, Melbourne and Sydney. Dressed for Sale is expanding its service offering to include: residential renovations, repairs, maintenance and small scale building/construction work in collaboration with the rest of the Group.

Global Home Response provides emergency and scheduled commercial and domestic (household) repairs and maintenance services.

CBS Results

Commercial Building Services	FY21 $m	FY20 $m	Change %
Revenue	45.7	54.1	(15.4%)
EBITDA[1]	3.5	2.8	22.0%

[1] Excluding Transaction related expenses of $0.1m (FY20: $0.1m) and non-recurring goodwill written off of $1.8m (FY20: nil)



CBS revenue contribution to the Group

BUSINESS DIVISION OVERVIEW

COMMERCIAL CONSTRUCTION (CC) & OTHER

JOHNS LYNG COMMERCIAL BUILDERS

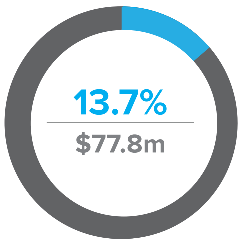
Johns Lyng Commercial Builders is an award winning construction company. Commercial Builders' highly experienced management team operates in Victoria, typically undertaking projects ranging in value between $3 million and $20 million in the education, aged care, retail, community, hospitality and residential sectors. More recently, Johns Lyng Commercial Builders has commenced undertaking large-loss insurance rectification work including an extensive pipeline of cladding rectification assignments.

global 360 sourcing people

Global 360 is an executive search and selection specialist. Undertaking assignments for both internal and external clients, Global 360 leverages international networks and decades of experience to identify and secure candidates matching exacting criteria.

Commercial Construction Results

Commercial Construction	FY21 $m	FY20 $m	Change %
Revenue	77.8	43.6	78.6%
EBITDA	2.1	1.0	109.0%

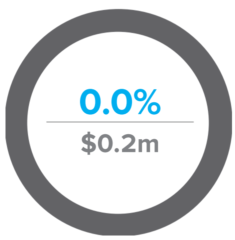


CC revenue contribution to the Group

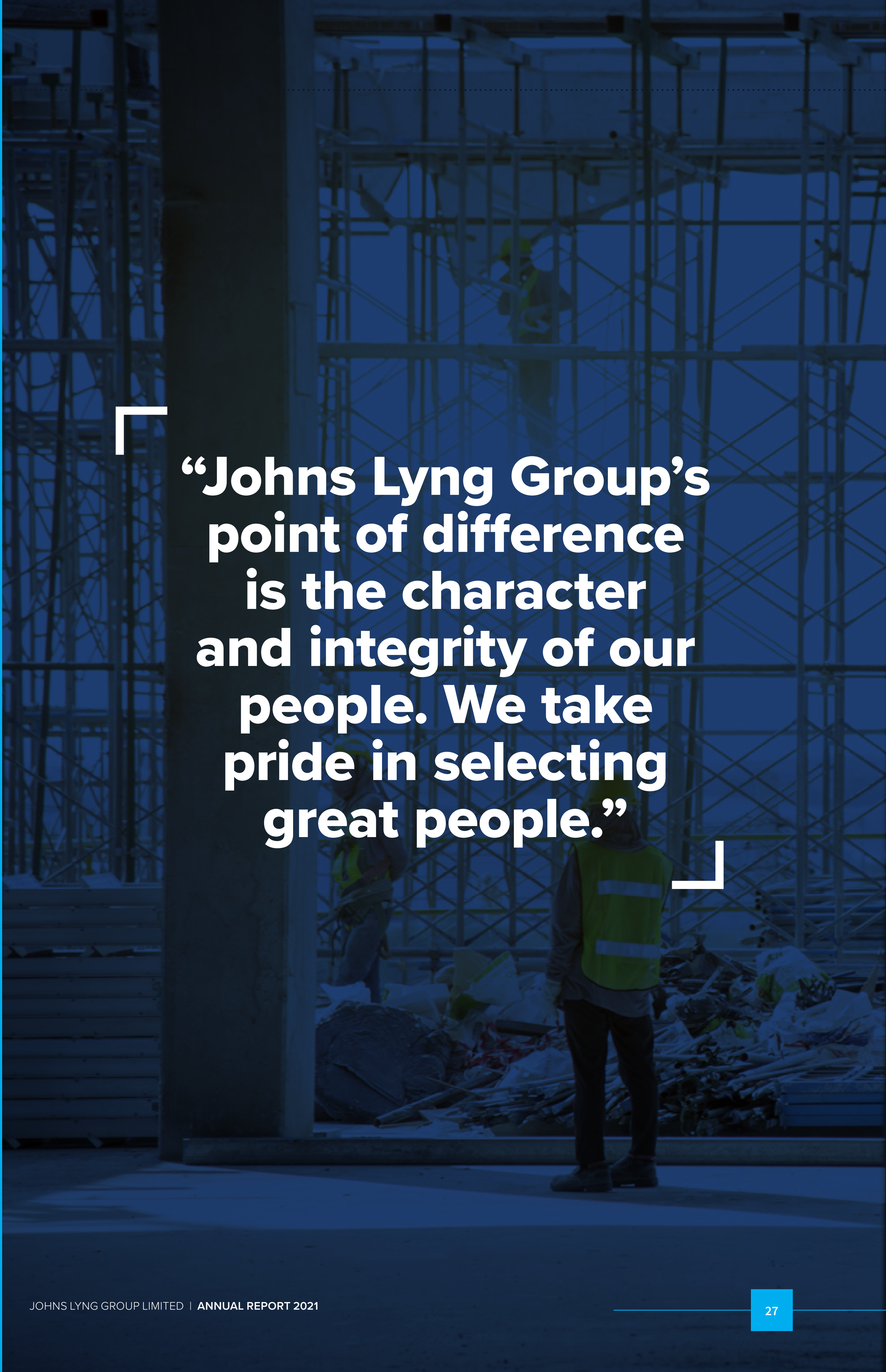
Other Results - (incl. Corporate Overheads)

Global 360 & Corporate Overheads	FY21 $m	FY20 $m	Change %
Revenue	0.2	0.7	(66.9%)
EBITDA[1] (incl. Corporate Overheads)	(3.8)	(3.8)	(0.8%)

[1] Excluding Transaction related expenses of $0.2m (FY20: $0.1m)



Other revenue contribution to the Group



“Johns Lyng Group’s point of difference is the character and integrity of our people. We take pride in selecting great people.”

CORPORATE SOCIAL RESPONSIBILITY REPORT

Introduction

Following a year of unprecedented global disruption in FY20, this year again presented challenges for both the people and the communities that we support.

While the ongoing pandemic has led to significant changes to the way people live and work, what has not changed at Johns Lyng Group is our commitment to the communities in which we live and work. This remains central to all we do at Johns Lyng, along with a focus on delivering exceptional outcomes and continuous improvement.

That means we continually review and consider how we may improve the way we operate and how we can continually deliver value to our stakeholders, above and beyond the services we provide.

During FY21 we made diligent progress across a number of key focus areas that are fundamental for us to ensure we remain a responsible corporate citizen and contribute in a sustainable manner.

From a community perspective, in responding to a range of Catastrophic (CAT) events over the course of the year, we contributed approximately $60 million to local communities, through the engagement of local trades and services.

We also began to introduce cultural awareness programs for our front-line teams, as we increasingly engage with local Aboriginal and Torres Strait Islander communities as the scale of our disaster response continues to grow.

For our people, significant steps were taken to strengthen our health and safety protocols, which are central elements of both our Business as Usual (BaU) activities and our CAT response. As always, local communities and our people are at the centre of our approach.

Our people continue to the be the fundamental backbone of our business and they have shown extraordinary resilience in the face of the pandemic disruption for the best part of two years. For the second year running, they have demonstrated their commitment - we recorded an engagement score of 80% at our annual "Your Voice @ JLG" survey. This reflects our emphasis on career and personal development opportunities in recent years, and our commitment to building a culture that values our teams and rewards them for their hard work.

For our customers, we took further steps to enhance our Governance framework, including enhancing client and stakeholder management systems and processes, and reinforcing our commitment to delivering superior customer outcomes.

These are just some of the highlights in what has been a busy and productive year for the Group, representing sound evolution of our approach to Corporate Social Responsibility.

KEY HIGHLIGHTS

$60m
Contributed to local communities*
*Through the engagement of local trades and services

85%
Employee satisfaction rate (FY21)

$13m
Raised in charitable donations to date


BUILDING AUSTRALIA
BUILDING AUSTRALIA
JOHNS LYNG GROUP

Modern Slavery Statement

Johns Lyng Group is opposed to slavery in all its forms, including: human trafficking, slavery, servitude, forced labour, deceptive recruiting for labour or services, debt bondage, forced marriage and child labour.

During FY20, we advised that we had implemented our Modern Slavery strategy, in order to forensically identify our material risks, from both an operational and supply chain perspective, and inform our FY20 Modern Slavery Statement in accordance with the reporting requirements of Australia's Modern Slavery Act 2018 (Cth) and associated guidelines. This included the adoption of a Modern Slavery Roadmap (Roadmap) and deliverables in order to guide our progress.

We have made sound progress on implementing our Roadmap, and we will be in a position to report on this in our updated Modern Slavery Statement for 2021.

Our People

Our commitment to Occupational Health and Safety, Risk and Compliance

Driven by our National Manager – Health, Safety, Risk and Compliance and the extended national team, a set of deliverables for the year were implemented, designed to improve our collective health and safety systems and embed a successful risk management program throughout Australia.

Our teams continued to adhere to strict Covid-safe practices across a very diverse portfolio of job sites throughout the year, as restrictions continued to remain in place, to varying degrees, in different jurisdictions.

Equally, all our corporate office-based teams continued their adaptation to a hybrid working model, being a mix of office-based work and working from home, in order to meet Government requirements with respect to community safety and welfare.

Our ongoing approach to safety, risk and compliance will continue as a priority strategic focus throughout FY22. This will be based on driving strong health and safety leadership and ownership across all levels, supported by the integration of health and safety objectives relevant to each business unit and targeted safety performance measures tracked monthly in line with business performance.

Risk management and assurance will be enhanced through functional workshops completed periodically to ensure our risk controls are effective in protecting the business from key operational and corporate risks. An updated Risk and Compliance Committee Charter will oversee and support these revisions and the strategic intent for next financial year.

With our people being our greatest asset, a dedicated central pillar of our Health and Safety strategy will be a focus on continued upskilling and education with engagement through simple and effective health and safety systems and resources. Work is already underway to drive better health and safety outcomes through the simplification of existing systems and processes, all founded by a commitment to ensuring everybody goes home safe, every day.

Staff engagement survey – Your Voice @ JLG

Your Voice @ JLG is an annual survey that allows team members to provide open and anonymous feedback as to their employee experience and what they value about their working environment. The survey also allows team members to provide suggestions and ideas on improving the Group's employee experience. The feedback provided is important for us to understand the sentiment of our teams, and to support employee-driven change.

Pleasingly, the FY21 survey generated an engagement rate of 80%, slightly above the average across all industries in Australia, and consistent with our engagement scores of the past two years.

85% of respondents said they were proud to work for Johns Lyng Group, which encouragingly demonstrates the value of our leadership and culture, particularly through the pandemic disruption.

Other highlights from the 2021 Your Voice survey include:

- One of the highest-scoring themes was our Values and Culture (82%), with 85% of our people feeling that "Co-workers show respect to each other". This is a very encouraging reflection of the Group's culture and one of the core principles of the Group. It's a score that we are very proud of, and at the same time determined to maintain.
- Direct Management (82%) and Leadership (82%), which were also high scoring themes in the August 2020 survey. 85% of our people strongly agreed with the statement: "My manager is a great role model for employees and I am confident in the leaders of Johns Lyng and that they are striving to achieve the best for the business."
- We had many other high scoring statements of 85%, including:
  - "I'm proud to work for Johns Lyng".
  - "I can easily see how my work directly contributes to Johns Lyng's overall success."
  - "I know what I need to do to be successful in my role."

Overall we are delighted with these results, as even the lowest-scoring categories align or are higher than benchmarking data against other businesses.

The results are important not only as an indicator of the level of engagement and wellbeing of our people, but also as they inform measures to build upon the employee experience and increase our already high levels of efficiency, productivity and satisfaction. We ensure that the results are shared among our group and that opinions and feedback are highly visible – our teams can be assured that their voices are heard.

Learning and Development

During FY21, we continued to progress our Learning and Development strategy – based on the 70-20-10 Principle, introduced last year.

The Principle is built upon an integrated approach to learning and professional development opportunities, comprising 70% on the job learning, 20% learning through others and 10% formal learning.

A major focus this year was leadership development for line managers, identified as particularly important as the Covid-19 pandemic continued to disrupt our lives.

This included sessions based on conducting difficult conversations including building and implementing performance and coaching plans. These valuable sessions were very well attended, with managers now better equipped to help our people continue to grow and perform as our business continues to grow in the face of ongoing challenges.

State and National Awards

Each year, Johns Lyng Group team members across our Australia-wide network are recognised for their contributions and achievements in helping drive our growth and success.

13 different awards are available each year, nationally recognising the very best of Johns Lyng Group.

One of the most prestigious, the Scott Didier Award, recognises an individual who reflects the Johns Lyng Group Rockstar characteristics of: extreme character and integrity, positive impact, motivation, drive and energy.

This year the award was won by Gemma Sholl, one of our Executive Assistants based in Melbourne.

Gemma said that the award was in no doubt a very humbling experience.

"I'm fortunate to be surrounded by such amazing people, it really creates a buzz around the office and it's what makes my work so enjoyable.

"I was 18 when I started out in our Customer Service team and Reception. I was just a young country girl from Echuca when I was offered the position to be the Executive Assistant for our CFO, COO and GM of Finance, so it was a big step up. Being able to take that extra responsibility on would still be my greatest achievement within the Group."

Unfortunately, Covid-19 restrictions meant that a decision was made not to present the popular People's Choice Award in FY21. We expect the award to be reinstated in FY22.

Our Community

Over the course of FY21 Johns Lyng Group responded to a range of catastrophic events in different regions of Australia. These included severe hailstorms and flooding in northern New South Wales and southeast Queensland along with Cyclone Seroja on the central Western Australian coast.

Late in the year we began preparation for a major clean-up operation in regional Victoria, following severe storms that damaged an extensive amount of property across 39 local Government areas. Our state-of-the-art Catastrophe Rigs will be deployed to these storm affected areas in early FY22, to act as community hubs, accessible for local residents to access information about the recovery program.

Community remains central to how we operate at Johns Lyng Group. Our entire approach is built upon helping local communities get back on their feet in times of crisis and we know that the most effective way of doing this is to support local communities to help themselves.

That is why we continue to invest in local trades and resources to assist us in driving the recovery effort. This approach resulted in approximately $60 million worth of funds distributed to local communities throughout FY21.

Indigenous Engagement and Cultural Awareness

As Johns Lyng Group continues to grow and expand its national footprint, we continue to engage with a broader cross section of Australian communities.

Accordingly, it is important that we take steps to ensure our community engagement reflects the different cultures and walks of life from which the people we work with come from.

As part of our recent partnership with the State Government of Victoria, for the clean-up works of the June 2021 storms, we have committed to develop a response that supports the culturally safe, inclusive, and tailored approach that First Peoples of Australia require. This will include prioritising education relating to cultural engagement, respect for land practices and connection to land, water and wildlife.

Where possible, The Group will support the engagement and representation of Aboriginal Peoples in the recovery effort via the introduction of cultural awareness programs for our front-line teams and a range of other measures including ensuring that:

- Cultural heritage sites are identified and safeguarded through Country mapping projects and improved data collection methods and interpretation;
- Vulnerable cultural heritage sites are protected from recovery response activities;
- The knowledge and understanding First Peoples of Australia have of Country is acknowledged, respected and included in recovery planning; and
- Aboriginal and Torres Strait Islander communities are supported to prosper through economic initiatives, including strengthening Aboriginal and Torres Strait Islander workforce participation.

Donations and sponsorship

Unfortunately, our annual Star Ball fundraising gala event was not held during FY21, held over as a result of ongoing Covid-19 restrictions in Victoria.

The event, combined with our annual charity golf day, which was also postponed, has raised more than $13 million for the Starlight Foundation over the course of 20 years.

We were however able to host our Victorian-based Cotton Ball, which raised more than $250,000 for the EB (Epidermolysis Bullosa) Research Foundation.

We're pleased that at least one event was run so successfully, and we will look to re-launch our regular events, and some others, during FY22.

Red Cross Blood Challenge

As a group, we decided to take on the new challenge in 2021 - saving lives through donating blood. We invited all employees in Victoria to participate in the Building and Trades Blood Challenge between March and May. Donations could be made separately while teams were encouraged to donate at their nearest collection site together. These vital donations immensely help patients who experience cancer, surgery, trauma, and childbirth complications, and were particularly important ahead of the annual drop in donations during colder winter months.

Our Insurance Builders Victoria team did a wonderful job at kicking off the process with our first team donation.

Our Customers

Over the course of FY21 we made further progress to enhance our customer experience, as part of our broader customer-focused strategy - the Johns Lyng Group Customer Experience Roadmap.

Launched in FY20, the Customer Experience Roadmap is designed to embed a commitment to delivering superior customer value across the entire Group.

Our work to enhance the experience of our customers has been a significant contributor to our Net Promoter Score remaining well above the industry benchmark – a pleasing reflection of the work done in this area, and of the dedication of our teams.

Significant work during the year included:

Customer Connect - rebrand and nationalisation

Our customer service teams around the Group, traditionally state and territory focused, were realigned under a national scope and framework, with the teams rebranded to Customer Connect.

By bringing the customer service teams into one centralised, national team we can ensure that service standards are consistent and applied across the breadth of Johns Lyng Group services.

A key focus has been to reinforce the importance of single lines of accountability for service delivery, in order to provide consistency and transparency for both customers and internal stakeholders.

This approach is intended to remove service gaps, where they arise, and create more efficient processes for service delivery and customer engagement.

Technology

A key pillar for enhancing customer experience is the introduction of a new and innovative claims management platform.

This new customer interface is designed to enhance our claims management system for customers, as well as other key stakeholders, creating a more streamlined process with less touch points and a more intuitive/autonomous experience for users.

We are currently piloting the platform with our Express Builders business unit, after which we will look to fully implement this platform across our main business streams within the FY22 year.

Code of Practice - training and ongoing compliance

In line with the compliance obligations of the General Insurance Code of Practice, more than 500 Johns Lyng Group staff and some 5,400 contractors underwent specific Code of Practice training though our professional development program during the year.

As we noted in FY20, the Group was one of the first industry operators to embed compliance with the Code, prior to its update in early 2021. This approach has ensured that our staff and contractors delivering services under the Johns Lyng Group brands are well versed in the Code's specific requirements, providing assurance to our customers that our service standards are industry leading.

Customer Feedback – "Raising the Benchmark"

During the year we continued to leverage the information tabled at our Customer Feedback Forums (introduced in FY20) in order to improve our customer communication, and more specifically improve the speed of complaint resolution.

Our two-way dialogue with customers via key digital and social media platforms has proven effective in managing customer complaints and enquiries.

Environment

Johns Lyng Group maintains a "reduce, reuse and recycle" mandate across all job sites, as we look to repurpose as much material as possible, reduce waste and ensure the safe disposal of hazardous materials.

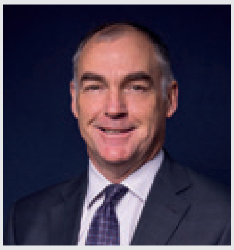
As part of our CAT response protocols, hazards such as asbestos, household or industrial chemicals, dangerous trees or ash from treated timbers are identified and removed by licensed professionals. Qualified professional hygienists are regularly engaged where appropriate in order to certify that properties and damaged structures are fit for restoration and rebuild.

We also acknowledge that on some job sites biodiversity may be impacted and is at further risk by loss or damage to habitat. This may include the displacement and injury of wildlife, vulnerability of plants and animals and the impact on Traditional Owners.

We commit to working closely with our partners and communities to ensure that appropriate and respectful measures are taken to ensure that local environments and wildlife are protected to the fullest extent. This includes ensuring that:

- Priority waterways and catchment assets are repaired to protect water quality and the natural environment;
- Community knowledge is incorporated into the environmental and biodiversity recovery;
- The community has confidence that the economic, environmental, social and Traditional Owner value impacts of the storms and floods have been appropriately assessed and incorporated into future response management; and
- Translocation programs are enhanced to increase the resilience of threatened wildlife.

BOARD OF DIRECTORS & KMP



Peter Nash

Non-executive Chairman

Peter is an experienced Non-executive Director. In addition to his role as Chairman of Johns Lyng Group he also serves on the Boards of Westpac Banking Corporation, Mirvac Group and ASX Limited. In his executive career Peter served as the National Chairman of KPMG Australia from 2011 through 2017. In this role he also served as a member of KPMG's Global and Regional Boards. His previous positions with KPMG included: Regional Head of Audit for Asia Pacific, National Managing Partner for Audit in Australia and head of KPMG Financial Services. In his role as National Chairman, Peter was responsible for the overall governance and strategic positioning of KPMG in Australia. Peter has worked in geographically diverse and complex operating environments providing advice on a range of topics including: business strategy, risk management, internal controls, business processes and regulatory change. He has also provided both financial and commercial advice to many Government businesses at both a Federal and State level. Peter also holds a number of not-for-profit Board roles including: General Sir John Monash Foundation, Koorie Heritage Trust, Golf Victoria and the Migration Council Australia.

Other current Directorships:
Westpac Banking Corporation
Mirvac Group Limited
ASX Limited
General Sir John Monash Foundation (not-for-profit)
Koorie Heritage Trust Limited (not-for-profit)
Golf Victoria Limited (not-for-profit)
Migration Council Australia (not-for-profit)

Former Directorships (last 3 years):
None

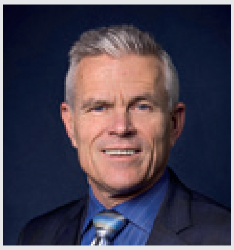
Scott Didier AM

Managing Director and Chief Executive Officer

Scott has led the Group for over 17 years, taking the position of CEO on acquisition in 2004. During that time, Scott's enthusiasm, strong leadership and approach towards business has grown the organisation from a Melbourne based, single office, building company with average revenue of approximately $12m p.a. and 30 staff, to a truly international company with revenue exceeding $550m and a headcount of more than 1,200 across offices in Australia and the USA. Scott has a unique ability to build companies with strong disciplines and tangible cultures via his focus on people - always striving to advance people's careers and following his firm belief that 'Drive and Energy' coupled with integrity are the cornerstones of any successful business. A true entrepreneur and visionary, Scott constantly demands expansion and growth in every facet of the business, fostering healthy competition and a positive 'can do culture and attitude' within the Group. Scott has also applied his business acumen to the philanthropic sector founding the 'Starball' in 1998 to raise money for seriously ill children throughout Australia. Under Scott's guidance as Chairman, this prestigious event has become the Starlight Foundation's largest income generator, raising over $1.5 million each year to brighten the lives of seriously ill children. In 2016 Scott founded the EB Research Partnership Australia (EBRP, formally known as EB Research Foundation) to find a cure for Epidermolysis Bullosa, known as 'the worst disease you have never heard of'. The EBRP has recently joined with the EB Research Partnership in New York to accelerate the goal of finding a cure.

Other current Directorships:
EB Research Partnership, Australia (not-for-profit)
EB Research Partnership, New York (not-for-profit)

Former Directorships (last 3 years):
None



Lindsay Barber

Executive Director and Chief Operating Officer

Lindsay joined the Group as Chief Operating Officer in 2005. A degree qualified Civil Engineer and Oxford University alumnus of the Said Business School, Lindsay brings a wealth of experience from a long and successful career in construction and project management. Lindsay leads the day-to-day operations, strategic planning and growth initiatives of the Group. He has deep experience in all facets of the construction industry. Having commenced his career with Jennings Industries, he worked in the private sector for Tier 1 Contractors such as John Holland along with other Tier 2 and Tier 3 Contractors on numerous Construction, Design and Construct and Development projects.

Other current Directorships:
Eildon Boat Club (not-for-profit)

Former Directorships (last 3 years):
None

Nick Carnell

Executive Director and Group Executive General Manager

(Appointed as Executive Director 1 September 2020)

Nick joined Johns Lyng Group in 2014 and is currently the Executive General Manager of the Group. With a strong history in leading the Group's Insurance Building and Restoration Services division's operational and financial performance for the last 4 years, Nick now has oversight of the entire Group's operational and financial performance. With over 15 years' experience in the construction industry, Nick has significant experience in all facets of construction along with a Diploma in Financial Strategy from Oxford University. Nick has implemented a variety of successful and innovative business solutions along with creating and nurturing new industry relationships. Nick's leadership has been pivotal in growing existing and new brands with a focus on our people. This leadership has allowed Johns Lyng to attract the very best talent to expand into new geographies and services.

Other current Directorships:
None

Former Directorships (last 3 years):
None

Adrian Gleeson

Executive Director and Director, Investor and Business Relations

Adrian served as the Group's Chairman from 2011 to Listing. After a distinguished AFL playing career with the Carlton Football Club (where he played 176 games, was a member of the 1987 Premiership team and is a Life Member), he developed a career in the wealth management and financial services industries. In 1999, he established C.A.G Wealth Management, which subsequently merged with Tribeca Financial. Adrian had a strong focus on relationship building within the SME market and he supported a number of high-net-worth individuals, family offices and corporates helping to co-ordinate their accounting, legal, banking and finance affairs in a successful manner. As an Executive Director, Adrian plays a key leadership role supporting Investor Relations, Government Relations, ESG initiatives, new client acquisitions and M&A programs.

Other current Directorships:
None

Former Directorships (last 3 years):
Carlton Football Club

Pip Turnbull

Executive Director and Executive General Manager, Business Development and Marketing

(Appointed as Executive Director 17 June 2020)

Pip joined the Group in early 2014 as National Business Development and Marketing Manager. With a background in Events Management and Marketing spanning more than a decade, Pip has worked on major projects and campaigns for a range of clients across various fields. This includes BHP Billiton's 2008 Olympic Project Team, managing community events designed to strengthen relationships with clients and stakeholders globally. Pip has been a very dynamic and driven member of the leadership team at Johns Lyng Group for many years and has been influential in winning new customers and developing strong and sustainable relationships. Her deep knowledge of Johns Lyng's client base and markets more generally adds important value to the Board.

Other current Directorships:
None

Former Directorships (last 3 years):
None

BOARD OF DIRECTORS & KMP

Robert Kelly

Non-executive Director

Robert is the Managing Director and CEO of Steadfast Group Limited (ASX:SDF), the largest general insurance broker network and underwriting agency group in Australasia with growing operations in Asia and Europe. He has more than 50 years' experience in the insurance industry. In April 1996, Robert co-founded Steadfast with a vision to band together non-aligned insurance brokerages and adopt a unified approach to the market. In 2013, he led the company to a successful listing on the Australian Securities Exchange (ASX). Steadfast is now an ASX 200 company with a market capitalisation of over $3.9 billion. Robert is also a director of various subsidiaries of Steadfast (in Australia, New Zealand, UK and Asia), the Steadfast Foundation, Unisonsteadfast out of Hamburg and Chair of the ACORD International board as well as other international organisations. Robert has been recognised as a leader in the insurance industry in Australia and internationally. He was the Insurance Industry Leader of the Year at the 2011 Annual Australian Insurance Industry Awards. In 2014, Robert was awarded the prestigious ACORD Rainmaker Award. He was a finalist in CEO Magazine's 2015 CEO of the Year Awards and a national finalist for the Eastern Region in the 2016 EY Entrepreneur of the Year program. In 2016 Robert also won the prestigious Lex McKeown Trophy by NIBA and in 2017, Steadfast Group Limited won 5 awards at the East Coles Corporate Performance Awards for ASX listed companies including best company, best CEO, best CFO, best investment desirability and best growth prospects. In 2019 Robert was named the Most Influential Person in the Insurance Industry by Insurance News magazine.

Other current Directorships:

Steadfast Group Limited
Kidsxpress (not-for-profit)
Heads Over Heels (not-for-profit)
Steadfast Foundation Pty Limited (not-for-profit)

Former Directorships (last 3 years):

None

Curt Mudd

Non-executive Director

Curt has over 35 years' global professional experience that includes senior roles in Human Resources at Nike. He has a successful track record of building and developing global teams that have exceeded 150,000 employees. From start-ups to Fortune 500 companies, Curt has a high degree of expertise in a variety of wholesale and retail industry segments that include: consumer products and packaged goods, personal care and beauty, natural and organic foods, software, not-for-profits and a variety of market segments in professional services. This includes significant international experience and success with major markets in Asia and Europe.

Other current Directorships:

None

Former Directorships (last 3 years):

None

Larisa Moran

Non-executive Director

Larisa has extensive experience in the corporate and finance sectors with strong financial and operational skills and expertise. Larisa is currently the Global Chief Operating Officer of Woods Bagot, an international Architectural and Interior Design firm. As the COO, she has responsibility for the operations of the business globally, including the development and implementation of strategy, responsibility for Information Technology, Design Technology, Human Resources, Legal, Risk, Practice Management, Knowledge and Research, Communications, Business Planning and Development. Larisa is also currently on the Advisory Panel of Sundaram Business Services, a subsidiary of Sundaram Finance. Larisa commenced her career as a Chartered Accountant in 1994 with Grant Thornton and became a partner in 2003. In 2007 she joined KPMG as a partner and continued her focus on providing specialist accounting, taxation and advisory services. Larisa's previous roles include member of the Board of the University of Melbourne Faculty of Business and Economics, as well as Chair of its Alumni Council, member of the Professional Advisors Committee for the Australian Communities Foundation and the Business Development Committee for Zoos Victoria. Larisa has a Bachelor of Commerce degree from the University of Melbourne and is a member of the Institute of Chartered Accountants in Australia and the Australian Institute of Company Directors.

Other current Directorships:

None

Former Directorships (last 3 years):

None

Peter Dixon

Non-executive Director

(Appointed as Non-executive Director 25 February 2020)

Peter has extensive legal, corporate advisory, strategy and investment management experience. Peter is currently an executive director of Halo Group Holdings Pty Ltd, a diverse professional services group providing legal, compliance, company secretarial and outsourced business services to domestic and international clients. Peter is responsible for driving strategic growth across the group's businesses. Peter is also a director of Source Legal Pty Ltd, a professional services firm that offers a unique and innovative service to businesses as de facto in-house lawyers and human resource managers. Prior to these roles, Peter was the General Counsel and Company Secretary of Moelis Australia Limited (now MA Financial Group Limited ASX:MAF), a listed financial services group. In that role, Peter was responsible for the group's legal, risk, compliance and company secretarial functions and was a member of Moelis Australia's Investment Committee and Executive Committee. Prior to this role, Peter was Co-Head of Moelis Australia's Small Cap Industrials investment banking team for over 5 years. Before joining Moelis Australia, Peter worked for Macquarie Group Limited (ASX:MQG) in multiple divisions including Central Executive Strategy, Principal Investments, Real Estate Managed Funds and Corporate Advisory. Peter commenced his career as a solicitor in private practice with Mallesons Stephen Jacques (now King & Wood Mallesons) in Sydney and worked for a number of years at Linklaters in London specialising in Mergers & Acquisitions and Equity Capital Markets. Peter holds a Bachelor of Commerce (Finance) and Bachelor of Laws from the University of New South Wales.

Other current Directorships:
None

Former Directorships (last 3 years):
None

Key Management Personnel

Matthew Lunn

Group
Chief Financial Officer

(Resigned as Executive Director 17 June 2020)

Matthew is a strategic and commercial Finance Executive. He joined the Group in late 2016, leading JLG's successful IPO in October 2017. He served as an Executive Director on the Group's Board for 3 years from July 2017 before retiring by rotation in June 2020. Matthew's responsibilities include: Capital Management, Strategic Initiatives (including M&A), Investor Relations and the overarching leadership of the Group's Accounts, Finance and Reporting Functions. Matthew has significant experience in Corporate Finance across Investment Banking, Private Equity and Professional Services environments. Prior to joining the Group, he was General Manager of Corporate Development with Aligned Resources Group (Private Equity Investment Company). Prior to that, Matthew worked with Ernst & Young's Australian Mergers and Acquisitions team. Matthew relocated to Australia from the UK in 2010, where he worked in London for over 9 years, latterly with Vantis Corporate Finance and Dresdner Kleinwort Investment Bank where he focused on M&A and Private Equity Advisory. Matthew is a UK Chartered Accountant and CFq designation holder (ICAEW's Advanced Diploma in Corporate Finance).

Other current Directorships:
None

Former Directorships (last 3 years):
Johns Lyng Group Limited

Company Secretary

Hasaka Martin

Company Secretary

(Appointed 23 February 2021)

Hasaka has over 15 years' Company Secretarial experience working with listed companies across a number of industries both internally and through corporate service providers. Hasaka is the appointed Company Secretary for a number of listed and unlisted companies. He is a Chartered Secretary and a Fellow of the Governance Institute of Australia. Hasaka holds a Graduate Diploma in Applied Corporate Governance and postgraduate qualifications in corporate and securities law.

DIRECTORS' REPORT

30 June 2021

The Directors present their report, together with the financial statements, on 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 year ended 30 June 2021.

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.)

Nick Carnell (Executive Director, appointed 1 September 2020.)

Adrian Gleeson (Executive Director, appointed 28 September 2017.)

Pip Turnbull (Executive Director, appointed 17 June 2020.)

Robert Kelly (Non-executive Director, appointed 1 December 2017.)

Curt Mudd (was Executive Director from 28 September 2017 to 30 November 2018 and was appointed Non-executive Director 1 December 2018.)

Larisa Moran (Non-executive Director, appointed 10 September 2018.)

Peter Dixon (Non-executive Director, appointed 25 February 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 year.

Dividends

On 24 August 2021, the Board declared a final dividend of 2.8 cents per share (fully franked). This final dividend is in addition to the previously announced half year (interim) dividend of 2.2 cents per share (fully franked), totalling 5.0 cents per share (fully franked) and representing 61% of NPAT attributable to the owners of Johns Lyng Group for FY21.

The final dividend will be paid on 14 September 2021 with a record date of entitlement of 30 August 2021.

Operating and Financial Review

In a year of continued market volatility and uncertainty driven by the ongoing impact of Covid-19, Johns Lyng made significant strategic, operational and financial progress during the year – once again, underscoring the robustness of the business model and 'defensive growth' investment thesis.

On a consolidated basis, the Group delivered:

- Revenue: $568.4m / +14.8% (FY20: $495.1m)
- EBITDA[1]: $52.6m / +28.3% (FY20: $41.0m)

[1] Excluding Transaction related expenses of $0.4m (FY20: $0.7m) and $1.8m non-recurring goodwill written off (FY20: nil)

The key growth drivers (which are discussed in more detail below) include:

- Major client wins and contract extensions: significant market share increase in our core Business as Usual (BaU) and Catastrophic Event (CAT) markets;
- Organic growth and diversification: increased job allocations in our established core business markets compounded by additional growth in recently entered complementary adjacencies;
- Establishment of our Strata Building Services business unit and the ongoing integration with Bright & Duggan; and
- Post year end: multiple strategic acquisitions that are expected to positively contribute to FY22 and beyond.

Insurance Building and Restoration Services (IB&RS)

The Insurance Building and Restoration Services division delivered a strong financial performance during FY21:

- Revenue: $444.6m / +12.1% (FY20: $396.7m) – comprises:
  - » BaU revenue $358.0m / +16.4% (FY20: $307.7m)
  - » CAT revenue[1] $86.5m / -2.8% (FY20: $89.0m)
- EBITDA[2]: $50.8m / +24.2% (FY20 $40.9m) – comprises:
  - » BaU EBITDA[2] $40.9m / +29.0% (FY20: $31.7m)
  - » CAT EBITDA[1] $9.9m / +7.8% (FY20: $9.2m)

[1] CAT financial contribution is recurring but inextricably linked to damage caused by catastrophic weather events which are unpredictable

[2] Excluding Transaction related expenses of $0.1m (FY20: $0.5m)

The strong financial performance was driven by the Group's continued focus on client relationships and delivering exceptional customer outcomes.

Notwithstanding the challenges of the Covid-19 environment (in particular during the first half of the financial year), Johns Lyng continued to grow, winning major new clients and extending significant contracts for BaU work including:

- Westpac: national building & restoration panel;
- RACQ: building & restoration panel;
- Chubb: national building & restoration panel;
- Building & restoration panel appointments for 3 new Strata Insurance industry clients; and
- Honey Insurance: national building & restoration panel.

The Group also benefited from significant work relating to catastrophic weather events including:

- Floods: Townsville (Feb-19);
- Bushfires: QLD, NSW, VIC & SA (Sept-19 to Feb-20);
- Hailstorm: SE QLD (Nov-19);
- Hailstorms: ACT, VIC & NSW (Jan-20);
- East Coast Low (Feb-20);
- Hailstorm: SE QLD (Oct-20);
- Bushfire: WA, Perth Hills (Feb-21);
- Floods: NSW & SE QLD (Mar-21);
- Cyclone Seroja: WA (Apr-21); and
- Severe Storms & Floods: VIC (Jun-21).

During FY21, the Group continued to extend its national footprint opening offices in Batemans Bay, Port Macquarie, Tamworth, Mildura, Warrnambool and Benalla. Johns Lyng's national footprint, full-suite service offering and ability to efficiently scale up while maintaining the highest standards of quality in responding to CAT events are some of the Group's core competencies and a source of sustainable competitive advantage.

The Group's emergency response projects often lead to new client wins and deeper client relationships which translate into ongoing BaU operations.

Strata Market Strategy & Acquisitions

During FY21, the Group continued to scale up 'Johns Lyng Strata Building Services' which was launched during FY19 and delivers domestic and commercial building and restoration works for: strata insurers, loss adjusters, brokers and property/strata managers.

The strata property market comprises more than 2.9m strata titled lots nationally. This represents a new market for Johns Lyng and is a key area of strategic focus going forward. The appointment of Johns Lyng to multiple national strata insurance building and restoration panels, the acquisitions of Bright & Duggan and Capitol Strata in FY20 and more recently Change Strata Management, Structure Building Management and Shift Building Management (effective 1 July 2021) are 'cornerstone initiatives' of the Group's strata market strategy.

Following the recent acquisitions, Bright & Duggan currently manages a total of 86,977 lots under strata and/or building management contracts across 3,302 buildings/schemes including:

- 79,195 lots under strata management across 3,243 strata schemes;
  - » Of which, Bright & Duggan also undertakes building management for 5,964 lots across 70 buildings; and
- 7,782 lots across 59 buildings under discrete building management contracts.

The strata market is a key strategic focus for the Group going forward, presenting multiple growth opportunities including:

- Roll-up of existing highly fragmented strata management market;
- Cross-sell of strata insurance work; and
- Cross-sell of direct work including:
  - » Emergency and scheduled trades for buildings under management (B2B); and
  - » Direct to consumer trades (B2C) i.e. homeowners and tenants.

US Market Strategy & Acquisitions

Building on the successful acquisition of the Steamatic Global Master Franchise in FY19 and the subsequent acquisition of the Steamatic Nashville franchise in FY20, the US market is of strategic importance to the Group.

Established in 1948, Steamatic is a US based fire and flood restoration services company with 42 US Franchisees (including 1 company owned franchise) and 11 International Master Franchise Agreements. Steamatic is a 'platform acquisition', providing the Group opportunities for follow-on acquisitions and to organically introduce additional existing core Johns Lyng services to the estimated US$200bn p.a. market – in particular insurance building and general contracting.

Management expects continued growth in the Insurance Building and Restoration Services division which is a key area of strategic focus going forward.

Commercial Building Services (CBS)

In the context of the ongoing Covid-19 environment, the Commercial Building Services division delivered a reasonable financial performance during FY21:

- Revenue: $45.7m / -15.4% (FY20: $54.1m)
- EBITDA[1]: $3.5m / +22.0% (FY20: $2.8m)

[1] Excluding Transaction related expenses of $0.1m (FY20: $0.1m) and $1.8m non-recurring goodwill written off (FY20: nil)

The majority of the Group's Commercial Building Services portfolio businesses were negatively affected by Covid-19. In particular, revenues during 1H21 were significantly impacted. Management's ability to scale down quickly and manage risk was critical in protecting the portfolio businesses during Australia's numerous 'Government Lockdowns' throughout FY21.

As predicted, the Group's Commercial Building Services division has recovered strongly from 4Q21 and the portfolio businesses continue to trade in-line with expectations.

In particular, the following business units were negatively impacted by Covid-19 during FY21:

- Johns Lyng Shopfit (retail shop-fitting);
- Dressed for Sale (pre-sale residential staging and styling); and
- Trump Floorcoverings (commercial flooring).

As communicated at the start of the financial year, Management made the strategic decision to close the Trump Floorcoverings business units in NSW and QLD during 1H21. Trump (VIC) will continue operations and additionally manage any future interstate work.

As foreshadowed in the Group's FY21 Forecast and 1H21 Financial Report, $1.8m of goodwill associated with the discontinued operations was written off during 1H21 (this is a non-cash and non-recurring accounting expense).

The Board is satisfied with the overall financial performance of the Commercial Building Services division, notwithstanding the material adverse impact Covid-19 had on the retail and property markets in Australia during FY21. The Board is encouraged by the strong recovery from 4Q21 and Management will continue to monitor the affected businesses closely and manage risk appropriately.

Commercial Construction (CC)

The Commercial Construction division delivered a strong financial performance during FY21:

- Revenue: $77.8m / +78.6% (FY20: $43.6m)
- EBITDA: $2.1m / +109.0% (FY20: $1.0m)

Johns Lyng's Commercial Construction division's strong financial performance for FY21 builds on a solid FY20 result and is the outcome of a successful repositioning of the business in the market.

Over the last few years, Johns Lyng Commercial Builders has applied a rigorous focus on relationship generated/bilaterally negotiated projects within Management's 'competency sweet spot' only. The business continues to undertake an increasing amount of large-loss insurance building work and has more recently successfully completed numerous cladding rectification assignments resulting in a large pipeline of future projects with Cladding Safety Victoria.

Balance sheet

The Group continues to maintain a strong balance sheet with net assets of $73.4m representing an annual increase of $14.3m. This includes cash and cash equivalents of $43.3m.

Matters subsequent to the end of the financial year

Bright & Duggan – strategic bolt-on acquisitions

Post 30 June 2021, Bright & Duggan made 3 strategic bolt-on acquisitions including:

- Change Strata Management (100% equity interest): 1 July 2021;
- Structure Building Management (75%[1] equity interest): 1 July 2021; and
- Shift Facilities Management (75%[1] equity interest): 1 July 2021.

[1] Bright & Duggan's net equity interest post 25% back-to-back sell-down in Bright & Duggan Facilities Management (BDFM) to Mite Domazetovski (Managing Director of BDFM)

Change Strata Management (CSM) manages high-end buildings in Sydney, with a portfolio of 2,974 lots across 75 strata schemes and 5 existing employees.

The acquisition of Structure Building Management (SBM) and Shift Facilities Management (Shift) marked Bright & Duggan's further expansion into the facilities and building management market. Together, the new building management acquisitions employ 34 existing staff and hold management contracts with 58 Sydney buildings, encompassing 7,250 lots.

A new entity, Bright & Duggan Facilities Management (BDFM), was established to acquire and manage both SBM and Shift. Mite Domazetovski, the former owner and operator of both CSM and Shift subsequently acquired a 25% equity interest in BDFM (back-to-back) and assumed the role of Managing Director.

Bright & Duggan paid a total of $8m to complete the acquisitions, funded through existing cash reserves, current debt facilities and the 25% sell-down of BDFM equity to Mr Domazetovski.

The acquisitions are in-line with the Group's strata market strategy discussed above.

Johns Lyng Group appointed to lead Victorian storm damage recovery

On 5 July 2021 the Group announced that it had entered into a contract with the State Government of Victoria for the provision of clean-up and Makesafe works on private properties damaged by Victoria's recent severe storms. The extensive storm damage is spread across 39 local Government areas and the initial phase of work (focused on private properties) is to be delivered through joint funding of $55.5m from the Australian Federal and Victorian State Governments. The initial program may be extended across further work phases including public properties in due course.

Acquisition of Unitech Building Services

On 12 July 2021 (effective 1 July 2021), the Group acquired a 60% controlling equity interest in Unitech Building Services - a South Australian-based insurance building services company.

Founded in 1995, Unitech has established a strong base of insurance industry clients, presenting clear synergies with Johns Lyng's core business offering.

Current owners and Co-Directors Anthony and Deborah Gorle retained the remaining 40% equity of the business and will continue day-to-day management. Unitech, and its 26 staff, will be integrated into Johns Lyng's existing operations significantly increasing the Group's market share in SA.

The deal creates multiple opportunities for Johns Lyng to expand in South Australia by leveraging Unitech's position including growing our Makesafe and large-loss insurance building service offerings and introducing our restoration services business, Restorx, into SA.

Further, the combined operations will have sufficient scale and capacity for a market leading CAT response in SA.

At Completion, Johns Lyng paid $1.9m in cash, funded from existing reserves plus a potential future earn-out based on the financial performance of FY21 and FY22.

Acquisition of Steamatic Australia

On 29 July 2021 (effective 1 July 2021), Johns Lyng acquired a 60% controlling equity interest in Steamatic Australia - a leading national restoration services company.

The deal consolidates Johns Lyng's position as a national market leader in restoration services and represents natural progression following the Group's acquisition of the Steamatic Global Master Franchise in FY19.

Established in 1986 under the Steamatic Inc. master franchise, the business currently employs 190 staff and operates a total of 39 locations including 34 regional franchisees and 5 company-owned metro locations.

Steamatic Australia founder and CEO Oliver Threlfall retained the remaining 40% equity and will maintain day-to-day operational responsibility along with his long-standing senior management team.

Steamatic's Australian operations will continue to run independently of Restorx (Johns Lyng's existing restoration services business). Importantly, clients will continue to work with Steamatic on a 'business as usual' basis with no change to pricing, contractual arrangements or service quality.

The Group's increased scale and capacity across company-owned locations and Steamatic's network of franchisees adds significant resources to service incremental BaU work and CAT events. The acquisition of Steamatic Australia 'rounds out' Johns Lyng's restoration footprint and ability to provide a truly national service offering in times of crisis.

Steamatic will continue to grow its client base and market share with a particular focus on:

- Precision Laser Cleaning (launched 2018): provides a non-abrasive cleaning service for preservation and restoration without the use of chemicals, water or blasting media with a particular focus on the industrial markets;
- Steamatic Global Recovery (launched 2018): focuses on large insurance and non-insurance projects nationally and internationally;
- International operations: Oliver Threlfall will take a lead role in Steamatic's international operations and franchisee relations; and
- Steamatic will additionally continue to sell its remaining franchise territories.

At Completion, Johns Lyng assumed $3.8m of existing net interest-bearing debt and paid $10.8m comprising $6.0m in cash (funded from existing reserves), $4.8m in JLG Ltd shares, plus a potential future earn-out based on the financial performance of FY22 and FY23.

FY21 Final Dividend

On 24 August 2021, the Board declared a final dividend of 2.8 cents per share (fully franked). This final dividend is in addition to the previously announced half year (interim) dividend of 2.2 cents per share (fully franked), totalling 5.0 cents per share (fully franked) and representing 61% of NPAT attributable to the owners of Johns Lyng Group for FY21.

The final dividend will be paid on 14 September 2021 with a record date of entitlement of 30 August 2021.

Government imposed lockdowns in response to Covid-19 continue to create uncertainty in various states around Australia. Lockdowns to date, including since the end of the financial year, have not had a material impact on the business as at the date of this report.

There are no other matters or circumstances that have arisen since 30 June 2021 that have significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Likely developments and expected results of operations

Information on likely developments in the operations of the Group and the expected results of operations have not been included in this report because the Directors believe it would be likely to result in unreasonable prejudice to the Group.

Environmental regulation

The Group is not subject to any significant regulation under Australian Commonwealth or State Law.

Corporate Governance

The Company's Directors and Management are committed to conducting the Group's business in an ethical manner and in accordance with good standards of corporate governance. The Company has adopted and substantially complies with the ASX Corporate Governance Principles and Recommendations (Fourth Edition) (Recommendations) to the extent appropriate for the size and nature of the Group's operations.

The Company has prepared a statement which sets out the corporate governance practices that were in operation throughout the financial year for the Company, identifies any Recommendations that have not been followed and provides reasons for not following such Recommendations (Corporate Governance Statement).

In accordance with ASX Listing Rules 4.10.3 and 4.7.4, the Corporate Governance Statement will be available for review on the Company's website and will be lodged together with an Appendix 4G with the ASX at the same time that this Annual Report is lodged with the ASX .

The Appendix 4G will specify each Recommendation that needs to be reported against by the Company and will provide Shareholders with information as to where relevant governance disclosures can be found. The Company's corporate governance policies and charters are all available on the Company's website:

http://investors.johnslyng.com.au/Investors/?page=Corporate-Governance

Modern slavery

Johns Lyng Group has a zero-tolerance approach to Modern Slavery and is committed to working with our contractors and suppliers to ensure that our operations and supply chains are slavery free. In FY20, the Group engaged an independent expert to undertake a risk assessment to identify the risk of modern slavery in our operations and supply chains and make recommendations on how to mitigate any identified risks.

The results of the risk assessment have formed the basis of our modern slavery mitigation strategy which commenced roll out in FY21. The Group's Modern Slavery Statement (meeting the reporting obligations under the Modern Slavery Act 2018) was approved by the Board and published in October 2020.

Information on directors

The current profiles of the Board of Directors are included on pages 38 to 41.

Meetings of Directors

The number of meetings of the Company's Board of Directors (Board) and of each Board Committee held during the year ended 30 June 2021 and the number of meetings attended by each Director were as follows:

	Board of Directors meetings		Audit Committee meetings[1]		Nomination & Remuneration Committee meetings[1]		Risk & Compliance Committee meetings[1]	
Directors	No. of meetings eligible to attend	Attended	No. of meetings eligible to attend	Attended	No. of meetings eligible to attend	Attended	No. of meetings eligible to attend	Attended
Peter Nash (Chairman)	12	12	–	6	3	3	3	3
Scott Didier AM	12	12	–	6	–	3	–	3
Lindsay Barber	12	12	–	6	–	3	–	3
Nick Carnell[2] (appointed 1 September 2020)	10	12	–	4	–	1	–	2
Adrian Gleeson	12	12	–	6	–	1	–	3
Pip Turnbull[3]	12	10	–	5	–	1	–	3
Robert Kelly	12	11	–	6	3	3	–	3
Curt Mudd	12	12	6	6	3	3	–	3
Larisa Moran	12	12	6	6	–	3	3	3
Peter Dixon	12	12	6	6	–	3	3	3

[1] Members of the Board of Directors, who are not Members of the Committees, attended Committee meetings by invitation of the Committee Chair.

[2] Nick Carnell attended Board and Committee meetings by invitation prior to his appointment as a Director.

[3] Pip Turnbull took maternity leave from 1 April 2021 to 30 June 2021 - during which period 2 Board Meetings were held in her absence.

As at the date of this report, the Company has an Audit Committee, a Nomination and Remuneration Committee and a Risk and Compliance Committee of the Board of Directors.

The current Members of the Audit Committee are: Larisa Moran, Curt Mudd and Peter Dixon. The Chairperson of the Audit Committee is Larisa Moran.

The current Members of the Nomination and Remuneration Committee are: Curt Mudd, Robert Kelly and Peter Nash. The Chairperson of the Nomination and Remuneration Committee is Curt Mudd.

The current Members of the Risk and Compliance Committee are: Peter Dixon, Peter Nash and Larisa Moran. The Chairperson of the Risk and Compliance Committee is Peter Dixon.

REMUNERATION REPORT (AUDITED)

Contents

1. Remuneration Report overview

The Remuneration Report outlines the remuneration arrangements for the Key Management Personnel (KMP) of the Group in accordance with the requirements of the *Corporations Act 2001* and its Regulations.

Key Management Personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including all Executive Directors and the Group Chief Financial Officer as listed below.

The KMP of the Group consists of the following:

- Scott Didier AM (Chief Executive Officer and Managing Director);
- Lindsay Barber (Chief Operating Officer and Executive Director);
- Matthew Lunn (Group Chief Financial Officer);
- Nick Carnell (Group Executive General Manager and Executive Director);
- Adrian Gleeson (Director, Investor and Business Relations and Executive Director); and
- Pip Turnbull (Executive General Manager, Business Development and Marketing and Executive Director).

2. Nomination and Remuneration Committee

The objective of the Nomination and Remuneration Committee is to help the Board fulfil its statutory, fiduciary and regulatory responsibilities and achieve its objectives to ensure that the Group:

- Has a Board of an effective composition, size and commitment to adequately discharge its responsibilities and duties;
- Has coherent remuneration policies and practices to attract and retain Executives and Directors who can reasonably be expected to create value for Shareholders;
- Observes those remuneration policies and practices; and
- Fairly and responsibly rewards Executives having regard to the performance of the Group, the performance of the Executives and the general external pay environment.

The Nomination and Remuneration Committee is also responsible for:

- Identifying and recommending to the Board, nominees for membership of the Board including the Chief Executive Officer;
- Evaluating the performance of the Board, both collectively and individually;
- Reviewing, approving and recommending to the Board for adoption, Executive remuneration and incentive policies and practices;
- Reviewing the remuneration of Non-executive Directors for serving on the Board and any Committee (both individually and in total); and
- Reviewing any insurance premiums or indemnities for the benefit of Directors and Officers.

The Nomination and Remuneration Committee regularly reports to the Board on Committee activities, issues and related recommendations that require Board attention or approval.

The Nomination and Remuneration Committee may seek professional advice from employees of the Group and from appropriate external advisors at the Group's cost.

During FY20, the Group's Nomination and Remuneration Committee engaged the services of KPMG to undertake an independent review of the Group's KMP remuneration framework.

KPMG's recommendations were reflected in the Group's remuneration framework for FY20 and continue to be reflected in FY21.

3. Principles used to determine the nature and amount of remuneration

The remuneration of KMP is the responsibility of the Nomination and Remuneration Committee.

The Group's broad remuneration policy is to ensure KMP's remuneration packages properly reflect their duties and responsibilities and are competitive in attracting and retaining talented and motivated Executives who can contribute to the high performance culture of the Group.

Non-executive Directors' remuneration

The Group's remuneration policy for Non-executive Directors is set up to attract and retain Directors of the highest calibre with the relevant experience, knowledge and expertise to help govern the Group effectively.

Non-executive Directors' fees and payments are reviewed annually by the Nomination and Remuneration Committee. The Committee may, from time-to-time, receive advice from independent remuneration consultants to ensure that Non-executive Directors' fees and payments are appropriate and in-line with market rates. The Chairman's fees are determined independently to the fees of other Non-executive Directors based on comparable roles in market rates. The Chairman is not present at any discussions relating to the determination of his own remuneration.

Under the Company's Constitution, the total amount of fees paid to all Non-executive Directors for their services must not exceed $1,000,000 in aggregate in any financial year. In accordance with ASX listing rules, any increase to the aggregate annual sum needs to be approved by Shareholders.

Non-executive Directors are not eligible to participate in the Group's Short-term or Long-term Incentive Plans.

Curt Mudd was an Executive Director from 28 September 2017 to 30 November 2018 and was appointed as a Non-executive Director on 1 December 2018. Curt was issued Performance Rights during his tenure as an Executive Director, which may vest in the future subject to the applicable terms and conditions.

The remuneration of Non-executive Directors for the year ended 30 June 2021 is detailed in Item 6 of this report.

Executives' remuneration

To assist with the Board's policy of attracting and retaining talented and motivated Executives who contribute to the high performance culture of the Group, the Nomination and Remuneration Committee has agreed remuneration packages for KMP's including the following components:

- Fixed remuneration; and
- Variable remuneration.

Fixed remuneration

Fixed remuneration is comprised of cash salary, fees and other employee benefits including: superannuation, leave entitlements and other benefits.

Variable remuneration

The objective of variable remuneration is to create sustainable Shareholder value by providing a link between the Group's performance and KMP's remuneration. Variable remuneration seeks to enhance KMP's interests by:

- Rewarding capability and experience;
- Reflecting competitive rewards for contribution to growth and Shareholder wealth; and
- Providing a clear structure for earning rewards.

Variable remuneration is made up of the following components:

- Short-term Incentive Plan (cash and Performance Rights);
- Long-term Incentive Plan (Performance Rights); and
- Employee Share Loan Plan (Loan Funded Shares).

Short-term Incentive Plan

The Group's Short-term Incentive (STI) Plan is designed to incentivise the performance of the Group's Executives via payments linked to the financial performance of the Group, while also being accountable for their respective individual performance and culturally aligned actions and behaviours. The key financial performance indicator is actual versus forecast Net Profit After Tax (Net Profit).

Potential STI payments to Executives are based on:

- The Group's financial performance for the current financial year, with higher STI payments for financial outperformance versus forecast (refer to table below); and
- Performance against a number of non-financial measures (refer to following page), as determined by the CEO in collaboration with the Nomination and Remuneration Committee. Actual performance against these measures can be used to modify the STI outcome for an Executive determined by reference to financial measures.

For FY21, the Board determined that all financial and non-financial measures had been met. Hence there was no modification to STI outcomes determined by reference to financial performance.

<table>
<tr><th colspan="6">KMP STI Plan – Rewards & Performance Matrix</th></tr>
<tr><th>Net Profit (Actual)[1]</th><th><90% Forecast</th><th>90% Forecast</th><th>90%-100% Forecast</th><th>100%-200% Forecast</th><th>>200% Forecast</th></tr>
<tr><td>Scott Didier AM</td><td>0%</td><td>0.68%</td><td rowspan="6">Calculated pro-rata (straight-line) between bands</td><td>2.04%</td><td rowspan="6">STI Plan capped at 200% of Forecast</td></tr>
<tr><td>Lindsay Barber</td><td>0%</td><td>0.68%</td><td>2.04%</td></tr>
<tr><td>Matthew Lunn</td><td>0%</td><td>0.54%</td><td>1.62%</td></tr>
<tr><td>Nick Carnell</td><td>0%</td><td>0.48%</td><td>1.44%</td></tr>
<tr><td>Adrian Gleeson</td><td>0%</td><td>0.40%</td><td>1.20%</td></tr>
<tr><td>Pip Turnbull</td><td>0%</td><td>0.30%</td><td>0.90%</td></tr>
</table>

1 Calculated post STI and LTI expense, pre non-controlling interests' share of Profit or Loss and normalised for any non-recurring Transaction related expenses or other adjustments detailed in the FY21 Results Presentation.

BUSINESS & PERFORMANCE MANAGEMENT SYSTEM

GO Meetings

(Group Operations Meetings)

90+ Business Leaders meet monthly with the COO and respective EGM's for an extensive review of Key Performance Indicators (KPI's) and mission critical capabilities e.g. business development and culture. This includes KPI's that inform short-term incentives for Key Management Personnel (KMP).

Key Management Personnel KPI Review

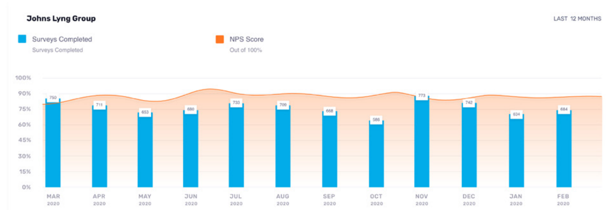
To augment the monthly GO Meetings, Key Management Personnel meet quarterly with the CEO and COO to discuss and review critical KPI's and successful demonstration of Johns Lyng's leadership 'Rockstar' competencies.

Key Performance Indicators that Inform Short-term Incentives:

- Achieve or Exceed Budgeted Turnover (Sales) Growth
- Achieve or Exceed Budgeted NPAT
- Claims Milestone Performance
- Net Promoter Score
- Employee Engagement
- Health & Safety

'Rockstar' Leadership Competencies

- Extreme Character & Integrity
- Drive & Energy
- Positive Impact
- Motivation
- Business Thinking
- Strategic Thinking
- Financial Acumen
- Talent Management
- Problem Solving & Decision Making

<table>
<tr><th>KPI</th><th colspan="5">Description</th><th>Comments</th><th>FY21 Results</th></tr>
<tr><td rowspan="4">Achieve or Exceed Budgeted Turnover (Sales) Growth</td><td></td><td>FY21 (B)</td><td>FY21 (A)</td><td>Move</td><td>%</td><td rowspan="4">Strong revenue outperformance driven by organic growth in IB&RS and CC divisions.</td><td rowspan="4">Revenue: $568.4m (+17.1% vs. budget).</td></tr>
<tr><td>Revenue</td><td>485.3</td><td>568.4</td><td>83.1</td><td>17.1%</td></tr>
<tr><td>EBITDA[1]</td><td>41.2</td><td>52.6</td><td>11.4</td><td>27.7%</td></tr>
<tr><td>NPAT[2]</td><td>22.0</td><td>29.7</td><td>7.7</td><td>35.0%</td></tr>
<tr><td rowspan="4">Achieve or Exceed Budgeted NPAT Performance</td><td></td><td>FY21 (B)</td><td>FY21 (A)</td><td>Move</td><td>%</td><td rowspan="4">NPAT outperformance driven by revenue growth and margin expansion (cost control plus operating leverage).</td><td rowspan="4">NPAT: $29.7m (+35% vs. budget).</td></tr>
<tr><td>Revenue</td><td>485.3</td><td>568.4</td><td>83.1</td><td>17.1%</td></tr>
<tr><td>EBITDA[1]</td><td>41.2</td><td>52.6</td><td>11.4</td><td>27.7%</td></tr>
<tr><td>NPAT[2]</td><td>22.0</td><td>29.7</td><td>7.7</td><td>35.0%</td></tr>
<tr><td>Overall Claims Life Cycle</td><td colspan="5"></td><td>Reduction of overall claim life cycle will lead to increased capacity to handle incremental claim volume and increased job allocation from IB&RS clients.</td><td>Complexities due to COVID restrictions continue to be successfully addressed. This includes performance milestones related to BaU and CAT events.</td></tr>
<tr><td>Net Promoter Score (NPS)</td><td colspan="5"></td><td>Key questions:
Would you recommend Johns Lyng?
How was the quality of repairs completed?
How was the communication provided?</td><td>Meeting industry benchmarks. Process and software improvements continue to be a priority in support of NPS as a critical KPI.</td></tr>
<tr><td>Employee Engagement</td><td colspan="5">YOUR VOICE JOHNS LYNG GROUP
Completed biannually, the results inform specific action plans that are reviewed in monthly GO Meetings .</td><td>FY21 survey confirmed an engagement rate of 80% (consistent with the past two years).</td><td>85% of respondents said they were proud to work for Johns Lyng Group. 82% believe the Group has a positive values-based culture.</td></tr>
<tr><td rowspan="4">Health & Safety</td><td colspan="5">Key metrics:</td><td></td><td rowspan="4">These metrics have decreased over the past 12 months through a targeted focus on critical risks and robust safety leadership.</td></tr>
<tr><td colspan="5">Critical incidents/injuries</td><td>Incidents notifiable to the Regulator.</td></tr>
<tr><td colspan="5">Total number of injuries</td><td>Raw number of staff injuries (requiring medical attention).</td></tr>
<tr><td colspan="5">Workers compensation claims R12</td><td>Workers compensation claims (may include contractors).</td></tr>
</table>

1 Excluding $410,682 (FY20: $662,993) in Transaction related expenses and $1,770,929 (FY20: nil) in non-recurring goodwill written off.

2 Excluding $476,205 (FY20: $722,104) in Transaction related expenses which includes bank facility arrangement fee amortisation of $65,524 (FY20: $59,111) and $1,770,929 (FY20: nil) in non-recurring goodwill written off.

STI Plan payments are payable as follows:

- Cash: 75% of STI value; and
- Performance Rights: 25% of STI value.

The number of Performance Rights to be issued under the STI Plan is calculated by reference to the 30 day VWAP to the ASX market closing share price on the day prior to the FY21 Annual Report issue date.

The calculated number of Performance Rights will vest in 3 equal tranches (subject to certain conditions) as follows:

- Tranche 1 (33.3%):
  - » Vesting date: 18 November 2021 (subject to shareholder approval at the FY21 AGM – shares to be issued as soon as practicable thereafter)
- Tranche 2 (33.3%):
  - » Vesting date: 1 July 2022 (shares to be issued as soon as practicable thereafter)
- Tranche 3 (33.3%):
  - » Vesting date: 1 July 2023 (shares to be issued as soon as practicable thereafter)

The vesting of Performance Rights and issue of shares under the STI Plan is conditional on KMP's continued employment only – which condition may be waived at the sole discretion of the Nomination and Remuneration Committee only (Good Leaver).

All Performance Rights will vest immediately on a 'Takeover', 'Take Private' or similar 'change of control' transaction.

Additional STI payments may be made to Executives at the discretion of the Nomination and Remuneration Committee having regard to the objectives of the Committee and the principles used to determine the nature and amount of remuneration set out in this report.

Long-term Incentive Plan

The Group's Long-term Incentive (LTI) Plan is designed to incentivise and retain the Group's Executives via long-term share based incentive payments linked to the financial performance of the Group. The key performance indicator is the Group's actual versus forecast Net Profit After Tax (Net Profit).

LTI Plan payments to Executives are calculated based on the Group's financial performance for the current financial year as follows:

KMP LTI Plan – Rewards & Performance Matrix			
Net Profit (Actual)[1]	**<Forecast +$3.15m**	**>/=Forecast +$3.15m**	**>/=Forecast +$6.3m**
Scott Didier AM			
Tranche 1	–	–	$50,000
Tranche 2	–	–	$50,000
Tranche 3	–	–	$50,000
Total	**–**	**–**	**$150,000**
Lindsay Barber			
Tranche 1	–	–	$50,000
Tranche 2	–	–	$50,000
Tranche 3	–	–	$50,000
Total	**–**	**–**	**$150,000**
Matthew Lunn			
Tranche 1	–	$33,333	–
Tranche 2	–	$33,333	–
Tranche 3	–	$33,333	–
Total	**–**	**$100,000**	**–**

KMP LTI Plan – Rewards & Performance Matrix (continued)			
Net Profit (Actual)[1]	**<Forecast +$3.15m**	**>/=Forecast +$3.15m**	**>/=Forecast +$6.3m**
Nick Carnell			
Tranche 1	–	$33,333	–
Tranche 2	–	$33,333	–
Tranche 3	–	$33,333	–
Total	**–**	**$100,000**	**–**
Adrian Gleeson			
Tranche 1	–	$33,333	–
Tranche 2	–	$33,333	–
Tranche 3	–	$33,333	–
Total	**–**	**$100,000**	**–**
Pip Turnbull			
Tranche 1	–	$33,333	–
Tranche 2	–	$33,333	–
Tranche 3	–	$33,333	–
Total	**–**	**$100,000**	**–**

[1] Calculated post STI and LTI expense, pre non-controlling interests' share of Profit or Loss and normalised for any non-recurring Transaction related expenses or other adjustments detailed in the FY21 Results Presentation.

LTI Plan payments are payable in the form of Performance Rights.

The number of Performance Rights to be issued under the LTI Plan is calculated by reference to the 30 day VWAP to the ASX market closing share price on the day prior to the FY21 Annual Report issue date.

The calculated number of Performance Rights will vest in 3 equal tranches (subject to certain conditions) as follows:

- Tranche 1 (33.3%):
  - Vesting date: 1 July 2024 (shares to be issued as soon as practicable thereafter)
  - Financial performance condition: the Group must meet the minimum return on equity target set by the Nomination and Remuneration Committee for FY22 (annual/non-cumulative measure)
  - Continued employment condition: the Executive must be employed by the Group on the vesting date
- Tranche 2 (33.3%):
  - Vesting date: 1 July 2024 (shares to be issued as soon as practicable thereafter)
  - Financial performance condition: the Group must meet the minimum return on equity target set by the Nomination and Remuneration Committee for FY23 (annual/non-cumulative measure)
  - Continued employment condition: the Executive must be employed by the Group on the vesting date
- Tranche 3 (33.3%):
  - Vesting date: 1 July 2024 (shares to be issued as soon as practicable thereafter)
  - Financial performance condition: the Group must meet the minimum return on equity target set by the Nomination and Remuneration Committee for FY24 (annual/non-cumulative measure)
  - Continued employment condition: the Executive must be employed by the Group on the vesting date

Should the vesting conditions of any Performance Rights fail to be met, the relevant Performance Rights will expire and be immediately forfeited by the Executive.

All Performance Rights will vest immediately on a ‘Takeover’, ‘Take Private’ or similar ‘change of control’ transaction.

The 'continued employment' vesting condition of Performance Rights issued under the LTI Plan may be waived at the sole discretion of the Nomination and Remuneration Committee only (Good Leaver).

Employee Share Loan Plan

The Group adopted the Employee Share Loan Plan (ESLP) to provide an incentive for Directors and KMP to remain in their employment, recognise the ongoing abilities and efforts of Directors and KMP and their contribution to the performance and future success of the Group along with providing a means through which Directors and KMP may acquire shares in the Company.

Loan Funded Shares are funded by a zero interest 10 year non-recourse loan from the Group.

Any issue of Loan Funded Shares under the ESLP is at the discretion of the Nomination and Remuneration Committee of the Board having regard to the objectives of the Committee and the principles used to determine the nature and amount of remuneration set out in this report.

Details of the Loan Funded Shares issued to Directors and other KMP as part of their remuneration during the year ended 30 June 2021 are set out below:

Name	Date	Shares	Issue price	$
Peter Nash[1]	23 November 2020	18,136	$2.76	$50,000

[1] Peter Nash is entitled to $50,000 worth of Loan Funded Shares on each anniversary of his appointment as Chairman in accordance with the terms of his contract.

For accounting purposes, the Loan Funded Shares have been recognised as options. Therefore, no loans receivable or amounts paid within issued share capital have been recognised within the financial statements.

Voting and comments made at the Company's Annual General Meeting (AGM)

The Group will hold its Annual General Meeting on 18 November 2021. At this time, a vote will be taken to adopt the remuneration report for the year ended 30 June 2021.

4. Employment contracts

Key terms of employment contracts of Executive Directors and KMP are presented in the table below:

Name	Position	Contract duration	Notice period	Termination payments if applicable
Scott Didier AM	Managing Director & Chief Executive Officer	Unlimited	Six months	Six months fully paid
Lindsay Barber	Executive Director & Chief Operating Officer	Unlimited	Six months	Six months fully paid
Matthew Lunn	Group Chief Financial Officer	Unlimited	Three months	Three months fully paid
Nick Carnell	Executive Director & Group Executive General Manager	Unlimited	Three months	Three months fully paid
Adrian Gleeson	Executive Director & Director, Investor & Business Relations	Unlimited	Three months	Three months fully paid
Pip Turnbull	Executive Director & Executive General Manager, Business Development & Marketing	Unlimited	Three months	Three months fully paid

5. Group performance

	30 June 2021 $'000	30 June 2020 $'000	30 June 2019 $'000	30 June 2018 $'000	30 June 2017 $'000
Sales revenue	568,373	495,113	335,085	290,362	249,728
EBITDA[1]	52,596	40,987	27,779	25,231	18,072
NPAT[2]	29,708	22,919	16,102	17,843	13,254
Dividends declared (cents per share)	5.0	4.0	3.0	1.9	–
Performance based incentives to KMP[3]	2,876,394	1,649,838	1,371,449	1,039,417	355,000
Share price at year end	$5.10	$2.35	$1.45	$1.30	$1.00[4]

1 Excluding $410,682 (FY20: $662,993, FY19: $427,238, FY18: $3,716,192, FY17: $283,000) in Transaction related expenses and $1,770,929 (FY20: nil, FY19: nil, FY18: nil, FY17: nil) in non-recurring goodwill written off.

2 Excluding $476,205 (FY20: $722,104, FY19: $486,349, FY18: $3,745,747, FY17: $283,000) in Transaction related expenses which includes bank facility arrangement fee amortisation of $65,524 (FY20: $59,111, FY19: $59,111, FY18: $29,555, FY17: nil) and $1,770,929 (FY20: nil, FY19: nil, FY18: nil, FY17: nil) in non-recurring goodwill written off.

3 Rounded to the nearest whole dollar.

4 On IPO at 26 October 2017.

6. Non-executive Director remuneration

		Short-term benefits			Post employment	Long-term benefits					
		Salary and fees $	Non-monetary $	STI cash bonus $	Superannuation $	Employee benefits $	Loan funded shares[1] $	LTI performance rights $	Total $	Fixed (%)	Variable/ performance linked (%)
Non-executive Directors:											
Peter Nash											
	2021	150,000	–	–	–	–	29,890	–	179,890	100%	0%
	2020	150,000	–	–	–	–	29,278	–	179,278	100%	0%
Robert Kelly											
	2021	50,000	–	–	–	–	–	–	50,000	100%	0%
	2020	50,000	–	–	–	–	–	–	50,000	100%	0%
Curt Mudd[2]											
	2021	98,028	–	–	–	–	–	3,697	101,725	96%	4%
	2020	110,353	–	12,186	–	–	–	8,294	130,833	84%	16%
Larisa Moran											
	2021	60,000	–	–	–	–	–	–	60,000	100%	0%
	2020	60,000	–	–	–	–	–	–	60,000	100%	0%
Peter Dixon[3]											
	2021	50,000	–	–	–	–	–	–	50,000	100%	0%
	2020	17,350	–	–	–	–	–	–	17,350	100%	0%

1 Loan funded shares have been valued by an independent expert.

2 Curt Mudd was an Executive Director from 28 September 2017 to 30 November 2018 and was appointed as a Non-executive Director on 1 December 2018.
Curt Mudd's salary and fees include US $50,000 per annum (NED fee) plus ad-hoc consulting fees.
Curd Mudd's STI and LTI amounts relate to awards made during his tenure as an Executive Director.

3 Peter Dixon was appointed as a Non-executive Director on 25 February 2020.

7. KMP remuneration

		Short-term benefits			Post employ-ment	Long-term benefits					
	Salary and fees[1] $	Non-monetary $	STI cash bonus $	STI perfor-mance rights	Super-annua-tion[1] $	Employee benefits[2] $	Loan funded shares $	LTI perfor-mance rights $	Total $	Fixed (%)	Variable/ perfor-mance linked (%)
KMP:											
Scott Didier AM											
2021	443,032	–	439,109	118,052	21,454	–	–	90,085	1,111,732	42%	58%
2020	479,951	–	343,890	57,072	20,049	–	–	74,410	975,372	51%	49%
Lindsay Barber											
2021	350,724	–	439,109	118,052	20,066	5,662	–	90,085	1,023,698	37%	63%
2020	379,951	–	343,890	57,072	20,049	6,115	–	74,410	881,487	46%	54%
Matthew Lunn											
2021	258,416	–	348,704	93,747	19,262	4,197	–	67,945	792,271	36%	64%
2020	279,951	–	282,297	45,322	20,049	4,710	–	63,730	696,059	44%	56%
Nick Carnell[3]											
2021	161,951	–	257,308	69,176	26,676	18,573	–	52,990	586,674	35%	65%
Adrian Gleeson											
2021	184,047	–	258,299	69,442	17,484	5,683	–	57,273	592,228	35%	65%
2020	190,696	–	182,970	33,572	32,827	10,368	–	44,667	495,100	44%	56%
Pip Turnbull[4]											
2021	134,524	–	193,724	52,082	22,102	(10,557)	–	57,515	449,390	33%	67%
2020	6,195	–	5,462	963	1,017	114	–	1,729	15,480	44%	56%

1 In response to the Covid-19 pandemic, the Group's KMP took a temporary, non-refundable salary and superannuation reduction of 25% between 3 August 2020 and 22 November 2020 (8/26 pay runs).

2 Employee benefits represent the value of the movement in the relevant individual's annual leave and long service leave accruals during the year.

3 Nick Carnell was appointed as an Executive Director on 1 September 2020 and was designated a KMP on this date – amounts are presented pro-rata from this date.

4 Pip Turnbull was appointed as an Executive Director on 17 June 2020 and was designated a KMP on this date – amounts are presented pro-rata from this date. Pip took maternity leave from 1 April 2021 to 30 June 2021 during which time she received 50% of her base salary and superannuation remuneration.

8. Directors' interests[1]

	Interest in ordinary shares	Performance rights
Peter Nash[2]	352,671	–
Scott Didier AM	55,401,662	98,162
Lindsay Barber	13,353,652	98,162
Nick Carnell	3,872,673	113,462
Adrian Gleeson	1,514,823	61,758
Pip Turnbull	868,119	59,384
Robert Kelly[3]	5,000,000	–
Curt Mudd	1,082,229	–
Larisa Moran	4,400	–
Peter Dixon	71,888	–

1 Directors' interests as at Directors' Report date being 24 August 2021.

2 Includes 152,671 Loan Funded Shares. Peter Nash is entitled to $50,000 worth of Loan Funded Shares on each anniversary of his appointment as Chairman in accordance with the terms of his contract.

3 Shares owned by Steadfast Group Limited (Steadfast). Robert Kelly is the Managing Director and CEO of Steadfast.

9. Non-executive Directors' and KMP's interests[1]

	Shareholding at 1 July 2020	Shares sold during FY21	Shares purchased during FY21	Shares received as remuneration during FY21[2]	Initial reported shareholding	Shareholding at 30 June 2021
Non-executive Directors						
Peter Nash[3]	334,535	–	–	18,136	–	352,671
Robert Kelly[4]	5,000,000	–	–	–	–	5,000,000
Curt Mudd	1,059,639	–	–	11,295	–	1,070,934
Larisa Moran	4,400	–	–	–	–	4,400
Peter Dixon	71,888	–	–	–	–	71,888
KMP						
Scott Didier AM	58,292,006	(3,000,000)	–	54,828	–	55,346,834
Lindsay Barber	15,743,996	(2,500,000)	–	54,828	–	13,298,824
Matthew Lunn[5]	193,825	(45,000)	–	51,504	–	200,329
Nick Carnell[6]	–	–	–	11,397	3,861,276	3,872,673
Adrian Gleeson	1,453,073	–	–	30,875	–	1,483,948
Pip Turnbull	809,639	–	–	29,240	–	838,879
	82,963,001	**(5,545,000)**	**–**	**262,103**	**3,861,276**	**81,541,380**

1 Non-executive Directors' and KMP's interests as at 30 June 2021.

2 Includes shares issued on vesting of Performance Rights and Loan Funded Shares.

3 Includes 152,671 Loan Funded Shares. Peter Nash is entitled to $50,000 worth of Loan Funded Shares on each anniversary of his appointment as Chairman in accordance with the terms of his contract.

4 Shares owned by Steadfast Group Limited (Steadfast). Robert Kelly is the Managing Director and CEO of Steadfast.

5 Includes 130,000 Loan Funded Shares.

6 Nick Carnell was appointed as an Executive Director on 1 September 2020 and was designated a KMP on this date.

	Performance rights holding at 1 July 2020	Performance rights granted during FY21	Performance rights vested during FY21[1]	Initial reported performance rights holding	Performance rights holding at 30 June 2021
Non-executive Directors					
Peter Nash	–	–	–	–	–
Robert Kelly	–	–	–	–	–
Curt Mudd[2]	22,590	–	(11,295)	–	11,295
Larisa Moran	–	–	–	–	–
Peter Dixon	–	–	–	–	–
KMP					
Scott Didier AM	97,221	110,597	(54,828)	–	152,990
Lindsay Barber	97,221	110,597	(54,828)	–	152,990
Matthew Lunn	97,221	79,905	(51,504)	–	125,622
Nick Carnell[3]	–	75,630	(11,397)	49,229	113,462
Adrian Gleeson	53,575	69,933	(30,875)	–	92,633
Pip Turnbull	55,053	62,811	(29,240)	–	88,624
	422,881	**509,473**	**(243,967)**	**49,229**	**737,616**

1 The Board determined that the vesting conditions including annual return on equity targets and continued employment conditions (as applicable), for the following tranches of performance rights were satisfied during FY21: FY18 LTI (tranche 3), FY19 LTI (tranche 2) and FY20 STI (tranche 2).

2 Curt Mudd was an Executive Director from 28 September 2017 to 30 November 2018 and was appointed as a Non-executive Director on 1 December 2018. The Performance Rights were issued to Curt during his tenure as an Executive Director.

3 Nick Carnell was appointed as an Executive Director on 1 September 2020 and was designated a KMP on this date.

10. Transactions with Non-executive Directors and KMP

Transactions with Non-executive Directors and KMP are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with Non-executive Directors and KMP:

During the current financial period and previous financial periods, Johns Lyng Group Limited advanced loans to, received and repaid loans from and provided treasury, accounting, legal, taxation and administrative services to other entities within the Group.

Entities within the Group also exchanged goods and services in sale and purchase transactions. All transactions occurred on the basis of normal commercial terms and conditions. Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

Curt Mudd was an Executive Director from 28 September 2017 to 30 November 2018 and was appointed as a Non-executive Director on 1 December 2018. Post retirement as an Executive Director, Curt Mudd received consultancy fees from the Group in the amount of $31,621 (GST: nil) (FY20: $34,912 (GST: nil)). These amounts have been included in salary and fees within the Remuneration Report.

During FY21 the Group paid $20,236 (plus GST) (FY20: $9,059 (plus GST)) to EBH Leasehold Pty Ltd ATF EBH Leasehold Unit Trust (EBH) for staff and client entertainment purposes (primarily for accommodation under a corporate arrangement of $170 per night, inclusive of a 20% discount for staff and other related parties). Scott Didier AM is a director and sole unitholder of EBH. The arrangement is on an arm's length basis and on commercial terms.

During FY21 the Group paid $1,432 (plus GST) (FY20: nil) to Hamilton Locke Pty Ltd (Hamilton Locke) for legal services and $16,620 (plus GST) (FY20: nil) to Emerson Operations Pty Ltd (Emerson) for company secretarial services. Peter Dixon is a director and shareholder of Halo Group Holdings Pty Ltd, the parent company of Hamilton Locke and Emerson.

From time-to-time and as required, the Group provides administrative support services to related party businesses (demerged pre-IPO) along with Trump Investments Pty Ltd ATF Trump Investments Trust.

During FY21 the Group charged fees for services on an arm's length basis and on commercial terms (hourly rates based on the time expended). The Group provided administrative support services for which it charged $150,000 (plus GST) (FY20: $276,947 (plus GST)) to related party entities.

Is My CV Australia Pty Ltd ATF Is My CV Australia Unit Trust (Is My CV) has entered into an agreement with Johns Lyng Commercial Builders Pty Ltd ATF Johns Lyng Commercial Builders Unit Trust for design, demolition and construction work at 719-721 Whitehorse Road, Mont Albert (VIC). Is My CV is owned by Scott Didier AM, Lindsay Barber, Matthew Lunn, Nick Carnell, Adrian Gleeson, Pip Turnbull, Curt Mudd and other unitholders. During FY21 the cost of work totalled $2,789,078 (plus GST) (FY20: $2,942,107 (plus GST)). The arrangement is on an arm's length basis and on commercial terms.

Johns Lyng Insurance Building Solutions (Victoria) Pty Ltd ATF Johns Lyng Insurance Building Solutions (Victoria) Unit Trust completed renovations at Scott Didier AM's residence during the period July 2020 to February 2021. The scope of work completed in FY21 totalled $183,011 (plus GST) (FY20: $130,725 (plus GST)). This project was completed on an arm's length basis and on commercial terms.

Johns Lyng Insurance Building Solutions (Victoria) Pty Ltd ATF Johns Lyng Insurance Building Solutions (Victoria) Unit Trust completed renovations at Lindsay Barber's residence during the period July 2020 to May 2021. The scope of work completed in FY21 totalled $212,889 (plus GST) (FY20: nil). This project was completed on an arm's length basis and on commercial terms.

Johns Lyng Insurance Building Solutions (Victoria) Pty Ltd ATF Johns Lyng Insurance Building Solutions (Victoria) Unit Trust completed renovations at EBH Leasehold Pty Ltd ATF EBH Leasehold Unit Trust (EBH) during the period December 2019 to June 2021. The scope of work completed in FY21 totalled $65,718 (plus GST) (FY20: $434,078 (plus GST)). Scott Didier AM is a director and sole unitholder of EBH. This project was completed on an arm's length basis and on commercial terms.

Leases

The Group has entered into a number of leases for office and warehouse space throughout Australia. Four of these leases in Victoria are with landlords that are related parties of the Group. The table below lists the names of the related party landlords and their relationship with the Group.

Landlord/premises	KMP relationship with the Group	Payments during the period
Landlord: Trump Investments Pty Ltd ACN 006 779 791 ATF Trump Investments Trust. Premises: 17 Capital Place, Carrum Downs, Victoria 3201	Scott Didier AM is a director of Trump Investments Pty Ltd and the sole unitholder of Trump Investments Trust.	FY21: $159,041 (plus GST) FY20: $156,389 (plus GST)
Landlord: Trump Sunshine Pty Ltd ACN 151 548 202 ATF Trump Sunshine Trust. Premises: 120 Proximity Drive, Sunshine West, Victoria 3020	Scott Didier AM is a director of Trump Sunshine Pty Ltd and a unitholder of Trump Sunshine Trust (through Trump Investments Trust).	FY21: $112,873 (plus GST) FY20: $118,921 (plus GST)
Landlord: 1 Williamsons Road Pty Ltd ACN 130 622 187 ATF 1 Williamsons Road Unit Trust. Premises: 1 Williamsons Road, Doncaster, Victoria 3108	1 Williamsons Road Unit Trust is owned by Johns Lyng Investments Pty Ltd ATF Johns Lyng Investments Unit Trust. Scott Didier AM, Lindsay Barber, Matthew Lunn, Nick Carnell, Adrian Gleeson, Pip Turnbull, Curt Mudd and other unitholders own the units in Johns Lyng Investments Unit Trust.	FY21: $404,304 (plus GST) FY20: $392,532 (plus GST)
Landlord: Is My Software Pty Ltd ACN 136 024 256 ATF Is My Software Unit Trust. Premises: 3 Williamsons Road, Doncaster, Victoria 3108	Scott Didier AM, Lindsay Barber, Matthew Lunn, Nick Carnell, Adrian Gleeson, Pip Turnbull, Curt Mudd and other unitholders own the units in Is My Software Unit Trust.	FY21: nil[1] FY20: $22,500 (plus GST)[1]

1 Office space used under a periodic tenancy arrangement as required.

The lease agreements with the landlords noted above have been entered into on an arm's length basis and on commercial terms.

Related party loans

	Consolidated	
	2021	2020
Johns Lyng Investments Pty Ltd ATF Johns Lyng Investments Unit Trust[1]	(70,415)	15,293
NSC Collective Pty Ltd ATF Carnell Family Trust[2]	913,495	913,495
Total related party loans – net receivable	843,080	928,788

1 Scott Didier AM, Lindsay Barber, Matthew Lunn, Nick Carnell, Adrian Gleeson, Pip Turnbull, Curt Mudd and other unitholders own the units in Johns Lyng Investments Unit Trust.

2 Amount receivable in respect of non-interest bearing loan to fund purchase of units in Johns Lyng Unit Trust pre IPO. Nick Carnell is the sole Director of NSC Collective Pty Ltd.

Arrangements discontinued during FY20

During FY20 the Group paid $60,000 (plus GST) to Trump Yacht Charters Pty Ltd ATF Trump Yacht Charters Trust for use of a corporate yacht for client entertainment purposes. Scott Didier AM is a director of Trump Yacht Charters Pty Ltd and the sole unitholder of Trump Yacht Charters Trust. The arrangement was on an arm's length basis and on commercial terms. The arrangement was discontinued during FY20.

End of Remuneration Report

Indemnity and insurance of officers

The Company has indemnified the Directors and Executives of the Company for costs incurred in their capacity as a Director or Executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the Directors and Executives of the Company against a liability to the extent permitted by the *Corporations Act 2001.* The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 28 to the financial statements.

The Directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001.*

The Directors are of the opinion that the services as disclosed in note 28 to the financial statements do not compromise the external auditor's independence requirements of the *Corporations Act 2001* for the following reasons:

- All non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- None of the services undermine the general principles relating to auditor independence as set out in *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Group, acting as advocate for the Group or jointly sharing economic risks and rewards.

Officers of the Company who are former partners of Pitcher Partners

There are no Officers of the Company who are former partners of Pitcher Partners.

Rounding of amounts

The Company is of a kind referred to in 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.

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 298(2)(a) of the *Corporations Act 2001.*

On behalf of the Directors

Peter Nash
Chairman

24 August 2021

Scott Didier AM
Managing Director

24 August 2021

AUDITOR'S INDEPENDENCE DECLARATION

30 June 2021

JOHNS LYNG GROUP LIMITED

86 620 466 248

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

In relation to the independent audit for the year ended 30 June 2021, 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)*.

N R BULL
Partner

24 August 2021

PITCHER PARTNERS
Melbourne

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2021

		Consolidated	
	Note	2021 $'000	2020 $'000
Revenue			
Sales income	5	568,373	495,113
Cost of sales		(448,789)	(394,461)
Gross profit		119,584	100,652
Other revenue and income	5	3,695	2,892
Expenses			
Administration expenses		(1,611)	(1,250)
Advertising expenses		(2,129)	(1,817)
Depreciation and amortisation	6	(9,581)	(8,104)
Employee benefits expenses	6	(44,415)	(38,515)
Finance costs	6	(1,872)	(1,954)
Goodwill written off		(1,771)	–
Insurance expenses		(2,784)	(2,136)
IT expenses		(4,816)	(3,680)
Motor vehicle expenses		(3,856)	(3,640)
Occupancy expenses		(1,369)	(1,151)
Printing, postage and stationery expenses		(1,765)	(1,735)
Professional fees		(2,527)	(2,279)
Telephone and communication expenses		(1,623)	(1,447)
Transaction related expenses[1]		(476)	(722)
Travel expenses		(1,115)	(2,021)
Other expenses		(2,449)	(2,605)
Total expenses		**(84,159)**	**(73,056)**
Profit before income tax		**39,120**	**30,488**
Income tax expense	7	(11,660)	(8,291)
Profit after income tax for the year		**27,460**	**22,197**

[1] Transaction related expenses include $65,524 (FY20: $59,111) in respect of banking facility arrangement fee amortisation.

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

		Consolidated	
	Note	2021 $'000	2020 $'000
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss			
Movement in foreign currency translation reserve	22	(390)	(84)
Total comprehensive income for the year		**27,070**	**22,113**
Profit for the year is attributable to:			
Owners of Johns Lyng Group	23	18,560	15,850
Non-controlling interests	24	8,900	6,347
		27,460	**22,197**
Total comprehensive income for the year is attributable to:			
Owners of Johns Lyng Group		18,170	15,766
Non-controlling interests		8,900	6,347
		27,070	**22,113**

Earnings per share (EPS) for profit attributable to equity holders of the Parent Entity

	Note	Cents	Cents
Basic earnings per share	36	8.30	7.13
Diluted earnings per share	36	8.27	7.12

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended 30 June 2021

		Consolidated	
	Note	2021 $'000	2020 $'000
Assets			
Current assets			
Cash and cash equivalents	8	43,313	46,768
Trade and other receivables	9	78,794	63,002
Inventories	10	825	1,855
Accrued income	11	40,711	34,041
Other current assets	12	2,930	1,904
Total current assets		166,573	147,570
Non-current assets			
Property, plant and equipment	13	15,260	12,365
Intangibles	14	48,158	50,677
Right-of-use assets	15	13,491	14,226
Deferred tax assets	7	4,883	4,561
Total non-current assets		81,792	81,829
Total assets		**248,365**	**229,399**
Liabilities			
Current liabilities			
Trade and other payables	16	99,208	91,316
Borrowings	17	6,757	5,646
Current tax payable	7	5,181	4,198
Employee provisions	18	7,522	7,120
Non-controlling interest liabilities	19	1,363	619
Right-of-use lease liabilities	15	3,976	3,611
Income in advance	20	23,710	23,602
Total current liabilities		147,717	136,112
Non-current liabilities			
Right-of-use lease liabilities	15	11,368	12,281
Borrowings	17	11,091	16,917
Deferred tax liability	7	4,171	4,324
Employee provisions	18	610	663
Total non-current liabilities		27,240	34,185
Total liabilities		**174,957**	**170,297**
Net assets		**73,408**	**59,102**
Equity			
Issued capital	21	64,651	60,460
Reserves	22	(19,826)	(20,656)
Retained earnings	23	20,737	12,004
Equity attributable to the owners of Johns Lyng Group		65,562	51,808
Non-controlling interests	24	7,846	7,294
Total equity		**73,408**	**59,102**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2021

	Issued capital	Reserves	Retained earnings	Non-controlling interest	Total equity
Consolidated 30 June 2020	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Balance at 1 July 2019	60,018	(21,837)	6,821	(646)	44,356
Profit for the year	–	–	15,850	6,347	22,197
Movement in foreign currency reserve	–	(84)	–	–	(84)
Total comprehensive income for the year	–	(84)	15,850	6,347	22,113
Transactions with owners in their capacity as owners:					
Transactions with non-controlling interests	–	609	–	(323)	286
Non-controlling interests recognised on business combination	–	–	–	5,625	5,625
Issue of shares to non-controlling interests	–	–	–	152	152
Issue of shares in connection with business combination	300	–	–	941	1,241
Dividends	–	–	(10,667)	(901)	(11,568)
Distributions	–	–	–	(3,901)	(3,901)
Share based payments	–	798	–	–	798
Issue of shares – vesting of Performance Rights[1]	142	(142)	–	–	–
Balance at 30 June 2020	**60,460**	**(20,656)**	**12,004**	**7,294**	**59,102**
Consolidated 30 June 2021	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Balance at 1 July 2020	60,460	(20,656)	12,004	7,294	59,102
Profit for the year	–	–	18,560	8,900	27,460
Movement in foreign currency reserve	–	(390)	–	–	(390)
Total comprehensive income for the year	–	(390)	18,560	8,900	27,070
Transactions with owners in their capacity as owners:					
Transactions with non-controlling interests	–	575	–	160	735
Issue of shares in connection with business combination	3,572	–	–	–	3,572
Dividends	–	–	(9,827)	(2,303)	(12,130)
Distributions	–	–	–	(6,205)	(6,205)
Share based payments	75	1,189	–	–	1,264
Issue of shares – vesting of Performance Rights[1]	544	(544)	–	–	–
Balance at 30 June 2021	**64,651**	**(19,826)**	**20,737**	**7,846**	**73,408**

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

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2021

		Consolidated	
	Note	2021 $'000	2020 $'000
Cash flows from operating activities			
Receipts from customers		604,957	540,182
Payments to suppliers and employees		(564,042)	(480,146)
Interest received		225	281
Finance costs		(1,872)	(1,954)
Income tax paid	7	(11,152)	(8,126)
Net cash from operating activities	**35(b)**	**28,116**	**50,237**
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		586	619
Payments for property, plant and equipment		(2,464)	(899)
Payments for intangibles (software)		(79)	(482)
Cash acquired on acquisition		–	9,525
Payments for business acquisitions		–	(26,262)
Net cash used in investing activities		**(1,957)**	**(17,499)**
Cash flows from financing activities			
Proceeds from borrowings	35(c)	1,977	25,845
Repayment of borrowings	35(c)	(7,630)	(21,214)
Payments to non-controlling interests		(6,269)	(3,747)
Receipts from non-controlling interests		–	283
Receipts from related parties		85	11
Payment of right-of-use (principal) lease liabilities	35(c)	(4,111)	(3,305)
Repayment of hire purchase liabilities	35(c)	(3,839)	(3,239)
Dividends paid	25	(9,827)	(10,667)
Net cash used in financing activities		**(29,614)**	**(16,033)**
Net (decrease)/increase in cash and cash equivalents		(3,455)	16,705
Cash and cash equivalents at the beginning of the financial year		46,768	30,063
Cash and cash equivalents at the end of the financial year	8, 35	**43,313**	**46,768**

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

30 June 2021

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	Principal place of business
1 Williamsons Road Doncaster VIC 3108	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 24 August 2021. The Directors have the power to amend and reissue the financial statements.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out either in the respective notes or below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB).

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation to fair value for certain classes of assets and liabilities as described in the following notes.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires Management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

(b) Parent Entity information

In accordance with the *Corporations Act 2001*, these financial statements present the results of the Group only. Supplementary information about the Parent Entity is disclosed in note 32.

(c) Principles of consolidation

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

(d) Foreign currency translation

The financial statements are presented in Australian dollars, which is Johns Lyng Group's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign subsidiaries and operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency translation reserve in equity.

(e) Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

Where the business combination is achieved in stages, the Group remeasures its previously held equity interest in the acquiree at the acquisition date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability are recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquiree.

(f) Rounding of amounts

The Company is of a kind referred to in *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.

NOTE 3. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires Management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on various other factors, including expectations of future events that Management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share based payment transactions

The Group measures the cost of equity settled transactions with employees by reference to the fair value of the equity instruments at the date on which they are granted. The fair value is determined by using either the Binomial, Monte Carlo or Black-Scholes models taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity settled share based payments will have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Goodwill and other indefinite life intangible assets

The Group tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 14. The recoverable amounts of cash generating units have been determined based on value-in-use calculations. The recoverable amount of the Steamatic brand name has been determined using the fair value less cost of disposal method. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

Construction Contracts

Revenue from construction contracts is recognised over time, as the services are provided to the customer, based on costs incurred for work performed to date as a percentage of total estimated costs under the contract or amounts billed as a percentage of the contract value. Judgements made in the application of the Australian Accounting Standards that could have a significant effect on the financial report and estimates with a risk of adjustment in the next year are as follows:

- Determination of stage of completion;
- Estimation of total contract revenue and contract costs; and
- Estimation of project completion date.

Income Tax

Deferred tax assets and liabilities are based on the assumption that no adverse change will occur in the income tax legislation and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Deferred tax assets are recognised for deductible temporary differences as Management considers that it is probable that future taxable profits will be available to utilise those temporary differences.

NOTE 4. 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) in assessing performance and in determining the allocation of resources.

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

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

Accounting policy for operating segments

Operating segments are presented using the 'management approach', where 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. The operating segments below depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors and all revenue from contracts with customers are recognised over time.

Consolidated – 2021	Insurance Building and Restoration Services $'000	Commercial Building Services $'000	Commercial Construction $'000	Other $'000	Intercompany eliminations $'000	Total $'000
Revenue						
Sales to external customers	444,550	45,742	77,840	241	–	568,373
Intersegment sales	13,825	2,010	–	791	(16,626)	–
Total sales revenue	458,375	47,752	77,840	1,032	(16,626)	568,373
Total other revenue and expenses	(407,617)	(46,173)	(75,721)	(5,074)	16,626	(517,959)
EBITDA[1]	**50,758**	**1,579**	**2,119**	**(4,042)**	**–**	**50,414**
Depreciation and amortisation	(7,202)	(2,316)	(117)	54	–	(9,581)
Interest income	158	9	58	–	–	225
Finance costs	(1,458)	(394)	(17)	(3)	–	(1,872)
Banking facility arrangement fee amortisation	–	–	–	(66)	–	(66)
Profit/(loss) before income tax expense	**42,256**	**(1,122)**	**2,043**	**(4,057)**	**–**	**39,120**
Income tax expense						(11,660)
Profit after income tax expense						**27,460**

[1] Includes Transaction related expenses of $410,682 and goodwill written off of $1,770,929 shown in the consolidated statement of profit or loss and other comprehensive income.

Consolidated – 2020	Insurance Building and Restoration Services $'000	Commercial Building Services $'000	Commercial Construction $'000	Other $'000	Intercompany eliminations $'000	Total $'000
Revenue						
Sales to external customers	396,715	54,081	43,589	728	–	495,113
Intersegment sales	15,878	1,343	–	900	(18,121)	–
Total sales revenue	412,593	55,424	43,589	1,628	(18,121)	495,113
Total other revenue and expenses	(372,179)	(52,685)	(42,575)	(5,471)	18,121	(454,789)
EBITDA[1]	**40,414**	**2,739**	**1,014**	**(3,843)**	**–**	**40,324**
Depreciation and amortisation	(6,717)	(1,368)	(71)	52	–	(8,104)
Interest income	224	33	7	17	–	281
Finance costs	(1,818)	(114)	(22)	–	–	(1,954)
Banking facility arrangement fee amortisation	–	–	–	(59)	–	(59)
Profit/(loss) before income tax expense	**32,103**	**1,290**	**928**	**(3,833)**	**–**	**30,488**
Income tax expense						(8,291)
Profit after income tax expense						**22,197**

[1] Includes Transaction related expenses of $662,992 shown in the consolidated statement of profit or loss and other comprehensive income.

NOTE 5. REVENUE AND OTHER INCOME

	Consolidated	
	2021 $'000	2020 $'000
Sales income		
Insurance Building and Restoration Services	444,550	396,715
Commercial Building Services	45,742	54,081
Commercial Construction	77,840	43,589
Other	241	728
	568,373	**495,113**
Other revenue and income		
Interest income	225	281
Other revenue	3,239	2,554
Profit on sale of property, plant and equipment	231	57
	3,695	**2,892**

Accounting policy for revenue recognition

Revenue from the rendering of services is recognised upon the delivery of the service to the customer.

A construction contract is a contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use.

Construction contracts - Insurance Building and Restoration Services and Commercial Building Services

Revenue from construction contracts is recognised over time, as the services are provided to the customer, based on costs incurred for work performed to date as a percentage of total estimated costs under the contract. Recognising revenue on the basis of costs incurred is considered an appropriate method of recognising revenue as it is consistent with the manner in which services are provided to the customer.

Construction contracts - Commercial Construction

Revenue from construction contracts is recognised over time, as the services are provided to the customer, based on amounts billed as a percentage of total contract value. Recognising revenue on this basis is considered an appropriate method of recognising revenue as it is consistent with the manner in which services are provided to the customer.

When the outcome of a construction contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that are probable to be recoverable and contract costs are recognised as an expense in the period in which they are incurred.

All expected losses are recognised as an expense immediately when it is probable that total contract costs will exceed total contract revenue.

All revenue is measured net of the amount of goods and services tax (GST).

Accounting policy for interest

Interest revenue is measured in accordance with the effective interest method.

Accounting policy for other revenues

Other revenue is recognised when it is received or when the right to be received has been confirmed.

NOTE 6. PROFIT FROM CONTINUING OPERATIONS

	Consolidated	
	2021 $'000	2020 $'000
Profit before income tax includes the following specific expenses:		
Employee benefits:		
Gross remuneration, bonuses and on-costs	87,341	72,341
Less amounts expensed through cost of sales	(50,067)	(39,722)
Superannuation	5,877	5,098
Share based payments expense	1,264	798
Total employee benefits	44,415	38,515
Depreciation and amortisation:		
Depreciation	4,638	3,892
Depreciation – right-of-use assets	4,298	3,644
Amortisation	645	568
Total depreciation and amortisation	9,581	8,104
Finance costs:		
Borrowings	1,101	1,236
Right-of-use lease liabilities	771	718
Total finance costs	1,872	1,954
Profit on sale of property, plant and equipment	231	57

Accounting policy for employee benefits

The Group's accounting policy for liabilities associated with employee benefits is set out in note 18.

Employee benefits include all consideration paid or payable by the Group in exchange for services rendered by employees. Employee benefits are expensed as incurred, including employee benefits attributable to construction work in progress, which are expensed within cost of sales.

The Group makes superannuation contributions (currently 9.5% of the employees' average ordinary salary) to the employees' defined contribution superannuation plans of choice in respect of employee services rendered during the year. These superannuation contributions are recognised as an expense in the same period as the related employee services are received.

The Group operates share based payment employee incentive and option schemes. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is measured at the market bid price at the grant date. The fair value of options, including Loan Funded Shares, is measured using an appropriate valuation model selected according to the terms and conditions of the grant. In respect of share based payments that are dependent on the satisfaction of performance conditions, the number of shares and options expected to vest is reviewed and adjusted at each reporting date. The amount recognised for services received as consideration for these equity instruments granted is adjusted to reflect the best estimate of the number of equity instruments that will eventually vest.

NOTE 7. INCOME TAX

	Consolidated	
	2021 $'000	**2020 $'000**
(a) Components of tax expense		
Current tax	11,967	9,245
Deferred tax	(475)	(872)
Under/(over) provision in prior years	168	(82)
	11,660	8,291
(b) Prima facie tax payable		
The prima facie tax payable on profit before income tax is reconciled to the income tax expense as follows:		
Profit before tax	39,120	30,488
Prima facie income tax payable on profit before income tax at 30.0% (2020: 30.0%)	11,736	9,146
Add tax effect of:		
– Subsidiary losses not recognised	931	882
– Other non-deductible expenses	629	151
– Goodwill written off	531	–
– Under/(over) provision in prior years	168	–
Less tax effect of:		
– Distributions to non-controlling interests	(1,861)	(1,170)
– Subsidiary losses utilised (previously not recognised)	(474)	(461)
– Other deductible expenses	–	(175)
– Under/(over) provision in prior years	–	(82)
	11,660	8,291
(c) Current tax		
Current tax relates to the following:		
Current tax liabilities/(assets)		
Opening at 1 July	4,198	4,387
Current tax liabilities/(assets) assumed on business combination	–	(1,226)
Income tax expense	11,967	9,245
Tax payments	(11,152)	(8,126)
Under/(over) provision in prior years	168	(82)
Closing at 30 June	5,181	4,198

	Consolidated	
	2021 $'000	**2020 $'000**
(d) Deferred tax		
Deferred tax relates to the following:		
Deferred tax assets		
– Accruals	1,065	937
– Employee benefits	2,440	2,203
– Property, plant and equipment	402	312
– Capital raising costs and other blackhole expenditure	420	609
– Right-of-use leases	556	500
	4,883	4,561
Deferred tax liabilities		
– Intangibles	(4,171)	(4,324)
	(4,171)	(4,324)
Net deferred tax assets/(liabilities)	712	237
Movements:		
Opening balance	237	3,101
Income tax (expense)/benefit	475	872
Assumed on business combination	–	(3,736)
Closing balance	**712**	**237**
(e) Deferred income tax (benefit)/expense included in income tax expense comprises		
Net decrease/(increase) in deferred tax assets	(475)	(872)
(f) Deferred income tax assumed on business combination		
Net decrease/(increase) in deferred tax assets	–	3,736

Accounting policy for income tax

Current income tax expense or benefit is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities.

Deferred tax assets and liabilities are recognised for temporary differences at the applicable tax rates when the assets are expected to be recovered or liabilities are expected to be settled.

Deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

NOTE 8. CASH AND CASH EQUIVALENTS

	Consolidated	
	2021 $'000	**2020 $'000**
Cash on hand	16	25
Cash at bank	43,115	46,561
Cash on deposit	182	182
	43,313	**46,768**
Reconciliation to cash and cash equivalents at the end of the financial year		
The above figures are reconciled to cash and cash equivalents at the end of the financial year as shown in the consolidated statement of cash flows as follows:		
Balances as above	43,313	46,768
Balance as per consolidated statement of cash flows	43,313	46,768

Accounting policy for cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the consolidated statement of cash flows presentation purposes, cash and cash equivalents also include bank overdrafts, which are shown within borrowings in current liabilities on the consolidated statement of financial position.

NOTE 9. TRADE AND OTHER RECEIVABLES

	Consolidated	
	2021 $'000	**2020 $'000**
Trade receivables	72,215	55,440
Trade retentions	1,018	1,094
Other debtors	632	596
	1,650	1,690
Related parties	913	928
Non-controlling interests	4,016	4,944
	78,794	**63,002**

Accounting policy for trade and other receivables

A receivable from a contract with a customer represents the Group's unconditional right to consideration arising from the transfer of goods or services to the customer (i.e. only the passage of time is required before payment of the consideration is due). Invoicing of customers generally occurs on a monthly basis. Outstanding invoices are generally due for payment within 30 days of the invoice date.

Impairment of receivables from contracts with customers and other receivables

The Group applies the simplified approach under AASB 9 (Financial Instruments) to measuring the allowance for credit losses for both receivables from contracts with customers and contract assets. Under the AASB 9 (Financial Instruments) simplified approach, the Group determines the allowance for credit losses for receivables from contracts with customers and contract assets on the basis of the lifetime expected credit losses of the instrument. Lifetime expected credit losses represent the expected credit losses that are expected to result from default events over the expected life of the financial asset.

The majority of the Group's debtors pertain to work completed in accordance with contracts with counterparties such as: insurance companies, local governments and other corporates and are billed and typically received in accordance with the terms of those contracts.

The Group assesses the collectability of each debt on a monthly basis and where necessary provides for any portion which may be unrecoverable. The Group has low credit risk exposure given its customer profile and the fact that works are completed in accordance with contracted amounts.

Where a debtor is in 'default' (outside credit terms) the Group assesses the enforceability of the contract and takes the appropriate collection action with legal action being the last resort.

NOTE 10. INVENTORIES

	Consolidated	
	2021 $'000	2020 $'000
Raw materials	825	1,855

Accounting policy for inventories

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

NOTE 11. ACCRUED INCOME

	Consolidated	
	2021 $'000	2020 $'000
Accrued income	40,711	34,041

Accrued income represents construction work in progress valued at cost plus profit recognised to date less any provision for anticipated future losses, less progress claims made.

Accounting policy for construction contracts and work in progress – accrued income

Construction work in progress represents the Group's right to consideration (not being an unconditional right recognised as a receivable) in exchange for goods and services transferred to the customer. Construction work in progress is measured at the amount of consideration that the Group expects to be entitled to in exchange for goods or services transferred to the customer.

The Group recovered the majority of the 2020 accrued income within the 2021 year and expects the 2021 balance to be settled within 12 months.

NOTE 12. OTHER CURRENT ASSETS

	Consolidated	
	2021 $'000	**2020 $'000**
Prepayments	2,930	1,904
Total other current assets	**2,930**	**1,904**

Accounting policy for prepayments

Expenditure paid in advance relating to periods exceeding one month, is recorded as a prepayment and progressively expensed over the period to which the expenditure relates.

NOTE 13. PROPERTY, PLANT AND EQUIPMENT

	Consolidated	
	2021 $'000	**2020 $'000**
Freehold land – at cost	1,224	1,018
Buildings – at cost	333	364
Less: accumulated depreciation	(15)	(6)
	318	358
Leasehold improvements – at cost	3,402	3,140
Less: accumulated depreciation	(1,922)	(1,759)
	1,480	1,381
Plant and equipment – at cost	10,180	7,043
Less: accumulated depreciation	(5,976)	(4,491)
	4,204	2,552
Motor vehicles – at cost	15,043	12,649
Less: accumulated depreciation	(7,276)	(6,027)
	7,767	6,622
Computer equipment – at cost	1,925	1,892
Less: accumulated depreciation	(1,658)	(1,458)
	267	434
Total property, plant and equipment	**15,260**	**12,365**

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Freehold land $'000	Buildings $'000	Leasehold improvements $'000	Plant and equipment $'000	Motor vehicles $'000	Computer equipment $'000	Total $'000
Balance at 30 June 2019	–	–	1,319	1,208	6,169	408	9,104
Additions	–	–	262	725	2,215	229	3,431
Additions through business combinations	1,018	364	211	2,100	591	–	4,284
Disposals	–	–	–	(105)	(449)	(8)	(562)
Depreciation expense	–	(6)	(411)	(1,376)	(1,904)	(195)	(3,892)
Balance at 30 June 2020	1,018	358	1,381	2,552	6,622	434	12,365
Additions	–	–	635	2,422	3,693	57	6,807
Disposals	–	–	–	–	(355)	–	(355)
Depreciation expense	–	(9)	(536)	(1,722)	(2,147)	(224)	(4,638)
Foreign exchange movements	(89)	(31)	–	(5)	(8)	–	(133)
Reclassifications	295	–	–	957	(38)	–	1,214
Balance at 30 June 2021	**1,224**	**318**	**1,480**	**4,204**	**7,767**	**267**	**15,260**

Property, plant and equipment secured under hire purchase arrangements

The total net book value of plant and equipment and motor vehicles under hire purchase arrangements at 30 June 2021 is $6,872,000 (2020: $6,622,000).

The corresponding hire purchase liability of $6,611,000 (2020: $5,673,000) has been included in borrowings note 17.

Accounting policy for property, plant and equipment

Each class of property, plant and equipment is carried at cost, less, where applicable, any accumulated depreciation and any accumulated impairment losses.

Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding motor vehicles which depreciation basis is diminishing value) over their expected useful lives as follows:

Land is not depreciated.

Class of fixed asset	Depreciation rates	Depreciation basis
Buildings at cost	2-4%	Straight-line
Leasehold improvements at cost	10-25%	Straight-line
Plant and equipment at cost	25-33%	Straight-line
Motor vehicles at cost	27%	Diminishing value
Computer equipment at cost	25-33%	Straight-line

The residual values, useful lives and depreciation methods are reviewed and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amounts and the disposal proceeds are recognised profit or loss.

NOTE 14. INTANGIBLES

	Consolidated	
	2021 $'000	2020 $'000
Goodwill	30,667	32,340
Trademarks	5,114	5,394
Customer contracts	12,744	12,744
Less: Accumulated amortisation	(1,020)	(510)
	11,724	12,234
Software	876	797
Less: Accumulated amortisation	(223)	(88)
	653	709
	48,158	**50,677**

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Goodwill $'000	Trademarks $'000	Customer contracts $'000	Software $'000	Total $'000
Balance at 30 June 2019	6,098	3,145	–	285	9,528
Additions	–	–	–	482	482
Additions through business combinations	26,223	2,179	12,744	–	41,146
Foreign exchange movements	19	70	–	–	89
Amortisation expense	–	–	(510)	(58)	(568)
Balance at 30 June 2020	32,340	5,394	12,234	709	50,677
Additions	–	–	–	79	79
Adjustments	168	–	–	–	168
Goodwill written off	(1,771)	–	–	–	(1,771)
Foreign exchange movements	(70)	(280)	–	–	(350)
Amortisation expense	–	–	(510)	(135)	(645)
Balance at 30 June 2021	**30,667**	**5,114**	**11,724**	**653**	**48,158**

Accounting policy for intangible assets

Goodwill

Goodwill represents the future economic benefit arising from other assets acquired in business combinations that are not individually identifiable or separately recognised. Refer to note 2(e) for a description of how goodwill arising from a business combination is initially measured.

Goodwill is not amortised, but is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less any accumulated impairment losses.

Trademarks

Trademarks, including brand names, are acquired through business combinations and are initially measured at their fair value at the date of acquisition.

Trademarks are not amortised, but are tested for impairment annually, or more frequently if events or changes in circumstances indicate that they might be impaired and are carried at cost less accumulated impairment losses.

Customer contracts

Customer contracts and relationships are acquired through business combinations and are initially measured at their fair value at the date of acquisition. Customer contracts and relationships are amortised over their estimated useful lives of 25 years commencing from the date of acquisition.

Software

Software is recognised at cost and amortised using the straight-line method over its estimated useful life of 3 years commencing from the time the asset is ready for use. Software is carried at cost less accumulated amortisation and any impairment losses.

Impairment tests for goodwill and intangible assets with indefinite useful lives

Goodwill has been tested for impairment by comparing the carrying amount to its recoverable amount. The recoverable amount is based on a value-in-use calculation, determined using a discounted cash flow model.

These calculations are based on projected cash flows approved by Management covering a period of 5 years. Management's determination of cash flow projections and gross margins are based on past performance and its expectation for the future. Key assumptions for each Cash Generating Unit (CGU) in determining value-in-use include:

- Trump Property Maintenance (VIC) Pty Ltd – A terminal value growth rate of 2.5% (2020: 2.5%) and a discount rate of 8.8% (2020: 8.9%).
- Dressed for Sale Australia Pty Ltd (including Furniture Rentals Australia Holdings Pty Ltd) – A terminal value growth rate of 2.5% (2020: 2.5%) and a discount rate of 8.8% (2020: 8.9%).
- Bright & Duggan Group Pty Ltd (including Capitol Strata Management (Holdings) Pty Ltd) – A terminal value growth rate of 2.5% (2020: 2.5%) and a discount rate of 8.8% (2020: 8.9%).
- Air Control Australia Pty Ltd ATF Vanzis Unit Trust – A terminal value growth rate of 2.5% (2020: 2.5%) and a discount rate of 8.8% (2020: 8.9%).
- Steamatic LLC – the Steamatic brand name has been tested for impairment using the fair value less cost of disposal method. Fair value has been determined using a royalty relief model. The key assumptions used in determining the fair value were a terminal growth rate of 2.5%, a discount rate of 14.0%, and a royalty rate of 7.0%.

Goodwill and intangibles with indefinite useful lives are allocated to the following CGU's:

	Consolidated	
	2021 $'000	2020 $'000
Goodwill:		
Trump Property Maintenance (VIC) Pty Ltd	1,571	1,571
Trump Property Maintenance Pty Ltd ATF Floorcoverings Unit Trust[1]	–	1,364
Trump Floorcoverings QLD Pty Ltd[1]	–	407
Dynamic Construction	100	100
Dressed for Sale Australia Pty Ltd (including Furniture Rentals Australia Holdings Pty Ltd)	5,217	5,217
Steamatic, LLC	749	819
Bright & Duggan Group Pty Ltd (including Capitol Strata Management (Holdings) Pty Ltd)	20,314	20,314
Air Control Australia Pty Ltd ATF Vanzis Unit Trust	2,716	2,548
	30,667	**32,340**
Trademarks:		
Steamatic	2,933	3,213
Bright & Duggan	2,179	2,179
Other	2	2
	5,114	**5,394**

1 During FY21, Management made the strategic decision to close the Trump Floorcoverings business units in NSW and QLD. Accordingly, goodwill associated with these businesses was written off in FY21.

NOTE 15. RIGHT-OF-USE ASSETS & LEASE LIABILITIES

The Group's right-of-use assets and lease liabilities are derived from underlying operating leases - the majority of which are property leases for the Group's various offices.

	Consolidated	
	2021 $'000	2020 $'000
Right-of-use assets		
Buildings under lease arrangements at cost	21,500	22,512
Accumulated depreciation	(8,009)	(8,286)
Total carrying amount of right-of-use assets	**13,491**	**14,226**

Reconciliation of carrying amount of right-of-use assets	Buildings	Total
Carrying amount at 1 July 2019	9,695	9,695
Additions	545	545
Additions through business combinations	7,630	7,630
Depreciation	(3,644)	(3,644)
Carrying amount at 30 June 2020	**14,226**	**14,226**
Carrying amount at 1 July 2020	14,226	14,226
Additions	3,712	3,712
Depreciation	(4,298)	(4,298)
Lease terminations	(149)	(149)
Carrying amount at 30 June 2021	**13,491**	**13,491**

	2021 $'000	2020 $'000
Right-of-use lease liabilities		
Current right-of-use lease liabilities	3,976	3,611
	3,976	**3,611**
Non-current right-of-use lease liabilities	11,368	12,281
	11,368	**12,281**
Right-of-use lease expense & cashflow		
Expense relating to leases of 12 months or less and/or leases of low value assets (for which a right-of-use asset and lease liability has not been recognised)	(157)	(457)
Total cash outflow in relation to leases	(5,039)	(4,480)

Accounting policy for right-of-use assets and lease liabilities

At the commencement date of a lease (other than leases of 12 months or less and/or leases of low value assets), the Group recognises a right-of-use asset representing its right to use the underlying asset and a right-of-use lease liability representing its obligation to make lease payments.

Right-of-use assets

Right-of-use assets are initially recognised at cost, comprising the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date of the lease, less any lease incentives received, any initial direct costs incurred by the Group, and an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Subsequent to initial recognition, right-of-use assets are measured at cost (adjusted for any remeasurement of the associated lease liability), less accumulated depreciation and any accumulated impairment loss.

Right-of-use assets are depreciated over the shorter of the lease term and the estimated useful life of the underlying asset, consistent with the estimated consumption of the economic benefits embodied in the underlying asset.

Right-of-use assets do not include any property, plant or equipment under hire purchase arrangements.

Right-of-use lease liabilities

Lease liabilities are initially recognised at the present value of the future lease payments (i.e. the lease payments that are unpaid at the commencement date of the lease). These lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, or otherwise using the Group's incremental borrowing rate.

Subsequent to initial recognition, lease liabilities are measured at the present value of the remaining lease payments (i.e. the lease payments that are unpaid at the reporting date). Interest expense on lease liabilities is recognised in profit or loss (presented as a component of finance costs). Lease liabilities are remeasured to reflect changes to lease terms, changes to lease payments and any lease modifications not accounted for as separate leases.

Variable lease payments not included in the measurement of lease liabilities are recognised as an expense when incurred.

Right-of-use lease liabilities do not include any property, plant or equipment under hire purchase arrangements.

Leases of 12 months or less and leases of low value assets

Lease payments made in relation to leases of 12 months or less and/or leases of low value assets (for which a right-of-use asset and a lease liability has not been recognised) are recognised as an expense on a straight-line basis over the lease term.

NOTE 16. TRADE AND OTHER PAYABLES

	Consolidated	
	2021 $'000	**2020 $'000**
Trade creditors	82,402	72,170
Sundry creditors and accruals	16,736	19,146
Related parties	70	-
	99,208	**91,316**

Accounting policy for trade and other payables

Trade and other payables are stated at amortised cost.

NOTE 17. BORROWINGS

	Consolidated	
	2021 $'000	2020 $'000
Current borrowings		
Secured:		
Other loans	1,587	1,114
Hire purchase	3,320	3,182
Bank loans	1,850	1,350
	6,757	**5,646**
Non-current borrowings		
Secured:		
Hire purchase	3,291	2,491
Bank loans	7,800	14,426
	11,091	**16,917**

Accounting policy for borrowings

Borrowings are initially recognised at fair value less attributable transaction costs. Subsequently, borrowings are stated at amortised cost. Any difference between cost and redemption value is recognised in the consolidated statement of profit or loss and other comprehensive income over the tenor of the borrowings.

Plant and equipment subject to hire purchase arrangements is included in property, plant and equipment per note 13.

NOTE 18. EMPLOYEE PROVISIONS

	Consolidated	
	2021 $'000	2020 $'000
Current		
Employee benefits	**7,522**	**7,120**
Non-current		
Employee benefits	**610**	**663**

Accounting policy for employee benefits

Short-term employee benefits

Liabilities arising in respect of wages and salaries, annual leave and any other employee benefits (other than termination benefits) expected to be settled wholly before twelve months after the end of the reporting period are measured at the (undiscounted) amounts based on remuneration rates which are expected to be paid when the liability is settled. The expected cost of short-term employee benefits in the form of compensated absences such as annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables in the consolidated statement of financial position.

Accounting policy for other long-term employee benefits

The liability for long service leave not expected to be settled within 12 months of the reporting date is measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

NOTE 19. NON-CONTROLLING INTEREST LIABILITIES

	Consolidated	
	2021 $'000	2020 $'000
Non-controlling interest liabilities	1,363	619

Accounting policy for non-controlling interest liabilities

Non-controlling interest liabilities represent distributions and dividends owing to non-controlling interests. Distributions and dividends are recognised in accordance with the requirements of the distribution minutes, trust deeds and dividend statements as appropriate. Intergroup distributions and dividends have been eliminated on consolidation.

NOTE 20. INCOME IN ADVANCE

	Consolidated	
	2021 $'000	2020 $'000
Income in advance	23,710	23,602

Accounting policy for construction contracts and work in progress – income in advance

Construction income in advance represents the Group's obligation to transfer goods or services to the customer for which the Group has received consideration (or an amount of consideration is due) from the customer. Amounts recorded as construction income in advance are subsequently recognised as revenue when the Group transfers the contracted goods or services to the customer.

NOTE 21. ISSUED CAPITAL

	Consolidated			
	2021 Shares	2020 Shares	2021 $'000	2020 $'000
Ordinary shares – fully paid	224,099,475	222,388,980	64,651	60,460

Movements in issued capital

Details	Date	Shares	$'000
Opening balance	1 July 2019	222,087,758	60,018
Issue of shares - vesting of Performance Rights	1 July 2019	78,326	85
Issue of shares - vesting of Performance Rights	20 August 2019	52,782	57
Issue of shares - Loan Funded Shares	10 December 2019	28,114	–
Issue of shares - business acquisition	3 April 2020	142,000	300
Balance	**30 June 2020**	**222,388,980**	**60,460**
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 (earn-out)	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
Issue of shares - Executive Incentive Plan	23 February 2021	22,191	70
Issue of shares - business acquisition (earn-out)	17 March 2021	68,374	200
Balance	**30 June 2021**	**224,099,475**	**64,651**

NOTE 21. ISSUED CAPITAL (continued)

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

18,136 (FY20: 28,114) Loan Funded Shares were issued during the financial year. In accordance with relevant accounting standards, the Loan Funded Shares have been classified as options and are therefore not recognised within share capital.

Capital risk management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern and to maintain an optimal capital structure. Reducing the Group's cost of capital as a going concern will facilitate positive returns for Shareholders and benefits to other stakeholders.

Capital is regarded as total equity, as recognised in the consolidated statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust its capital structure, the Group may adjust the amount of dividends paid to Shareholders, return capital to Shareholders, issue new shares or sell assets to reduce debt.

The Group will look to raise additional capital, if required, when an opportunity to invest in a business or company is perceived to be value adding relative to the Company's share price at the time of the investment.

The Group is subject to certain covenants relating to financing arrangements and meeting said covenants is given priority in all capital and risk management decisions. There have been no events of default on the financing arrangements during the financial year.

NOTE 22. RESERVES

	Consolidated	
	2021 $'000	2020 $'000
Foreign currency translation reserve	(520)	(130)
Options reserve	1,932	1,287
Changes in subsidiary interests reserve	(21,238)	(21,813)
Balance at 30 June 2021	**(19,826)**	**(20,656)**

Foreign currency translation reserve

The foreign currency translation reserve is used to record the exchange differences arising on translation of a foreign entity.

Options reserve

The options reserve is used to record the fair value of Loan Funded Shares issued to Executives as part of their remuneration along with the value of long-term share based incentives (Performance Rights) under the Executive Incentive Plan.

Changes in subsidiary interests reserve

The changes in subsidiary interests reserve is used to record transactions with non-controlling interests that result in a change in the Group's interest in a subsidiary that do not result in a loss of control.

Movements in reserves

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

Consolidated	Foreign currency translation reserve $'000	Options reserve $'000	Changes in subsidiary interests reserve $'000	Total $'000
Balance at 1 July 2019	(46)	631	(22,422)	(21,837)
Transactions with non-controlling interests	–	–	609	609
Foreign currency translation	(84)	–	–	(84)
Share based payments	–	798	–	798
Issue of shares on vesting of Performance Rights[1]	–	(142)	–	(142)
Balance at 30 June 2020	**(130)**	**1,287**	**(21,813)**	**(20,656)**
Balance at 1 July 2020	(130)	1,287	(21,813)	(20,656)
Transactions with non-controlling interests	–	–	575	575
Foreign currency translation	(390)	–	–	(390)
Share based payments	–	1,189	–	1,189
Issue of shares on vesting of Performance Rights[1]	–	(544)	–	(544)
Balance at 30 June 2021	**(520)**	**1,932**	**(21,238)**	**(19,826)**

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

NOTE 23. RETAINED EARNINGS

	Consolidated	
	2021 $'000	**2020 $'000**
Retained earnings at the beginning of the financial year	12,004	6,821
Profit after income tax for the year	18,560	15,850
Dividends paid	(9,827)	(10,667)
Retained earnings at the end of the financial year	**20,737**	**12,004**

NOTE 24. NON-CONTROLLING INTERESTS

	Consolidated	
	2021 $'000	2020 $'000
Non-controlling interests – paid up capital in subsidiaries	2,037	1,877
Non-controlling interests – share of retained earnings/(accumulated losses)	505	(82)
Non-controlling interests – share of acquisition date net intangible assets recognised on consolidation[1]	5,304	5,499
	7,846	**7,294**

	2021 $'000	2020 $'000
Non-controlling interests – paid up capital in subsidiaries		
Opening balance	1,877	889
Transactions with the Group	160	(105)
Issue of shares through business combination	–	941
Issue of shares to non-controlling interests	–	152
Closing balance	**2,037**	**1,877**

	2021 $'000	2020 $'000
Non-controlling interests – share of retained earnings/(accumulated losses)		
Opening balance	(82)	(1,535)
Share of profit after income tax	9,095	6,541
Share of dividends	(2,303)	(901)
Share of distributions	(6,205)	(3,901)
Transactions with the Group	–	(218)
Retained earnings/(accumulated losses) acquired through business combination	–	(68)
Closing balance	**505**	**(82)**

	2021 $'000	2020 $'000
Non-controlling interests – share of acquisition date net intangible assets recognised on consolidation[1]		
Opening balance	5,499	–
Reserves acquired through business combination[1]	–	5,693
Share of profit after income tax	(195)	(194)
Closing balance	**5,304**	**5,499**

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

NOTE 25. DIVIDENDS

	Consolidated	
	2021 $'000	**2020 $'000**
Dividends paid		
Dividends paid at $0.044 per share (FY20: $0.048) fully franked at 30%	9,827	10,667
Dividends declared after the reporting period and not recognised		
Since the end of reporting period the Directors have recommended/declared a dividend at $0.028 per share (FY20: $0.022) fully franked at 30%	6,310	4,898
Franking account		
Balance of franking account on a tax paid basis at financial year-end adjusted for franking credits arising from payment of provision for income tax and dividends recognised as receivables, franking debits arising from payment of proposed dividends and any credits that may be prevented from distribution in subsequent years	15,493	10,315

NOTE 26. FINANCIAL INSTRUMENTS

Financial risk management objectives

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focusses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses derivative financial instruments such as forward foreign exchange contracts to hedge certain risk exposures. Derivatives are exclusively used for hedging purposes i.e. not as trading or other speculative instruments. The Group uses different methods to measure different types of risks to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Risk management is carried out by senior finance executives (Finance) under policies approved by the Board of Directors. These policies include identification and analysis of the risk exposure of the Group and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the Group's operating units. Finance reports to the Board on a monthly basis.

Market risk

Foreign currency risk

The Group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The Group's exposure to foreign currency risk at 30 June 2021 is immaterial.

Interest rate risk

The Group's main interest rate risk arises from long-term borrowings. Borrowings obtained at variable rates expose the Group to interest rate risk. Borrowings obtained at fixed rates expose the Group to fair value interest rate risk. The Group reviews its interest rate exposure on a regular basis. As at 30 June 2021, if interest rates had changed +/-1% from the year end rates, with all other variables held constant, the effect on post-tax profit for the year would have been immaterial.

NOTE 26. FINANCIAL INSTRUMENTS (continued)

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has a strict code of credit, including obtaining credit agency information, confirming references and setting appropriate credit limits. The Group obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the consolidated statement of financial position and notes to the consolidated financial statements. The Group does not hold any collateral.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities. Liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Group manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Maturity analysis

The following tables detail the Group's remaining contractual maturities for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid.

The tables include principal and (contracted) interest cash flows disclosed as remaining contractual maturities.

	< 6 months $'000	6-12 months $'000	1-5 years $'000	> 5 years $'000	Total contractual cash flows $'000	Carrying amount $'000
Consolidated – 2021						
Payables	99,208	–	–	–	99,208	99,208
Borrowings	4,420	2,540	11,185	–	18,145	17,848
Right-of-use lease liabilities	2,140	2,191	11,674	656	16,661	15,344
Total non-derivatives	105,768	4,731	22,859	656	134,014	132,400
Consolidated – 2020						
Payables	91,316	–	–	–	91,316	91,316
Borrowings	3,617	2,223	16,995	–	22,835	22,563
Right-of-use lease liabilities	2,242	2,046	11,747	1,883	17,918	15,892
Total non-derivatives	97,175	4,269	28,742	1,883	132,069	129,771

NOTE 27. DIRECTORS' AND EXECUTIVES' COMPENSATION

Directors' and Executives' compensation is rounded to the nearest $1 in accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.*

Compensation by category

	Consolidated	
	2021 $	**2020 $**
Short-term employee benefits	3,876,975	2,895,142
Post-employment benefits	127,044	93,991
Long-term employee benefits	23,558	21,307
Share based payments	970,031	490,519
	4,997,608	**3,500,959**

NOTE 28. REMUNERATION OF AUDITORS

Remuneration of auditors is rounded to the nearest $1 in accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.*

During the financial year the following fees were paid or payable for services provided by the auditor of the Group:

	Consolidated	
	2021 $	**2020 $**
Audit services		
Audit or review of the financial statements	472,000	347,500
Other audit services	66,500	167,500
	538,500	515,000
Other services		
Accounting and taxation compliance	262,000	218,000
Other advisory services	51,951	117,229
Corporate finance	4,000	40,000
Corporate secretarial	77,710	83,469
Other	4,305	17,880
	399,966	476,578
Amounts paid and payable to network firms of Pitcher Partners[1] for:		
Other advisory services	5,010	5,018
Total remuneration for audit and other services	943,476	996,596

[1] Network firms of Pitcher Partners include members of the Pitcher Partners network and members of the Baker Tilly International network.

NOTE 29. CONTINGENT LIABILITIES

Contingent liabilities exist for possible future claims which may be made against the Group.

	Consolidated	
	2021 $'000	2020 $'000
Estimates of the maximum amounts of contingent liabilities that may become payable:		
Bank guarantees	19,430	6,736

NOTE 30. COMMITMENTS

	Consolidated	
	2021 $'000	2020 $'000
Expenditure commitments contracted for:		
Contracted construction commitments		
Within one year	**98,601**	**85,905**

NOTE 31. RELATED PARTY TRANSACTIONS

The following transactions occurred with Non-executive Directors and KMP:

During the current financial period and previous financial periods, Johns Lyng Group Limited advanced loans to, received and repaid loans from and provided treasury, accounting, legal, taxation and administrative services to other entities within the Group.

Entities within the Group also exchanged goods and services in sale and purchase transactions. All transactions occurred on the basis of normal commercial terms and conditions. Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

Curt Mudd was an Executive Director from 28 September 2017 to 30 November 2018 and was appointed as a Non-executive Director on 1 December 2018. Post retirement as an Executive Director, Curt Mudd received consultancy fees from the Group in the amount of $31,621 (GST: nil) (FY20: $34,912 (GST: nil)). These amounts have been included in salary and fees within the Remuneration Report.

During FY21 the Group paid $20,236 (plus GST) (FY20: $9,059 (plus GST)) to EBH Leasehold Pty Ltd ATF EBH Leasehold Unit Trust (EBH) for staff and client entertainment purposes (primarily for accommodation under a corporate arrangement of $170 per night, inclusive of a 20% discount for staff and other related parties). Scott Didier AM is a director and sole unitholder of EBH. The arrangement is on an arm's length basis and on commercial terms.

During FY21 the Group paid $1,432 (plus GST) (FY20: nil) to Hamilton Locke Pty Ltd (Hamilton Locke) for legal services and $16,620 (plus GST) (FY20: nil) to Emerson Operations Pty Ltd (Emerson) for company secretarial services. Peter Dixon is a director and shareholder of Halo Group Holdings Pty Ltd, the parent company of Hamilton Locke and Emerson.

From time-to-time and as required, the Group provides administrative support services to related party businesses (demerged pre-IPO) along with Trump Investments Pty Ltd ATF Trump Investments Trust.

During FY21 the Group charged fees for services on an arm's length basis and on commercial terms (hourly rates based on the time expended). The Group provided administrative support services for which it charged $150,000 (plus GST) (FY20: $276,947 (plus GST)) to related party entities.

Is My CV Australia Pty Ltd ATF Is My CV Australia Unit Trust (Is My CV) has entered into an agreement with Johns Lyng Commercial Builders Pty Ltd ATF Johns Lyng Commercial Builders Unit Trust for design, demolition and construction work at 719-721 Whitehorse Road, Mont Albert (VIC). Is My CV is owned by Scott Didier AM, Lindsay Barber, Matthew Lunn, Nick Carnell, Adrian Gleeson, Pip Turnbull, Curt Mudd and other unitholders. During FY21 the cost of work totalled $2,789,078 (plus GST) (FY20: $2,942,107 (plus GST)). The arrangement is on an arm's length basis and on commercial terms.

Johns Lyng Insurance Building Solutions (Victoria) Pty Ltd ATF Johns Lyng Insurance Building Solutions (Victoria) Unit Trust completed renovations at Scott Didier AM's residence during the period July 2020 to February 2021. The scope of work completed in FY21 totalled $183,011 (plus GST) (FY20: $130,725 (plus GST)). This project was completed on an arm's length basis and on commercial terms.

Johns Lyng Insurance Building Solutions (Victoria) Pty Ltd ATF Johns Lyng Insurance Building Solutions (Victoria) Unit Trust completed renovations at Lindsay Barber's residence during the period July 2020 to May 2021. The scope of work completed in FY21 totalled $212,889 (plus GST) (FY20: nil). This project was completed on an arm's length basis and on commercial terms.

Johns Lyng Insurance Building Solutions (Victoria) Pty Ltd ATF Johns Lyng Insurance Building Solutions (Victoria) Unit Trust completed renovations at EBH Leasehold Pty Ltd ATF EBH Leasehold Unit Trust (EBH) during the period December 2019 to June 2021. The scope of work completed in FY21 totalled $65,718 (plus GST) (FY20: $434,078 (plus GST)). Scott Didier AM is a director and sole unitholder of EBH. This project was completed on an arm's length basis and on commercial terms.

Leases

The Group has entered into a number of leases for office and warehouse space throughout Australia. Four of these leases in Victoria are with landlords that are related parties of the Group. The table below lists the names of the related party landlords and their relationship with the Group.

Landlord/premises	KMP relationship with the Group	Payments during the period
Landlord: Trump Investments Pty Ltd ACN 006 779 791 ATF Trump Investments Trust. Premises: 17 Capital Place, Carrum Downs, Victoria 3201	Scott Didier AM is a director of Trump Investments Pty Ltd and the sole unitholder of Trump Investments Trust.	FY21: $159,041 (plus GST) FY20: $156,389 (plus GST)
Landlord: Trump Sunshine Pty Ltd ACN 151 548 202 ATF Trump Sunshine Trust. Premises: 120 Proximity Drive, Sunshine West, Victoria 3020	Scott Didier AM is a director of Trump Sunshine Pty Ltd and a unitholder of Trump Sunshine Trust (through Trump Investments Trust).	FY21: $112,873 (plus GST) FY20: $118,921 (plus GST)
Landlord: 1 Williamsons Road Pty Ltd ACN 130 622 187 ATF 1 Williamsons Road Unit Trust. Premises: 1 Williamsons Road, Doncaster, Victoria 3108	1 Williamsons Road Unit Trust is owned by Johns Lyng Investments Pty Ltd ATF Johns Lyng Investments Unit Trust. Scott Didier AM, Lindsay Barber, Matthew Lunn, Nick Carnell, Adrian Gleeson, Pip Turnbull, Curt Mudd and other unitholders own the units in Johns Lyng Investments Unit Trust.	FY21: $404,304 (plus GST) FY20: $392,532 (plus GST)
Landlord: Is My Software Pty Ltd ACN 136 024 256 ATF Is My Software Unit Trust. Premises: 3 Williamsons Road, Doncaster, Victoria 3108	Scott Didier AM, Lindsay Barber, Matthew Lunn, Nick Carnell, Adrian Gleeson, Pip Turnbull, Curt Mudd and other unitholders own the units in Is My Software Unit Trust.	FY21: nil[1] FY20: $22,500 (plus GST)[1]

1 Office space used under a periodic tenancy arrangement as required.

The lease agreements with the landlords noted above have been entered into on an arm's length basis and on commercial terms.

Related party loans

	Consolidated	
	2021	2020
Johns Lyng Investments Pty Ltd ATF Johns Lyng Investments Unit Trust[1]	(70,415)	15,293
NSC Collective Pty Ltd ATF Carnell Family Trust[2]	913,495	913,495
Total related party loans – net receivable	843,080	928,788

1 Scott Didier AM, Lindsay Barber, Matthew Lunn, Nick Carnell, Adrian Gleeson, Pip Turnbull, Curt Mudd and other unitholders own the units in Johns Lyng Investments Unit Trust.

2 Amount receivable in respect of non-interest bearing loan to fund purchase of units in Johns Lyng Unit Trust pre IPO. Nick Carnell is the sole Director of NSC Collective Pty Ltd.

NOTE 31. RELATED PARTY TRANSACTIONS (continued)

Arrangements discontinued during FY20

During FY20 the Group paid $60,000 (plus GST) to Trump Yacht Charters Pty Ltd ATF Trump Yacht Charters Trust for use of a corporate yacht for client entertainment purposes. Scott Didier AM is a director of Trump Yacht Charters Pty Ltd and the sole unitholder of Trump Yacht Charters Trust. The arrangement was on an arm's length basis and on commercial terms. The arrangement was discontinued during FY20.

NOTE 32. PARENT ENTITY INFORMATION

Set out below is the supplementary information about the Parent Entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2021 $'000	**2020 $'000**
Profit after income tax	19,094	14,840
Total comprehensive income	19,094	14,840
Statement of financial position		
Total current assets	76,884	62,997
Total assets	98,849	85,141
Total current liabilities	6,266	6,661
Total liabilities	6,266	6,661
Net assets	**92,583**	**78,480**
Equity		
Issued capital	64,651	60,460
Options reserve	1,932	1,287
Retained earnings	26,000	16,733
Total equity	**92,583**	**78,480**

Guarantees entered into by the Parent Entity in relation to the debts of its subsidiaries

The Parent Entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2021 (2020: nil).

Contingent liabilities

The Parent Entity had no contingent liabilities as at 30 June 2021 (2020: nil).

Capital commitments

The Parent Entity had no capital commitments as at 30 June 2021 (2020: nil).

Significant accounting policies

The accounting policies of the Parent Entity are consistent with those of the Group, as disclosed in note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the Parent Entity;
- Investments in associates are accounted for at cost, less any impairment, in the Parent Entity; and
- Dividends and distributions received from subsidiaries are recognised as other income by the Parent Entity.

NOTE 33. INTERESTS IN SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2.

Where the Group's equity interest in a subsidiary is less than 50%, control is established through its share of voting rights in the entity.

			Ownership interest	
	Name	Principal place of business / country of incorporation	2021 %	2020 %
1	Johns Lyng Unit Trust	Australia	100.00%	100.00%
2	Johns Lyng Group Disaster Management (Victoria) Unit Trust (Dormant)	Australia	100.00%	–
3	Johns Lyng Victoria Unit Trust	Australia	93.00%	93.00%
4	Johns Lyng Makesafe Emergency Builders (Victoria) Unit Trust	Australia	86.03%	86.03%
5	Johns Lyng Aztech Unit Trust	Australia	86.03%	93.00%
6	One Touch Services Unit Trust	Australia	86.03%	–
7	Johns Lyng Makesafe Victoria Insurance Services Unit Trust	Australia	81.72%	–
8	Johns Lyng Express Claims (VIC) Unit Trust	Australia	88.35%	83.70%
9	Johns Lyng Insurance Building Solutions (Victoria) Unit Trust	Australia	83.70%	93.00%
10	Restorx (VIC) Unit Trust	Australia	87.21%	87.21%
11	Restorx (VIC) Insurance Services Unit Trust	Australia	82.85%	87.21%
12	Restorx (VIC) Major Loss Unit Trust	Australia	87.21%	87.21%
13	Restorx (VIC) Delivery Unit Trust	Australia	87.21%	87.21%
14	Restorx (VIC) Biohazard Services Unit Trust	Australia	82.85%	78.49%
15	Johns Lyng (VIC) Regional Unit Trust	Australia	93.00%	93.00%
16	Johns Lyng (VIC) Gippsland Unit Trust	Australia	88.35%	88.35%
17	Johns Lyng (VIC) Geelong Unit Trust	Australia	88.35%	93.00%
18	Johns Lyng (VIC) North Unit Trust	Australia	88.35%	88.35%
19	JLG SC Victoria Unit Trust	Australia	93.00%	93.00%
20	Johns Lyng Insurance Building Solutions (Tasmania) Unit Trust	Australia	74.40%	74.40%
21	Johns Lyng Insurance Builders (Vic) Unit Trust (Dormant)	Australia	93.00%	93.00%
22	Johns Lyng NSW Unit Trust	Australia	90.00%	90.00%
23	Johns Lyng Makesafe Emergency Builders (NSW) Unit Trust	Australia	85.50%	85.50%
24	Johns Lyng Express Building Solutions (NSW) Unit Trust	Australia	81.00%	85.50%
25	Johns Lyng Insurance Building Solutions (NSW) Unit Trust	Australia	86.63%	86.63%
26	Restorx NSW Unit Trust	Australia	81.00%	81.00%
27	Restorx (NSW) Major Loss Unit Trust	Australia	76.95%	76.95%
28	Johns Lyng (NSW) Regional Unit Trust	Australia	83.25%	85.50%
29	Johns Lyng (ACT) Unit Trust	Australia	74.93%	81.23%
30	Johns Lyng Regional Makesafe NSW Unit Trust	Australia	79.09%	–
31	Johns Lyng Central NSW Unit Trust	Australia	79.09%	–
32	JLG SC NSW Unit Trust	Australia	85.50%	85.50%
33	Johns Lyng Queensland Unit Trust	Australia	96.40%	96.40%
34	Johns Lyng Northern Territory Unit Trust	Australia	96.40%	96.40%
35	Johns Lyng Makesafe Emergency Builders (QLD) Unit Trust	Australia	96.40%	96.40%

NOTE 33. INTERESTS IN SUBSIDIARIES (continued)

			Ownership interest	
	Name	Principal place of business / country of incorporation	2021 %	2020 %
36	Johns Lyng Express Building Solutions (QLD) Unit Trust	Australia	91.58%	91.58%
37	Johns Lyng Insurance Building Solutions (Brisbane) Unit Trust	Australia	86.76%	96.40%
38	Restorx Services QLD Unit Trust	Australia	86.76%	96.40%
39	Johns Lyng (QLD) Regional Unit Trust	Australia	91.58%	91.58%
40	Johns Lyng (QLD) Gold Coast Unit Trust	Australia	91.58%	91.58%
41	Johns Lyng (QLD) Central Unit Trust	Australia	87.00%	87.00%
42	Johns Lyng (QLD) North Unit Trust	Australia	91.58%	91.58%
43	JLG SC Queensland Unit Trust	Australia	96.40%	96.40%
44	Trump Ceramic & Timber Unit Trust	Australia	96.40%	96.40%
45	Johns Lyng Insurance Building Solutions (QLD) Unit Trust (Dormant)	Australia	96.40%	96.40%
46	Johns Lyng Insurance Building Solutions (WA) Unit Trust	Australia	87.50%	87.50%
47	Restorx (WA) Unit Trust	Australia	87.50%	87.50%
48	JLG SC Western Australia Unit Trust	Australia	87.50%	87.50%
49	Johns Lyng Insurance Building Solutions (SA) Unit Trust	Australia	87.50%	87.50%
50	Johns Lyng (SA) StateCo Unit Trust	Australia	100.00%	–
51	Johns Lyng (SA) HoldCo Unit Trust	Australia	100.00%	–
52	Johns Lyng Steamatic Australia Pty Ltd	Australia	100.00%	–
53	Johns Lyng USA, LLC	USA	100.00%	100.00%
54	Johns Lyng Intermediary Holdings, LLC	USA	100.00%	100.00%
55	Steamatic Property, LLC	USA	100.00%	100.00%
56	Steamatic of Nashville Real Property Holdings, LLC	USA	100.00%	100.00%
57	Johns Lyng Florida, LLC	USA	100.00%	100.00%
58	Steamatic, LLC (formerly Johns Lyng Restoration, LLC)	USA	95.00%	85.00%
59	Steamatic (Operating) Holdings, LLC	USA	100.00%	100.00%
60	Steamatic of Nashville, LLC	USA	100.00%	100.00%
61	Johns Lyng Strata Services Unit Trust	Australia	80.00%	80.00%
62	Johns Lyng Strata Services Victoria Unit Trust	Australia	80.00%	80.00%
63	Johns Lyng Strata NSW Unit Trust	Australia	72.00%	90.00%
64	Johns Lyng Strata Services Queensland Unit Trust	Australia	80.00%	80.00%
65	Huski Holding Unit Trust	Australia	80.00%	–
66	Huski Home Services Unit Trust	Australia	80.00%	–
67	Johns Lyng Strata Management Pty Ltd	Australia	100.00%	100.00%
68	Bright & Duggan Group Pty Ltd	Australia	45.50%	45.50%
69	Bright & Duggan Property Group Pty Ltd (formally Esquire Property Group Pty Ltd)	Australia	45.50%	45.50%
70	Bright & Duggan (Hunter) Pty Ltd	Australia	23.21%	23.21%
71	Bright & Duggan Pty Ltd	Australia	45.50%	45.50%
72	Bright & Duggan (QLD) Pty Ltd	Australia	45.50%	45.50%
73	Bright & Duggan (VIC) Pty Ltd (formally On To It Pty Ltd)	Australia	45.50%	45.50%

			Ownership interest	
	Name	Principal place of business / country of incorporation	2021 %	2020 %
74	Bright & Duggan (ACT) Pty Ltd (formally City Strata Management Pty Ltd)	Australia	45.50%	45.50%
75	CMS Holdings (Mirvac) Pty Ltd	Australia	45.50%	45.50%
76	Cambridge Management Services Pty Ltd	Australia	45.50%	45.50%
77	Cambridge Management Services (Hunter) Pty Ltd	Australia	23.21%	23.21%
78	Focus Community Management Pty Ltd	Australia	45.50%	45.50%
79	Bright & Duggan Facilities Management Pty Ltd	Australia	45.50%	–
80	Capitol Strata Management (Holdings) Pty Ltd	Australia	38.68%	38.68%
81	Capitol Strata Management (Brisbane) Pty Ltd	Australia	38.68%	38.68%
82	Capitol Strata Management (Redcliffe) Pty Ltd	Australia	38.68%	38.68%
83	Capitol Strata Management (Gold Coast) Pty Ltd	Australia	38.68%	38.68%
84	Johns Lyng Trump Unit Trust	Australia	100.00%	100.00%
85	Trump Property Maintenance (VIC) Pty Ltd	Australia	51.00%	56.00%
86	Trump Floorcoverings Victoria Unit Trust	Australia	51.00%	56.00%
87	Floorcoverings Unit Trust	Australia	90.00%	90.00%
88	Trump Floorcoverings QLD Pty Ltd	Australia	85.00%	85.00%
89	Johns Lyng Shopfit Services Unit Trust	Australia	85.00%	85.00%
90	Johns Lyng Rapid Retail Response Unit Trust	Australia	85.00%	–
91	Global 360 Unit Trust	Australia	85.00%	95.00%
92	Johns Lyng Glass Unit Trust (Dormant)	Australia	100.00%	100.00%
93	Global Home Response Unit Trust	Australia	100.00%	95.00%
94	Global Home Response NZ Limited	New Zealand	100.00%	95.00%
95	Global Trade Unit Trust	Australia	80.00%	76.00%
96	Johns Lyng Air Control Unit Trust	Australia	100.00%	100.00%
97	Vanzis Unit Trust (trading as 'Air Control Australia')	Australia	60.00%	60.00%
98	Air Control New South Wales Unit Trust	Australia	57.00%	–
99	Air Control Queensland Unit Trust	Australia	57.00%	–
100	Johns Lyng DFS Pty Ltd	Australia	100.00%	100.00%
101	Dressed For Sale Australia Pty Ltd	Australia	65.00%	65.00%
102	Furniture Rentals Australia Holdings Pty Ltd	Australia	65.00%	65.00%
103	Dressed for Sale Melbourne Pty Ltd	Australia	52.00%	–
104	Dressed for Sale Adelaide Pty Ltd	Australia	52.00%	–
105	Johns Lyng Commercial Builders Unit Trust	Australia	80.00%	100.00%
106	Johns Lyng Group International Holdings Pty Ltd (Dormant)	Australia	100.00%	100.00%
107	Restorx Australia Unit Trust (Dormant)	Australia	100.00%	100.00%
108	Johns Lyng Services Unit Trust	Australia	100.00%	100.00%
109	Johns Lyng Group IP Unit Trust (Dormant)	Australia	100.00%	100.00%

NOTE 34. BUSINESS COMBINATIONS

The acquisition accounting for the following acquisitions was completed during the year:

- Capitol Strata Management (Holdings) Pty Ltd;
- Furniture Rentals Australia Holdings Pty Ltd; and
- Air Control Australia Pty Ltd ATF Vanzis Unit Trust

There were no material adjustments to the provisionally accounted balances.

NOTE 35. CASH FLOW INFORMATION

	Consolidated	
	2021 $'000	**2020 $'000**
(a) Reconciliation of cash:		
Cash at the end of the financial year as shown in the consolidated statement of cash flows is reconciled to the related items in the consolidated statement of financial position as follows:		
Cash on hand	16	25
Cash at bank	43,115	46,561
At call deposits with financial institutions	182	182
	43,313	**46,768**
(b) Reconciliation of cash flow from operating activities with profit after income tax		
Profit after income tax for the year	27,460	22,197
Depreciation and amortisation	9,581	8,104
Profit on sale of property, plant and equipment	(231)	(57)
Foreign currency translation differences	93	(173)
Share based payments expense	1,264	798
Goodwill written off	1,771	–
Change in operating assets and liabilities (excluding those assumed on acquisition):		
Decrease/(increase) in trade and other receivables	(16,735)	(716)
Decrease/(increase) in inventories	(184)	(649)
Decrease/(increase) in accrued income	(6,670)	(11,855)
Decrease/(increase) in other current assets	(1,026)	3
Decrease/(increase) in deferred tax assets/liabilities	(475)	(872)
Increase/(decrease) in trade and other payables	11,828	22,672
Increase/(decrease) in current tax payable	983	1,037
Increase/(decrease) in employee provisions	349	1,115
Increase/(decrease) in income in advance	108	8,633
Net cash from operating activities	**28,116**	**50,237**

(c) Reconciliation of liabilities arising from financing activities

Proceeds from borrowings during the year amounted to $1,977,000 (FY20: $25,845,000). Borrowings were repaid during the year of $7,630,000, (FY20: $21,214,000). Repayments were made in relation to hire purchase liabilities of $3,839,000 (FY20: $3,239,000) and right-of-use (principal) lease liabilities of $4,111,000 (FY20: $3,305,000).

NOTE 36. EARNINGS PER SHARE

	Consolidated	
	2021 $'000	2020 $'000
Profit after income tax	27,460	22,197
Non-controlling interests	(8,900)	(6,347)
Profit after income tax attributable to the owners of Johns Lyng Group	18,560	15,850

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	223,633,391	222,261,507
Weighted average number of ordinary shares used in calculating diluted earnings per share	224,326,167	222,744,951

	Cents	Cents
Basic earnings per share	8.30	7.13
Diluted earnings per share	8.27	7.12

NOTE 37. SHARE BASED PAYMENTS

The Group provided the following in the form of share based payments:

	Consolidated	
	2021 $'000	2020 $'000
Value of new shares issued under the Employee Share Loan Plan (Loan Funded Shares)	30	29
Value of share based incentives (Performance Rights) issued under the Executive Incentive Plan	1,159	769
Value of new shares issued under the Executive Incentive Plan	75	–
	1,264	**798**

NOTE 37. SHARE BASED PAYMENTS (continued)

Loan Funded Shares

On 23 November 2020, the Company issued a total of 18,136 Loan Funded Ordinary Shares (Loan Funded Shares) to Directors of the Group at $2.76 per share.

Loan Funded Shares are funded by a zero interest 10 year non-recourse loan from the Group.

In accordance with Accounting Standards, the Loan Funded Shares have been treated as options, therefore no amounts have been recognised for the issued capital or loan receivable. A share based payment expense applicable to the transaction was recognised on issue.

The fair value of the Loan Funded Shares was determined by an independent expert using the Monte Carlo option pricing model with the following key inputs:

Grant date	23 November 2020	10 December 2019	30 November 2018	18 October 2017
Grant date share price	$2.76	$1.78	$0.89	$1.00
Volatility	40%	40%	40%	45%
Dividend yield	1.27%	1.42%	2.29%	2.70%
Risk-free rate	0.85%	1.11%	2.59%	2.72%
Fair value	$1.65	$1.04	$0.33	$0.46

Long-term Incentive Plan

The Group's Long-term Incentive (LTI) Plan is designed to incentivise and retain the Group's Executives via long-term share based incentive payments (Performance Rights) linked to the financial performance of the Group. The key performance indicator is actual versus forecast Net Profit After Tax.

NOTE 38. EVENTS AFTER THE REPORTING PERIOD

Matters subsequent to the end of the financial year

Bright & Duggan – strategic bolt-on acquisitions

Post 30 June 2021, Bright & Duggan made 3 strategic bolt-on acquisitions including:

- Change Strata Management (100% equity interest): 1 July 2021;
- Structure Building Management (75%[1] equity interest): 1 July 2021; and
- Shift Facilities Management (75%[1] equity interest): 1 July 2021.

[1] Bright & Duggan's net equity interest post 25% back-to-back sell-down in Bright & Duggan Facilities Management (BDFM) to Mite Domazetovski (Managing Director of BDFM)

Change Strata Management (CSM) manages high-end buildings in Sydney, with a portfolio of 2,974 lots across 75 strata schemes and 5 existing employees.

The acquisition of Structure Building Management (SBM) and Shift Facilities Management (Shift) marked Bright & Duggan's further expansion into the facilities and building management market. Together, the new building management acquisitions employ 34 existing staff and hold management contracts with 58 Sydney buildings, encompassing 7,250 lots.

A new entity, Bright & Duggan Facilities Management (BDFM), was established to acquire and manage both SBM and Shift. Mite Domazetovski, the former owner and operator of both CSM and Shift subsequently acquired a 25% equity interest in BDFM (back-to-back) and assumed the role of Managing Director.

Bright & Duggan paid a total of $8m to complete the acquisitions, funded through existing cash reserves, current debt facilities and the 25% sell-down of BDFM equity to Mr Domazetovski.

The acquisitions are in-line with the Group's strata market strategy discussed above.

Johns Lyng Group appointed to lead Victorian storm damage recovery

On 5 July 2021 the Group announced that it had entered into a contract with the State Government of Victoria for the provision of clean-up and Makesafe works on private properties damaged by Victoria's recent severe storms. The extensive storm damage is spread across 39 local Government areas and the initial phase of work (focused on private properties) is to be delivered through joint funding of $55.5m from the Australian Federal and Victorian State Governments. The initial program may be extended across further work phases including public properties in due course.

Acquisition of Unitech Building Services

On 12 July 2021 (effective 1 July 2021), the Group acquired a 60% controlling equity interest in Unitech Building Services - a South Australian-based insurance building services company.

Founded in 1995, Unitech has established a strong base of insurance industry clients, presenting clear synergies with Johns Lyng's core business offering.

Current owners and Co-Directors Anthony and Deborah Gorle retained the remaining 40% equity of the business and will continue day-to-day management. Unitech, and its 26 staff, will be integrated into Johns Lyng's existing operations significantly increasing the Group's market share in SA.

The deal creates multiple opportunities for Johns Lyng to expand in South Australia by leveraging Unitech's position including growing our Makesafe and large-loss insurance building service offerings and introducing our restoration services business, Restorx, into SA.

Further, the combined operations will have sufficient scale and capacity for a market leading CAT response in SA.

At Completion, Johns Lyng paid $1.9m in cash, funded from existing reserves plus a potential future earn-out based on the financial performance of FY21 and FY22.

Acquisition of Steamatic Australia

On 29 July 2021 (effective 1 July 2021), Johns Lyng acquired a 60% controlling equity interest in Steamatic Australia - a leading national restoration services company.

The deal consolidates Johns Lyng's position as a national market leader in restoration services and represents natural progression following the Group's acquisition of the Steamatic Global Master Franchise in FY19.

Established in 1986 under the Steamatic Inc. master franchise, the business currently employs 190 staff and operates a total of 39 locations including 34 regional franchisees and 5 company-owned metro locations.

Steamatic Australia founder and CEO Oliver Threlfall retained the remaining 40% equity and will maintain day-to-day operational responsibility along with his long-standing senior management team.

Steamatic's Australian operations will continue to run independently of Restorx (Johns Lyng's existing restoration services business). Importantly, clients will continue to work with Steamatic on a 'business as usual' basis with no change to pricing, contractual arrangements or service quality.

The Group's increased scale and capacity across company-owned locations and Steamatic's network of franchisees adds significant resources to service incremental BaU work and CAT events. The acquisition of Steamatic Australia 'rounds out' Johns Lyng's restoration footprint and ability to provide a truly national service offering in times of crisis.

Steamatic will continue to grow its client base and market share with a particular focus on:

- Precision Laser Cleaning (launched 2018): provides a non-abrasive cleaning service for preservation and restoration without the use of chemicals, water or blasting media with a particular focus on the industrial markets;
- Steamatic Global Recovery (launched 2018): focuses on large insurance and non-insurance projects nationally and internationally;
- International operations: Oliver Threlfall will take a lead role in Steamatic's international operations and franchisee relations; and
- Steamatic will additionally continue to sell its remaining franchise territories.

At Completion, Johns Lyng assumed $3.8m of existing net interest-bearing debt and paid $10.8m comprising $6.0m in cash (funded from existing reserves), $4.8m in JLG Ltd shares, plus a potential future earn-out based on the financial performance of FY22 and FY23.

FY21 Final Dividend

On 24 August 2021, the Board declared a final dividend of 2.8 cents per share (fully franked). This final dividend is in addition to the previously announced half year (interim) dividend of 2.2 cents per share (fully franked), totalling 5.0 cents per share (fully franked) and representing 61% of NPAT attributable to the owners of Johns Lyng Group for FY21.

The final dividend will be paid on 14 September 2021 with a record date of entitlement of 30 August 2021.

Government imposed lockdowns in response to Covid-19 continue to create uncertainty in various states around Australia. Lockdowns to date, including since the end of the financial year, have not had a material impact on the business as at the date of this report.

There are no other matters or circumstances that have arisen since 30 June 2021 that have significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

DIRECTORS' DECLARATION

30 June 2021

The Directors declare that:

1. In the Directors' opinion, the financial statements and notes thereto, as set out on pages 64 to 103, are in accordance with the *Corporations Act 2001*, including:
    (a) complying with Australian Accounting Standards and the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
    (b) complying with International Financial Reporting Standards as stated in note 2(a) of the consolidated financial statements; and
    (c) giving a true and fair view of the financial position of the Group as at 30 June 2021 and of its performance for the year ended on that date.
2. In the Directors' opinion there are reasonable grounds to believe that Johns Lyng Group Limited will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made by the Chief Executive Officer and Group Chief Financial Officer to the Directors in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2021.

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

On behalf of the Directors

Peter Nash
Chairman

24 August 2021

Scott Didier AM
Managing Director

24 August 2021

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

JOHNS LYNG GROUP LIMITED
86 620 466 248

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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Johns Lyng Group Ltd "the Company" and its controlled entities "the Group", which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

(a) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in *the Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the 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 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 report.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

PITCHER PARTNERS

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

Key audit matter	**How our audit addressed the key audit matter**
Recognition of work in progress on construction contracts - accrued income and income in advance Refer note 3, note 11 and note 20.	
For the year ended 30 June 2021, the Group's revenue from construction contracts and other service revenue totalled $568m. Revenue from construction contracts is recognised over time as the services are provided to the customer, based on costs incurred for work performed to date as a percentage of total estimated costs under the contract or amounts billed as a percentage of the contract value. As disclosed in note 3, significant management judgements and estimates are required in determining total contract revenue and costs, in particular in relation to low margin and loss-making jobs, which has led to our inclusion of recognition of revenue and work in progress on construction contracts as a key audit matter.	Audit procedures included, amongst others: • Obtaining an understanding of the process undertaken by management to account for the recognition of revenue and work in progress; • Obtaining an understanding of the design and implementation of and testing the operating effectiveness of relevant controls in respect of revenue recognition; • Obtaining and understanding of the design and implementation of and testing the operating effectiveness of relevant controls in respect of the purchases process; • Testing the operating effectiveness of relevant controls in respect of the work in progress process; • Recalculating classification between accrued income and income in advance; • Evaluating significant management judgements and estimates on a sample of contracts; • Agreeing, on a sample basis, job data back to source documentation, including customer contracts, approved variations and capitalised job costs; • Assessing the revenue recognition for compliance with AASB 15 *Revenue from Contracts with Customers;* and • Assessing the adequacy of the disclosures in the financial statements.

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

Impairment of intangible assets Refer note 3 and note 14	
In assessing impairment of intangible assets, management have estimated the recoverable amount for each relevant cash generating unit ("CGU"). As a result of the assumptions and estimates made by management in determining the recoverable amount of each CGU, no impairment charge has been recognised for the year ended 30 June 2021. As disclosed in note 3, significant judgements and estimation is required in determining the recoverable amount of each CGU including but not limited to discount rate, growth rates, terminal value and expected future cash flows, which has led to our inclusion of intangibles as a key audit matter.	Audit procedures included, amongst others: • Obtaining an understanding of the design and implementation of relevant controls in respect of intangible assets; • Assessing the reliability of management's historical forecasting in comparison to actual performance; • Evaluating management's significant judgements and estimations around future cash flow and growth rates with specific reference to historical and expected performance, market conditions and corroborating events; • Performing sensitivity testing of management's valuation models with specific attention to the discount rate applied and the achievement of Board approved forecasts and growth assumptions; • Engaging an internal expert to evaluate management's valuation models used in assessing impairment with particular regard to observable market benchmarks, including the reviewing the terminal value and discount rate; • Engaging an internal expert to evaluate the discount rate adopted by management in comparison to a reasonable range of alternatives; • Evaluating the qualifications and expertise of our internal experts; and • Assessing the adequacy of the disclosures in the financial statements.

PITCHER PARTNERS

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

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

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

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

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

JOHNS LYNG GROUP LIMITED
86 620 466 248

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

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

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 50 to 61 of the directors' report for the year ended 30 June 2021. In our opinion, the Remuneration Report of Johns Lyng Group Limited, for the year ended 30 June 2021, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

N R BULL
Partner

24 August 2021

PITCHER PARTNERS
Melbourne

SHAREHOLDER INFORMATION

30 June 2021

Additional Securities Exchange information

In accordance with ASX Listing Rule 4.10, the Company provides the following information to Shareholders not elsewhere disclosed in this Annual Report. The information provided is current as at 2 August 2021 (Reporting Date).

Substantial holders

As at the Reporting Date, the names of the substantial holders of the Company and the number of equity securities in which those substantial holders and their associates have a relevant interest, as disclosed in substantial holding notices given to the Company, were as follows:

Holder of equity securities	Class of equity securities	Number of equity securities held	% of total issued securities in relevant class
– JLRX Investments Pty Limited/ Scott Didier AM	Ordinary Shares	54,658,962	24.39%
– Trump Investments Pty Limited/ Scott Didier AM	Ordinary Shares	540,000	0.24%
– Trump One Pty Limited/ Scott Didier AM	Ordinary Shares	143,653	0.06%
– Yvette & Scott Investments Pty Ltd/ Scott Didier AM	Ordinary Shares	4,219	0.00%
Total – Scott Didier AM	**Ordinary Shares**	**55,346,834**	**24.70%**
Abilas Holdings Australia Pty Ltd/ Lindsay Barber	Ordinary Shares	11,346,824	5.06%
JLG Share Custodians Pty Ltd/ Lindsay Barber	Ordinary Shares	1,643,800	0.73%
Abilas Super Pty Ltd/ Lindsay Barber	Ordinary Shares	308,200	0.14%
Total – Lindsay Barber	**Ordinary Shares**	**13,298,824**	**5.93%**
QVG Capital	Ordinary Shares	11,589,342	5.16%

Number of holders

As at the Reporting Date, the number of holders in each class of equity securities was as follows:

Class of equity securities	Number of holders
Fully paid ordinary shares	3,167

Voting rights of equity securities

The only class of equity securities on issue in the Company which carries voting rights is ordinary shares.

As at the Reporting Date, there were 3,167 holders of a total of 225,372,702 ordinary shares of the Company.

At a general meeting of the Company, every holder of ordinary shares present in person or by proxy, attorney or representative, has one vote on a show of hands. On a poll, every member (or his or her proxy, attorney or representative) is entitled to one vote for each fully paid ordinary share held and in respect of each partly paid ordinary share, is entitled to a fraction of a vote equivalent to the proportion which the amount paid up (not credited) on that partly paid share bears to the total amount paid and payable on that share. Amounts paid in advance of a call are ignored when calculating the proportion.

SHAREHOLDER INFORMATION

30 June 2021

Distribution of holders of equity securities

The distribution of holders of equity securities on issue in the Company as at the Reporting Date was as follows:

Distribution of ordinary shareholders

Holdings ranges	Holders	Total ordinary shares	%
1 – 1,000	1,048	495,246	0.22%
1,001 – 5,000	1,142	3,172,528	1.41%
5,001 – 10,000	446	3,458,250	1.53%
10,001 – 100,000	462	12,853,718	5.70%
>100,000	69	205,392,960	91.13%
Total	**3,167**	**225,372,702**	**100.00%**

Number of holders

As at the Reporting Date, the number of holders in each class of equity securities was as follows:

Class of equity securities	Number of holders
Fully Paid ordinary shares	3,162
Fully paid ordinary shares restricted until 30 June 2022	1
Fully paid ordinary shares restricted until 29 July 2022	1
Fully paid ordinary shares restricted until 31 January 2023	3
Performance rights (FY18 LTI – tranche 3)[1]	1
Performance rights (FY19 LTI – tranche 2)[1]	1
Performance rights (FY19 LTI – tranche 3)[2]	9
Performance rights (FY20 STI – tranche 2)[1]	1
Performance rights (FY20 STI – tranche 3)[2]	8
Performance rights (FY20 LTI – tranche 1)[3]	7

[1] Performance rights vested 1 July 2021 but shares currently unissued

[2] Performance rights vest 1 July 2022

[3] Performance rights vest 1 July 2023

Escrow

Class of restricted securities	Type of restriction	Number of securities	End date of escrow period
Ordinary shares	Voluntary escrow	7,971	30 June 2022
Ordinary shares	Voluntary escrow	971,940	29 July 2022
Ordinary shares	Voluntary escrow	14,220	31 January 2023
Total		**994,131**	

Less than marketable parcels of ordinary shares

The number of holders of less than a marketable parcel of ordinary shares (UMP) based on the closing market price at the Reporting Date is as follows:

Total ordinary shares	UMP ordinary shares	UMP holders	% of issued ordinary shares held by UMP holders
225,372,702	574	75	–

Unquoted equity securities

Class of equity securities	Number of securities
Performance rights (FY18 LTI – tranche 3)[1]	18,897
Performance rights (FY19 LTI – tranche 2)[1]	15,166
Performance rights (FY19 LTI – tranche 3)[2]	128,258
Performance rights (FY20 STI – tranche 2)[1]	11,397
Performance rights (FY20 STI – tranche 3)[2]	87,381
Performance rights (FY20 LTI – tranche 1)[3]	331,513
Total	**592,612**

1 Performance rights vested 1 July 2021 but shares currently unissued

2 Performance rights vest 1 July 2022

3 Performance rights vest 1 July 2023

The Company does not have any other unquoted equity securities on issue.

SHAREHOLDER INFORMATION

30 June 2021

Twenty largest shareholders

The Company has only one class of quoted equity securities, being ordinary shares. As at the Reporting Date, the names of the 20 largest holders of ordinary shares, the number of ordinary shares and percentage of ordinary shares held by each holder was as follows:

Rank	Holder name	Balance as at Reporting Date	% of total issued ordinary shares
1	JLRX Investments Pty Ltd	55,198,962	24.49%
2	J P Morgan Nominees Australia Pty Limited	23,068,131	10.24%
3	HSBC Custody Nominees (Australia) Limited	20,983,571	9.31%
4	Citicorp Nominees Pty Limited	18,571,004	8.24%
5	National Nominees Limited	12,002,058	5.33%
6	Abilas Holdings Australia Pty Ltd	11,330,678	5.03%
7	Milton Corporation Limited	9,110,796	4.04%
8	BNP Paribas Noms Pty Ltd	7,709,977	3.42%
9	BNP Paribas Nominees Pty Ltd	6,339,376	2.81%
10	Steadfast Group Limited	5,000,000	2.22%
11	NSC Collective Pty Ltd	3,861,276	1.71%
12	EMJAY Capital Pty Ltd	3,550,000	1.58%
13	John Mc Pty Ltd	3,311,498	1.47%
14	UBS Nominees Pty Ltd	2,158,642	0.96%
15	BNP Paribas Nominees Pty Ltd Hub24 Custodial Serv Ltd	1,230,145	0.55%
16	Thomas Andrew Alvin & Sally Anne Alvin	1,206,252	0.54%
17	ST. Mudd Pty Ltd	1,048,344	0.47%
18	Oliver Threlfall Nominees Pty Ltd	971,940	0.43%
19	Cottage Link Pty Ltd	953,871	0.42%
20	Two Strides Ahead Pty Ltd	868,119	0.39%
	Total number of shares of top 20 holders	**188,474,640**	**83.63%**

Other information

The Company is not currently conducting an on-market buy-back.

There are no issues of securities approved for the purposes of item 7 of section 611 of the *Corporations Act 2001* which have not yet been completed.

No securities were purchased on-market during the reporting period under or for the purposes of an employee incentive scheme or to satisfy the entitlements of the holders of options or other rights to acquire securities granted under an employee incentive scheme.


JOHNS LYNG GROUP
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65 YEARS STRONG