Johns Lyng Group Limited and controlled entities

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 2022

Previous corresponding period: For the financial year ended 30 June 2021

2. RESULTS FOR ANNOUNCEMENT TO THE MARKET

			$'000
Revenues from ordinary activities (sales)	up	57.5%	895,017
Profit from ordinary activities after tax attributable to the owners of Johns Lyng Group	up	35.3%	25,116
Total comprehensive income for the year attributable to the owners of Johns Lyng Group	up	87.3%	34,039

Explanatory note on results

The profit for the Group after providing for income tax and non-controlling interests amounted to $25,116,000 (30 June 2021:$18,560,000).

For further information refer to 'operating and financial review' section within the attached Directors' report.

3. CONTROL GAINED OVER ENTITIES OR BUSINESSES

On 1 July 2021, the Group, via its subsidiary Bright & Duggan acquired a 100% controlling equity interest in Change Strata Management - a strata management company.

On 1 July 2021, the Group, via its subsidiary Bright & Duggan acquired a 100%[1] controlling equity interest in Structure Building Management - a building management company.

On 1 July 2021, the Group, via its subsidiary Bright & Duggan acquired a 100%[1] controlling equity interest in Shift Facilities Management - a building management company.

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.

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.

On 2 September 2021 (effective 1 September 2021), the Group, via its subsidiary Bright & Duggan acquired a 100% controlling equity interest in BrisBay - a strata management company.

On 1 January 2022, the Group acquired a 99.48% controlling equity interest in Reconstruction Experts - a leading provider of insurance focused repair services to residential, commercial and industrial properties in the US.

[1] Bright & Duggan's net equity interest is 75% post 25% back-to-back sell-down in Bright & Duggan Facilities Management (BDFM) to Mite Domazetovski (Managing Director of BDFM).

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 2022					
Final dividend	3.0 cents	100%	2 September 2022	19 September 2022	7,824
Interim dividend	2.7 cents	100%	28 February 2022	15 March 2022	6,998
Total dividends	**5.7 cents**	**100%**			**14,822**
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**

Current period

On 29 August 2022, the Board declared a final dividend of 3.0 cents per share (fully franked). This final dividend is in addition to the previously announced half year (interim) dividend of 2.7 cents per share (fully franked), totalling 5.7 cents per share (fully franked) and representing 59% of NPAT attributable to the owners of Johns Lyng Group for FY22.

The final dividend will be paid on 19 September 2022 with a record date of entitlement of 2 September 2022.

Previous period

The Board declared a final dividend of 2.8 cents per share (fully franked). The final dividend was 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 was paid on 14 September 2021 with a record date of entitlement of 30 August 2021.

6. DIVIDEND REINVESTMENT PLANS

Not applicable.

7. NET TANGIBLE ASSETS

Net Tangible Assets (NTA)[1] per ordinary security for the year ended 30 June 2022 was 23.53 cents (30 June 2021: 12.28 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 2022 is attached.

12. CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Refer to the attached Annual Report.

13. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Refer to the attached Annual Report.

14. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Refer to the attached Annual Report.

15. CONSOLIDATED STATEMENT OF CASH FLOWS

Refer to the attached Annual Report.

16. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Refer to the attached Annual Report.

17. 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 2022 Financial Report (which includes the Directors' report).

18. ACCOUNTING STANDARDS

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

19. EVENTS AFTER THE REPORTING PERIOD

Acquisition of Trevor Bright's 44.5% Non-controlling Interest in Bright & Duggan

On 26 August 2022, Johns Lyng announced the retirement of Bright & Duggan Executive Chairman, Trevor Bright, and the completion of the acquisition of his 44.5% equity interest in the JLG subsidiary specialising in strata and building management (effective 25 August 2022).

The purchase price was $25.6m for the 44.5% equity interest comprising $15.4m in cash (funded from existing cash reserves and debt facilities) and $10.2m in JLG shares (50% subject to escrow for 6 months).

FY22 Final Dividend

On 29 August 2022, the Board declared a final dividend of 3.0 cents per share (fully franked). This final dividend is in addition to the previously announced half year (interim) dividend of 2.7 cents per share (fully franked), totalling 5.7 cents per share (fully franked) and representing 59% of NPAT attributable to the owners of Johns Lyng Group for FY22.

The final dividend will be paid on 19 September 2022 with a record date of entitlement of 2 September 2022.

There are no other matters or circumstances that have arisen since 30 June 2022 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.

20. ANNUAL GENERAL MEETING

Johns Lyng Group Limited advises that its Annual General Meeting will be held on Thursday, 17 November 2022. 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, 30 September 2022.

JOHNS LYNG GROUP

ANNUAL REPORT 2022

JOHNS LYNG GROUP LIMITED

JOHNS LYNG GROUP

Annual Report 2022

JOHNS LYNG GROUP LIMITED

Valuing People | 69 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)
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)

AUDITOR

Pitcher Partners
Level 13, 664 Collins Street
Docklands VIC 3008

BANKERS

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

LAWYERS

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

Hamilton Locke
Australia Square
Level 42, 264 George Street
Sydney NSW 2000

KCL Law
Level 4, 555 Lonsdale Street
Melbourne VIC 3000

COMPANY SECRETARY

Hasaka Martin

REGISTERED OFFICE

1 Williamsons Road
Doncaster VIC 3108

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)

17 November 2022

STOCK EXCHANGE LISTING

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

WEBSITE

www.johnslyng.com.au


JOHNS LYNG

FY22 SNAPSHOT

Group Revenue

$895.0m

+57.5% **(FY21: $568.4m)**

Group EBITDA[1]

$83.6m

+58.9% **(FY21: $52.6m)**

[1] Excluding transaction related expenses of $9.4m (FY21: $0.4m plus non-recurring goodwill written off of $1.8m)

Geographical Footprint

Australian Locations

38 Johns Lyng Locations Nationally

40 Steamatic Locations Nationally
(Including 5 company owned metro locations and 35 regional franchisees)

17 Bright & Duggan Locations Nationally

International Locations

43 Steamatic USA Locations
(Including 41 franchisees, 1 company owned franchise and corporate head office)

11 Steamatic International Franchise Agreements

7 Reconstruction Experts Locations (Across 4 States)

Recent Acquisitions

1. **Change Strata Management (100%)[1]:** 1 July 2021
2. **Structure Building Management (75%)[2]:** 1 July 2021
3. **Shift Facilities Management (75%)[2]:** 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)
6. **BrisBay Strata Management (100%)[1]:** 2 September 2021 (effective 1 September 2021)
7. **Reconstruction Experts (99.5%):** 1 January 2022 (effective 1 January 2022)

[1] Bright & Duggan's equity interest

[2] 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

CHAIRMAN & CEO'S LETTER

A YEAR OF GROWTH AND STRATEGIC PROGRESS

Dear Shareholders,

On behalf of the Board of Directors, Management Team and Staff of Johns Lyng, we are pleased to present the 2022 Group Annual Report.

Financial Year 2022 (FY22) was a year of significant growth and a record financial performance for our company resulting in admission to the ASX 300 companies index. This was driven by growth in our core Insurance Building and Restoration Services (IB&RS) Division including growth in our strata services offering and US-based operations.

Group revenue was up 57.5% to $895.0m whilst EBITDA grew 58.9% to $83.6m[1]. These results follow EBITDA growth of 28.3%[1] and 76.6%[1] in FY21 and FY20 respectively. Importantly, the core components of our growth are from our 'business as usual' (BaU) operations supported by Catastrophe (CAT) events and acquisitions.

This excellent result comes against the backdrop of ongoing global pandemic conditions as well as broader economic uncertainty. Such strong performance continues to demonstrate that our business model is largely insulated from many of the broader market factors. Core to our business model is the quality of our staff who embody the Johns Lyng culture, which is fundamental to Johns Lyng being the trusted restoration partner for our customers – often at times of high demand and stress.

EBITDA grew at 58.9%[1]. This includes organic growth from new contract wins and strategic initiatives including new office openings which facilitated increased work allocation from insurance panels and a deeper penetration of the insurance broker market (Emergency Broker Response). Organic growth was bolstered by strategic, value adding acquisitions including the transformational acquisition of US-based Reconstruction Experts and a strong flow of CAT work. Again, all roads lead back to our ability to service our existing and new customers comprehensively.

Insurance Building and Restoration Services (IB&RS) Division

IB&RS remains the bedrock of Johns Lyng with the division reporting revenue and EBITDA growth of 69.0% and 67.0%[2] respectively. During the year, we had a number of major client wins and contract extensions, including CHU, Suncorp, Honey Insurance, Blue Zebra and Steadfast Claims Solutions. We opened new offices in Launceston, Echuca, Coffs Harbour, Wollongong and Bairnsdale.

Supplementing our BaU growth was the strong flow of work emanating from CAT events. CAT events by their nature are unpredictable and often large. Our resourcing and response capability allows us to be a trusted provider for communities, insurers and governments. During the year, we were awarded the New South Wales (NSW) Government's "Property Assessment and Demolition Program" contract for work related to the devastating floods that affected Northern and Western NSW.

Strategic Growth - Strata Services

FY22 saw significant consolidation and growth in our strata services offering which comprises strata management and building works for dedicated strata insurance companies and owners' corporations. Extending our building and restoration services for strata insurers is a natural evolution which allows us to further leverage Bright and Duggan and realise synergies and growth from this business and the various bolt-on acquisitions made during FY22.
The strata market represents a compelling investment and growth opportunity with significant additional revenue opportunities in collaboration with our other group businesses. It is a very large market and one that we will continue to target in FY23 as we progress the roll-out of our strata services offering nationally.
There are an estimated 2.9m strata lots nationwide with an insured value of $1.2tn[3]. Bright and Duggan currently manages approximately 89,000 strata lots, so our opportunity is significant. There are multiple cross-selling opportunities per dwelling including insurance building and restoration services along with emergency and scheduled trades.

1 Excluding transaction related expenses of $9.4m (FY21: $0.4m plus non-recurring goodwill written off of $1.8m)

2 Excluding transaction related expenses of $9.2m (FY21: $0.1m)

3 https://cityfutures.be.unsw.edu.au/research/projects/2020-australasian-strata-insights/

OUR RESULTS ARE A REFLECTION OF THE STRENGTH OF OUR RELATIONSHIPS

Strategy and Growth - US Business Acquisition

On 1 January 2022 we acquired Reconstruction Experts (RE) for US$144.9m (plus a potential earn-out based on the future financial performance of the business). This was a significant and highly strategic acquisition for Johns Lyng.

Established in Colorado in 2001, RE is a leading provider of insurance focused repair services to residential, commercial and industrial properties in the US. The company's primary client base is Homeowner Associations ("HOAs") – the US equivalent of strata managers / owners' corporations i.e. large multi-family properties including apartments, condominiums and master planned communities.

We funded the acquisition with a successful A$230m equity capital raise and we were disciplined in the price we paid, which maintained the quality and strength of our balance sheet. RE gives Johns Lyng significant organic growth opportunities in the US, including geographical expansion and diversification of RE's current service offering to include makesafe, express building, restoration and emergency CAT response. RE currently operates in Colorado, Texas, Florida and California - these states alone have a population base four times greater than Australia. The company has authorisations in place to work in a further 13 states. Further, Steamatic's existing US franchise network and client base provides an established cross-sell network.

Most importantly, RE's management team share our culture and values. As previously announced, CEO, Scott Didier, has temporarily relocated to Denver to lead the cultural integration and drive our collective sales strategy.

Strategy and Growth – Australian Acquisitions

In addition to the major RE acquisition, we made a number of strategic and bolt-on acquisitions during FY22 including:

Steamatic Australia

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

Unitech Building Services

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

Unitech has established a strong base of insurance industry clients, presenting multiple opportunities for Johns Lyng to expand in South Australia. Current owners and Co-Directors Anthony and Deborah Gorle retained the remaining 40% equity of the business and will continue day-to-day management.

Bright & Duggan – Strata Management Acquisitions

Bright & Duggan made four bolt-on acquisitions during FY22 including:

- 100% acquisition of Change Strata Management (CSM) – manages high-end buildings in Sydney, with a portfolio of 2,974 lots across 75 strata schemes;
- Effective 75% acquisition of Structure Building Management (SBM) and Shift Facilities Management (Shift) - the acquisitions hold management contracts with 58 Sydney buildings, encompassing 7,250 individual lots and marked Bright & Duggan's further expansion into the facilities and building management market. Mite Domazetovski, the former owner and operator of both CSM and Shift acquired a 25% equity interest (back-to-back) and assumed the role of Managing Director of Bright & Duggan Facilities Management.
- 100% acquisition of BrisBay Strata Management – a Brisbane-based boutique strata management business, focused on small buildings, with a portfolio of 1,387 lots across 123 strata schemes.
- On 26 August 2022, we announced the completion of the acquisition of Trevor Bright's 44.5% equity interest in Bright & Duggan (effective 25 August 2022) – a significant step in the execution of our strata management strategy.

Strategy and Growth – Johns Lyng Disaster Management

During FY22, we launched our dedicated "Johns Lyng Disaster Management" service offering – specifically assisting State and Local Governments with major event preparation, response and resiliency initiatives.

Johns Lyng's track record of service delivery, capability and local community engagement resulted in two milestone contracts with State Governments including:

- State Government of Victoria – provision of clean-up and makesafe works on private properties damaged by Victoria's severe storms (July 2021); and
- State Government of New South Wales – manager of the "Property Assessment and Demolition Program", which provides free structural assessments (and demolition if necessary) of eligible impacted properties in response to the severe flooding in February 2022.

Commercial Building Services and Commercial Construction

Our Commercial Building Services (CBS) Division performed strongly following COVID-19 related disruption in FY21 which extended into the first quarter of FY22.

While immaterial in the context of the Group's financial performance, our Commercial Construction Division was impacted by delays associated with the COVID-19 pandemic and higher input costs driven by inflation (a current feature of the broader Australian landscape).

Outlook

We are well placed for another positive year in FY23, with a solid BaU job registration pipeline ahead of us. We also expect strong revenues from FY22 CAT related activity to flow through FY23 and beyond.

Assisting the New South Wales and Victorian Governments along with various local authorities in Queensland has demonstrated that our capability and national footprint delivers excellent results for communities and State / Local Governments.

We will work tirelessly to ensure the Johns Lyng brand continues to be the trusted partner of these key stakeholder groups.

Finally, we'd like to thank all our people for their dedicated support of our customers and stakeholders throughout another busy and challenging year. Their continued hard work and integrity has been instrumental to our record performance.

We also thank our shareholders for their continued support and look forward to updating you on our performance through the new financial year.

Regards,

Peter Nash	**Scott Didier AM**
Chairman	Managing Director
29 August 2022	29 August 2022

Group Revenue

$895.0m

+57.5% (FY21: $568.4m)

Group EBITDA[1]

$83.6m

+58.9% (FY21: $52.6m)

[1] Excluding transaction related expenses of $9.4m (FY21: $0.4m plus non-recurring goodwill written off of $1.8m)

COMPANY PROFILE

A MARKET LEADING INTEGRATED BUILDING SERVICES GROUP

Johns Lyng Group is a market leading integrated building services group delivering building, restoration and disaster management 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 2,000 employees and a subcontractor base in excess of 6,500.

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 Queensland, 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 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 Johns Lyng is still going strong after more than 69 years.

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%)

Apr–2020
Acquired Air Control (60%)

Jul–2021
Acquired:
Change Strata (100%)

Structure Building Management (75%)[1]

Shift Facilities Management (75%)[1]

Unitech Building Services (60%)

Steamatic Australia (60%)

Sep–2021
Admission to ASX 300 Companies Index

Acquired:
BrisBay Strata Management (100%)

Jan–2022
Acquired Reconstruction Experts (99.5%)

[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, disaster management, hazardous waste removal and strata management.

- Revenue: $751.3m (FY21: $444.6m)
- Revenue contribution: 83.9% (FY21: 78.2%)
- EBITDA[1]: $84.9m (FY21: $50.8m)
- EBITDA[1] contribution: 101.6% (FY21: 96.6%)

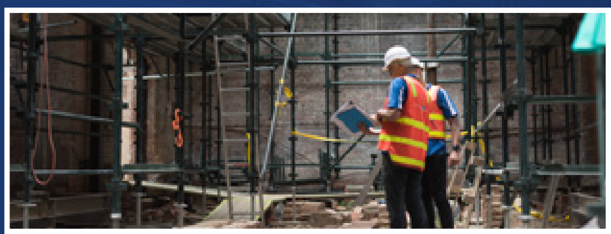
[1] Excluding transaction related expenses of $9.2m (FY21: $0.1m)

Commercial Building Services

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

- Revenue: $52.6m (FY21: $45.7m)
- Revenue contribution: 5.9% (FY21: 8.0%)
- EBITDA[1]: $5.2m (FY21: $3.5m)
- EBITDA[1] contribution: 6.3% (FY21: 6.6%)

[1] Excluding transaction related expenses of nil (FY21: $0.1m plus non-recurring goodwill written off of $1.8m)



Commercial Construction

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

- Revenue: $90.8m (FY21: $77.8m)
- Revenue contribution: 10.1% (FY21: 13.7%)
- EBITDA: ($1.8m) (FY21: $2.1m)
- EBITDA contribution: (2.2%) (FY21: 4.0%)

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 and natural disasters 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 market segments 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

38 locations nationally[1]

- **Head Office (1)**
- **State/Territory Offices (5)**
- **Regional Offices (23)**
- **Operational Warehouses (2)**
- **Novari (3)**
- **Air Control (3)[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


EGH

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 more than 190 staff and operates a total of 40 locations including 35 regional franchisees and 5 company-owned metro locations.

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

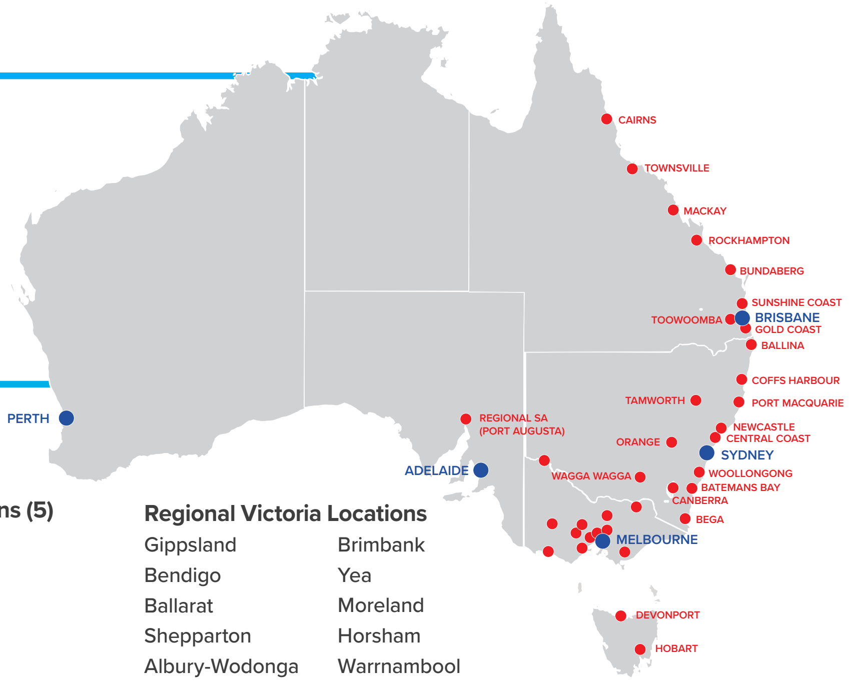
The deal consolidates Johns Lyng's position as a national market leader in restoration services and represents natural progression following the Group's acquisition of the Steamatic Global Master Franchise in FY19.

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.

STEAMATIC Restoration & Cleaning

Australian National Footprint

40 locations nationally



- **Company-owned Locations (5)**
- **Franchise Locations (35)**

Regional Victoria Locations

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

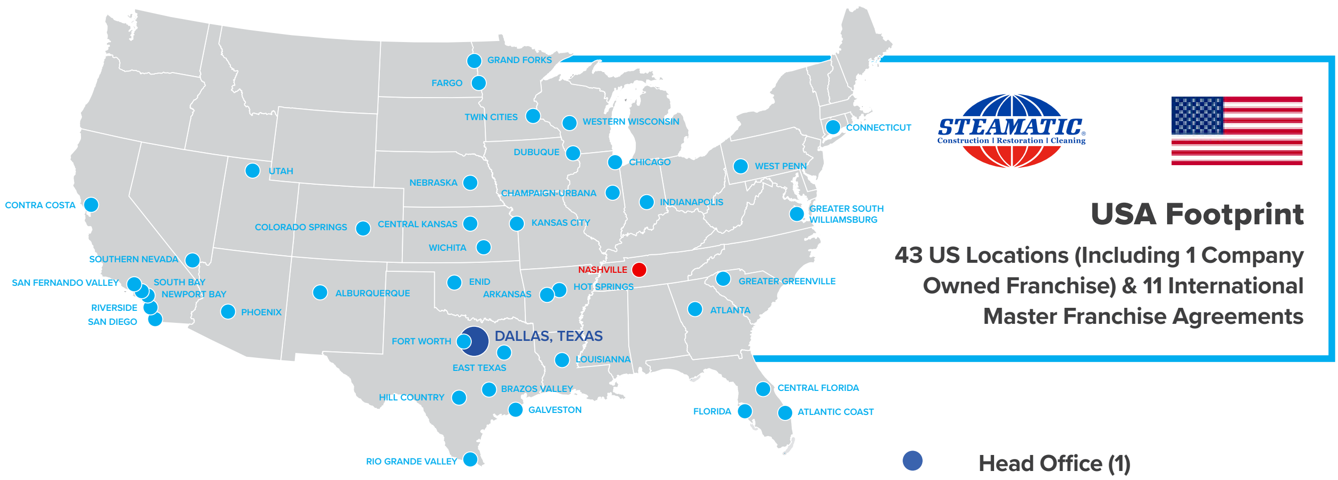
USA Operations | Steamatic USA

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.

The 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.



Head Office (1)

Franchisees (41)

Nashville (company owned) (1)

USA Operations | Reconstruction Experts

On 1 January 2022, Johns Lyng acquired US-based Reconstruction Experts. Established in Colorado in 2001, Reconstruction Experts is a leading provider of insurance focused repair services to residential, commercial and industrial properties in the US.

The company's primary client base is Homeowner Associations ("HOAs") – the US equivalent of Strata Managers / Owners' Corporations i.e. large multi-family properties including apartments, condominiums and master planned communities.

The company's key services are highly compatible with JLG's core competencies including:

- Defect and Damage Insurance – provides restoration repair works to clients when normal course insurable property damage losses occur, or flaws in the initial construction result in a defect lawsuit; and
- Repairs and Maintenance – undertakes non-discretionary works to maintain or improve ageing properties not covered by insurance, typically in accordance with the long-term planning requirements of HOAs, or multi-family properties where reserve funds are in place for long-term capital projects.

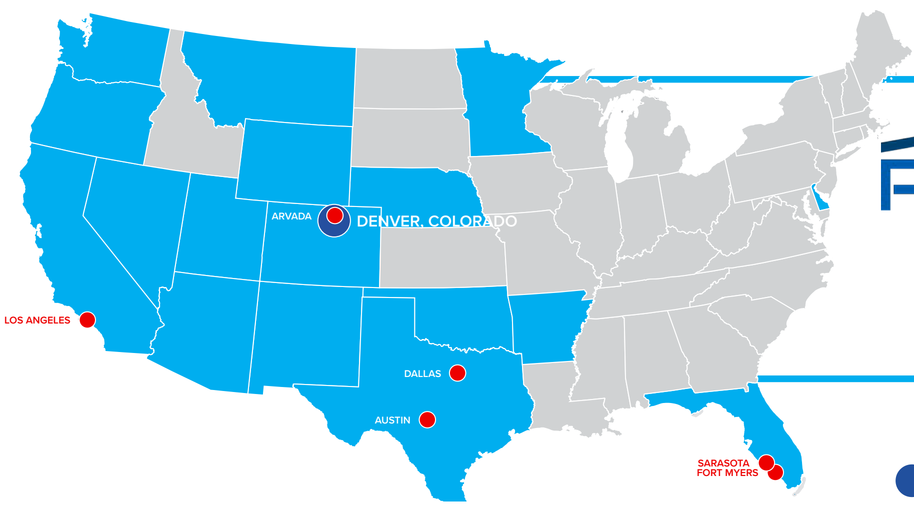
Reconstruction Experts currently employs more than 300 people across offices in four states including: Colorado, Texas, Florida and California.

Reconstruction Experts is currently authorised to undertake work in a total of 17 states nationally.

The company is led by a strong, long standing, high-calibre and very experienced management team, who are fully aligned through ongoing equity ownership – consistent with JLG's equity partnership model.

The acquisition of Reconstruction Experts establishes a strong base from which to pursue growth in the very large US market for defect and damage insurance and property repairs and maintenance.

Johns Lyng's strategic plan (over time) is to develop a fully integrated service offering including makesafe, insurance building, disaster management and restoration, with a national footprint, through organic growth and the pursuit of select M&A opportunities.



RECONSTRUCTION EXPERTS

USA National Footprint

7 locations nationally (Across 4 States)

Headquarters (1)

Office Locations (6)

Authorised to Undertake Work (17)

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 has made 5 bolt-on acquisitions including:

- Capitol Strata (85% equity interest): 31 January 2020;
- Change Strata Management (100% equity interest): 1 July 2021;
- Structure Building Management (75%[1] equity interest): 1 July 2021
- Shift Facilities Management (75%[1] equity interest): 1 July 2021; and
- BrisBay Strata Management (100% equity interest): 1 September 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 employs more than 320 staff across 17 offices with a portfolio comprising:

- A total of 89,379 lots under strata and/or building management contracts across 3,484 buildings/ schemes including:
  - 80,046 lots under strata management contracts across 3,407 strata schemes;
    - Of which, Bright & Duggan also undertakes building management for 7,206 lots across 62 buildings; and
  - 9,333 lots across 77 buildings under discrete building management contracts

Current portfolio under management:

89,379
Lots/Units

3,484
Buildings/
Strata Schemes

National Footprint

17 locations nationally

- **Bright & Duggan (14)**
- **Capitol (3)**

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 a myriad of contamination events.

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.

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 approximately 20 staff, will be integrated into Johns Lyng's existing operations significantly increasing the Group's market share in SA.

During FY22, the Group launched its dedicated "Johns Lyng Disaster Management" service offering – specifically assisting State and Local Governments with major event preparation, response and resiliency initiatives.

As Australia's market leading national disaster response company, Johns Lyng Group will continue to build relationships with Local and State Governments to improve preparedness, resiliency and the effectiveness of our collective disaster response for the benefit of Australia and our local communities.

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 more than 190 staff and operates a total of 40 locations including 35 regional franchisees and 5 company-owned metro locations.

Steamatic Australia founder and CEO Oliver Threlfall retained the remaining 40% equity of the business and maintains 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.

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

BUSINESS DIVISION OVERVIEW

INSURANCE BUILDING & RESTORATION SERVICES (IB&RS)

Johns Lyng USA

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.

On 1 January 2022, Johns Lyng acquired Reconstruction Experts – a leading provider of insurance focused repair services to residential, commercial and industrial properties in the US.

Established in Colorado in 2001, Reconstruction Experts currently employs more than 300 employees across offices in four states including: Colorado, Texas, Florida and California.

The company's primary client base is Homeowner Associations ("HOAs") – the US equivalent of Strata Managers / Owners' Corporations i.e. large multi-family properties including apartments, condominiums and master planned communities.

The company is led by a strong, long standing, high-calibre and very experienced management team, who are fully aligned through ongoing equity ownership – consistent with JLG's equity partnership model.

The acquisition of Reconstruction Experts establishes a strong base from which to pursue growth in the very large US market for defect and damage insurance and property repairs and maintenance.

Johns Lyng Strata Services

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

Bright & Duggan is a leading strata, facilities and building management business with 89,379 lots under strata and/or building management contracts across 3,484 buildings/strata schemes.

IB&RS Results

Insurance Building & Restoration Services	FY22 $m	FY21 $m	Change %
Revenue	751.3	444.6	69.0%
EBITDA[1]	84.9	50.8	67.0%

1 Excluding transaction related expenses of $9.2m (FY21: $0.1m)

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.

Novari is a pre-sale residential property staging and styling business operating in Melbourne and Sydney. Novari 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.

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 heating, ventilation and air conditioning mechanical services business. Founded in Victoria in 2004, with an established track record servicing assets such as commercial office buildings, hotels, shopping centres and large retail chains, Air Control's recurring maintenance revenues are bolstered by project and emergency work from a diversified client base. Air Control has recently expanded its operations into NSW and QLD.

CBS Results

Commercial Building Services	FY22 $m	FY21 $m	Change %
Revenue	52.6	45.7	15.0%
EBITDA[1]	5.2	3.5	50.6%

[1] Excluding transaction related expenses of nil (FY21: $0.1m and non-recurring goodwill written off of $1.8m)

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.

Commercial Construction Results

Commercial Construction	FY22 $m	FY21 $m	Change %
Revenue	90.8	77.8	16.6%
EBITDA	(1.8)	2.1	(186.6%)

CC revenue contribution to the Group

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.

Other Results - (incl. Corporate Overheads)

Global 360 & Corporate Overheads	FY22 $m	FY21 $m	Change %
Revenue	0.3	0.2	44.0%
EBITDA[1] (incl. Corporate Overheads)	(4.7)	(3.8)	(23.1%)

[1] Excluding transaction related expenses of $0.2m (FY21: $0.2m)

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

We are pleased to deliver our Corporate Social Responsibility Report for Financial Year 2022 (FY22). This report details the Group's performance across a number of strategic areas, including the environment, community, our people and customers. It outlines some of the key initiatives we've introduced during the year to drive meaningful positive change in these areas, in both the short and long-term, and truly create a positive, lasting impact on the broader community.

This year, amid the continuing impact of the COVID-19 pandemic, including disrupted global supply chains, and the ongoing impact of climate related catastrophic weather events, we continued to assess and improve our ways of operating in order to deliver value to our various stakeholders.

We have always put a strong emphasis on the importance of our people and this year we continued to invest in several initiatives to help attract and retain a talented workforce. We enhanced our learning and development programs, defined clear pathways for career growth and refined our health and safety protocols to ensure our most valuable assets are kept safe.

We respect our environmental responsibilities and are pleased to have started the important process of conducting an environmental gap analysis which will eventually inform our refreshed Corporate Responsibility Framework. We also continued to embed a robust environmental element into our Disaster Response Framework, seeking to minimise the impact of our work on native flora and fauna while responding to catastrophic events.

During the year, we worked to provide meaningful support to build the resilience of the many communities in which we operate. After introducing cultural awareness programs for front-line teams last year, FY22 saw us grow this initiative and join with Indigenous leaders on the landmark Aboriginal Cultural Heritage Management Program. The program involves locating, documenting and protecting historic Aboriginal sites and artifacts following a catastrophic event and will help to shape the future of Australia's disaster response and recovery efforts. Supporting communities in a holistic manner remains at the core or our Disaster Recovery Framework.

We continued to improve our customer experience throughout the year, investing in new technology that enables more direct and streamlined communication with customers. As a result of a steady pipeline of 'business as usual work' and a number of major catastrophic events, this year saw a significant increase in job volume which we responded to by investing in our Customer Connect team. These initiatives helped us continue to maintain a strong Net Promoter Score throughout the period.

KEY HIGHLIGHTS

c.$115m

Contributed to local communities affected by major disasters*

*Through the engagement of local trades and services

Award Winner

2022 Victorian Resilient Australia Award

c.$1.4m

Raised in charitable donations during FY22

Modern Slavery

Modern Slavery Statement

JLG is vehemently against slavery in all forms and this year we made significant progress in implementing and progressing our Modern Slavery roadmap. This roadmap formalises our commitment to ensuring our supply chain is free from slavery by identifying material risks and the processes we have in place to mitigate them.

During the year we developed our Supplier Code of Conduct which was published externally and shared with our key stakeholders. Our Supplier Code of Conduct also enhances the Work Health and Safety and Modern Slavery components of our due diligence requirements as part of our acquisition strategy. We also appointed a new Procurement Manager who will oversee the Group's sustainable procurement and contractor/supply chain management.

During the year we also completed our annual Modern Slavery Statement in accordance with the reporting requirements of Australia's Modern Slavery Act 2018 (cth) and associated guidelines.


JOHNS LYNG GROUP

Our People

Our people are the cornerstone of our business and this year we continued to invest significantly in our culture, building the capabilities of our employees, providing avenues for career growth and enhancing our health and safety systems. A number of acquisitions completed during the year combined with organic growth resulted in our employee numbers increasing by more than 50% – one of the largest personnel increases in the Group's history.

Learning and development

This year we made progress against our Learning and Development strategy, with our 70/20/10 principle embedded in more learning and professional development initiatives. Introduced in FY20, this approach aims to move away from traditional 'classroom' lessons towards organic and impactful learning opportunities. This includes an integrated blend of 70% on-the-job training, 20% learning through others and 10% formal training.

Given the large increase in personnel and the hybrid working arrangements that were in place for much of the year, a focus of FY22 was re-educating managers and leaders on the Group's core competencies and key values. Personal attributes including drive and energy, positive impact, motivation, extreme character, integrity, being a team player and maintaining high personal standards are the foundation of our culture and an integral contributor to our continued success and high standards of customer service and employee engagement. This initiative was delivered in accordance our 70/20/10 principle, with our Group CEO Scott Didier delivering a lesson to participants personally.

Career progression

We are committed to providing our people with opportunities to grow within our organisation. This approach delivers mutually beneficial outcomes for our employees, our business and our customers. Importantly, it helps us attract and retain the best talent. In addition to our quarterly Key Performance Indicator (KPI) reviews, we also conduct a bi-annual talent review which identifies employees who are outperforming their KPI's while embodying our key values. Accordingly, these employees are provided progression and promotion opportunities. During FY22, 27% of core insurance building and restoration services staff were provided with progressions and promotions. This highlights how we are delivering on our recruitment promise of "providing careers, not jobs."

Occupational health, safety and environment

The health and safety of our employees is of paramount importance. During the year, we continued to enhance our collective health and safety systems and risk management program through a number of new initiatives aimed at continuing the journey of deep integration of health and safety with our people and values.

To allow us to better assess the effectiveness of our Health and Safety Program and continue to proactively identify and mitigate risks involved in our operations, this year we introduced lead indicators linked to health and safety performance. With each business unit measuring these indicators, we can identify collective safety effort and enable greater focus on preventing incidents and injuries. By regularly measuring and assessing a range of factors throughout the Group, we are able to develop a deeper understanding of the robustness of our safety measures – an important enabler of our culture of continuous improvement.

Responding to an injury in a timely manner can have a dramatic effect on the duration and effectiveness of the recovery process. This year we continued developing and implementing our Early Intervention Program. The program ensures all staff are aware of the support available to them including Allied Health Services and workplace rehabilitation services. The Early Intervention Program has delivered several benefits to the Group throughout the period and contributed to a reduction in the volume and duration of workers compensation claims. This in turn increases productivity and morale, through improved return to work outcomes as well as reducing insurance premiums.

Throughout FY22, we conducted a detailed review of our corporate risk register to gauge the effectiveness of existing programs and identify new and emerging threats. We have also commenced a large simplification program relating to our safety and compliance systems to increase efficiency and improve safety outcomes for our people.

With the COVID-19 pandemic continuing through FY22, we maintained our strict adherence to COVID-safe practices and the relevant State and Federal Government health advice and restrictions throughout the Group.

Recognising the efforts of our people

We acknowledge the efforts of our people in driving our success and delivering value to our many stakeholders through our annual awards. This year we presented 13 awards across the Group, with the prestigious "Scott Didier Award" bestowed to Executive Director, Adrian Gleeson.


OHNS LYNG GROUP
RESTORX
SERVICES
2021 AWARD


OHNS LYNG GROUP


OHNS LYNG GROUP

We recognise our responsibility to respect and enhance the communities in which we operate. This applies to the overall direct and indirect impact of our operational activities and our people. Our important work regularly takes us into communities severely affected by devastating natural disasters.

During FY22 we responded to several extreme weather events throughout Australia, including the severe storms in July 2021 which impacted 39 Local Government Areas throughout Victoria and the devastating floods that affected large parts of New South Wales and Southeast Queensland in February 2022.

Engaging local trades in the recovery and repair effort during catastrophic events is a vital aspect of community support.

During FY22 we contributed c.$115m to local communities affected by major disasters by engaging local trades and resources.

Supporting communities

Throughout both responses, a large focus was given to supporting the communities and people who were impacted – many had their whole lives turned upside down. This community-centric approach is central to our Catastrophe response and has been honed over decades of leading recovery and repair efforts for the Nation's most devastating natural disasters.

While leading the recovery from the Victorian storms, one of the first actions we took was to dispatch our sophisticated CAT Rigs to the impacted region. These large vehicles not only serve as mobile operation centres, they also act as hubs where community members can receive much needed support. This ranges from material supplies and internet access, through to hot showers, a beverage and even a much-needed chat with a member of our team or fellow visitor.

We recognise the importance of actively engaging with local communities at all stages of the recovery effort. This not only involves keeping communities informed, but also giving them the chance to provide feedback, ask questions and raise concerns. Our CAT Rigs also provide a physical location for people to come to discuss the recovery program and speak directly with a member of our team.

Engaging local trades in the recovery and repair effort is a vital aspect of community support. With a network of over 6,500 local trades throughout the country, Johns Lyng understands the value this brings to the economies, morale and community spirit of impacted regions. During FY22 we contributed approximately $115m to local communities by engaging local trades and resources.

Donations and sponsorship

Johns Lyng Group is passionate about making a positive and meaningful contribution to the wider community through a range of charitable initiatives.

After a number of event cancellations last year due to the COVID-19 pandemic, we were pleased to see a partial return of events-based fundraising for our chosen charities.

During FY22, Johns Lyng assisted in raising over $1.4m for charitable organisations including more than $670,000 for the EB Research Partnership and Starlight Children's Foundation.

The Group is committed to improving awareness of Indigenous culture.

Engaging with Indigenous Communities

Johns Lyng is committed to improving the awareness of Indigenous culture, history and customs amongst our people, while at the same time growing the diversity of our workforce to better represent the communities in which we operate.

Throughout the year, our front-line teams involved in the Victorian storms recovery underwent cultural awareness training. We also partnered with Indigenous leaders, Bushfire Recovery Victoria and heritage experts to identify and protect historic sites of Aboriginal cultural significance during the recovery (see page 38, "Working to preserve Indigenous history following the Victorian storms").

Through this program, the Group was recognised as a joint winner of the Government Award in the 2022 Victorian Resilient Australia Awards, which recognise and promote initiatives that build whole of community resilience toward disasters and emergencies through collaboration and innovation.

During FY22 we also worked with A2B Personnel, an Aboriginal owned apprenticeships, recruitment and labour hire company, to create opportunities to increase the representation of Aboriginal peoples within our front-line teams.

ENGAGING INDIGENOUS COMMUNITIES

Johns Lyng Group's partnership with A2B Group saw our teams receive the 2022 Victorian Resilient Australia Award

This award recognises and promotes initiatives that builds community resilience toward disasters and emergencies through collaboration and innovation.

Case Study:

Working to preserve Indigenous history following the Victorian storms.

Australia is a land rich in history with Aboriginal cultural sites prevalent throughout – the vast majority of which are unmapped.

The devastating storms that lashed Victoria in July 2021 presented a unique opportunity to document these historical sites to ensure they are preserved and also create a best-practice model for future disaster recovery programs across Australia.

Johns Lyng and Bushfire Recovery Victoria (BRV) partnered with Aboriginal-owned and controlled A2B Personnel and a number of other ecological and heritage partners to deliver the landmark Aboriginal Cultural Heritage Management Program.

The program aimed to ensure all Aboriginal artefacts of cultural significance (known and unknown) were protected during the clean-up and recovery of properties impacted by the storms.

Properties were initially assessed as to their likelihood to contain Aboriginal artefacts of cultural significance and graded using a traffic light system. Before any work commenced on a property designated an amber risk, Andrew Walker, a proud Yorta Yorta man and founder of A2B Personnel, physically assessed the site. If Andrew determined it might contain items of cultural significance, Traditional Owners were consulted and an appropriate course of action determined. For properties that were deemed higher risk, this process was initiated immediately.

All Johns Lyng supervisors involved in the storm recovery also underwent an induction on the Aboriginal Cultural Management process. This was conducted by Andrew Walker in consultation with local Traditional Owners. These sessions ensured Johns Lyng staff understood the significance of the land they were working on and the history of its Traditional Owners.

The Aboriginal Cultural Heritage Management program was hugely successful, not only in preserving historical sites and artefacts, but in bringing together Government, the private sector and Traditional Owners to collaborate on effective disaster recovery.

The valuable lessons learnt through the program will shape our approach to catastrophic events moving forward.

Johns Lyng will continue to strengthen its relationship with A2B which acts as a key facilitator for the Group's Cultural and Indigenous Program.

Supporting Indigenous futures, today.

Measuring our impact

Measuring and mitigating our impact on the environment forms a significant component of the Group's Corporate Responsibility Framework. Work is ongoing and will continue into the 2023 financial year. During FY22, we commenced a gap analysis that involves detailed mapping of environmental risks, setting targets and assigning actions to reduce their impact. When complete, this analysis will inform the environmental pillar of our Corporate Responsibility Framework and enable us to benchmark our performance.

Protecting the environment following a natural disaster

The environmental impact of a natural disaster can be far reaching and dire. It is vital that the recovery efforts do not cause further damage to the flora, fauna or history of the surrounding areas. Johns Lyng works hard to mitigate the displacement and injury of wildlife and destruction of native flora and fauna. We work closely with our partners and communities to ensure that all appropriate and respectful measures are taken to protect biodiversity and habitats, including repairing priority waterways and catchment assets along with supporting the strategic translocation of threatened wildlife.

When responding to both the Victorian storms and severe floods in NSW and Southeast Queensland during the year, our teams took a number of measures to ensure our impact on local ecosystems and wildlife was minimised and they were given the best possible opportunity to recover.

This included:

- Engaging with local Traditional Owners throughout the process and incorporating their local knowledge and approach to 'caring for Country' into the environmental and biodiversity recovery;
- Translocating native wildlife in impacted regions to ensure they are able to continue to thrive;
- Liaising with environmental experts to facilitate our hazard assessment team's effective identification of safety and environmental hazards during property assessments;
- Protecting water quality and associated ecosystems downstream from the impacted area, through effective and timely repairing of priority waterways and catchment assets; and
- Removing all hazardous materials from the impacted area to mitigate further damage to the ecosystem and risks to the community.

Recycling timber and green waste

Catastrophic events result in large amounts of green waste and timber. While responding to such events, we minimise wastage by repurposing organic matter into useable products.

During the year, we worked with Bushfire Recovery Victoria and a number of other stakeholders to recycle the several thousand cubic meters of green waste that was caused by the Victorian storms. Our teams cleared felled trees and other organic waste from residential properties and roadsides.

This was subsequently processed at green waste treatment sites where it was transformed into fence posts, tree stakes, mulch, sawdust and fish habitats. Large quantities of the final products were redeployed in the communities where the original green waste and timber originated.


HERE FOR
AUSTRALIANS
WHEN THEY
NEED
US MOST
And have been since 1953

Our Customers

We strive to create a seamless experience for our customers that delivers value and the best claims experience.

During FY22 we increased our emphasis on improving the customer experience through the implementation of our Customer Experience Roadmap. Since its introduction two years ago, the roadmap has provided the business with a clear strategy that works to provide a better experience for our customers, people and stakeholders.

This year we continued our investment in improving the customer experience through enhanced technology, streamlined processes and building the capacity of our Customer Connect team. As a result of this investment and our focus on customer service and excellence, we maintained a Net Promoter Score well above the national average for the sector.

During FY22, more than 500 JLG staff and 5,500 contractors underwent Code of Practice training.

This training was carried out through our professional development program and serves to ensure that all staff and contractors are aware of the Code and its specific requirements.

Rollout of our claims management platform

Last year we introduced our claims management program - an innovative customer interface that was designed to streamline the customer experience. Following a successful pilot with our Express Builders business unit, this year we implemented the platform across our entire Insurance Building businesses. Feedback from customers has been overwhelmingly positive, with many finding the new platform to be a convenient and efficient way to receive and manage updates on their claims. We will continue to enhance the claims management program as we roll it out through our Makesafe and Restoration businesses.

Greater integration with insurers

During the year we also increased our integration with insurers through Application Programming Interface (API) technology. APIs serve as a digital intermediary that enable our systems to communicate with those of our partner insurance companies. The implementation of APIs has reduced – and in some cases removed – the need to enter duplicate information at various stages of the claims process, saving time and creating an improved customer experience. Going forward we will focus on greater utilisation of API technology to further improve the claims experience for customers and clients.

Growing our customer service team

This year saw the Group experience a significant increase in job volume which is expected to continue. To ensure we can maintain our high level of customer service and respond to customer enquiries in a timely manner, we grew the size of our Customer Connect team by approximately 25%.

Training and compliance

In accordance with the compliance obligations of the General Insurance Code of Practice, during FY22, more than 500 JLG staff and 5,500 contractors underwent Code of Practice training. This training was carried out through our professional development program and serves to ensure that all staff and contractors are aware of the Code and its specific requirements.

This year we also enhanced our Customer Connect team's training in-line with our focus on continual improvement. A key focus of the training modules was learning to better support customers who are facing challenging and emotionally heightened environments.

Customer feedback

During the year we continued to apply the insights gained through our customer feedback system to improve our communication with customers and increase the efficiency of complaint resolution. We also continued to engage with customers across digital channels.

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 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)
Migration Council Australia (not-for-profit)

Former Directorships (last 3 years):
None

Scott Didier AM

Managing Director and Group Chief Executive Officer

Scott has led the Group for over 18 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 $890m and a headcount of more than 2,000 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 $1.5m each year to brighten the lives of seriously ill children. In 2016 Scott founded the EB Research Partnership Australia (EBRP, formally known as the 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 Group 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:
Pearl Global Limited
Eildon Boat Club (not-for-profit)

Former Directorships (last 3 years):
None

Nick Carnell

Executive Director and Chief Executive Officer, Australia

Nick joined Johns Lyng Group in 2014 and is currently the CEO of Johns Lyng Australia. With a strong history in leading the Group's operational and financial performance, Nick now has oversight of the entire Group's operational and financial performance in Australia. With over 16 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, 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):
None

Pip Turnbull

Executive Director and Executive General Manager, Business Development and Marketing

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 AM

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 $5 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

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

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

Hasaka has over 16 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 2022

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 2022.

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 (Non-executive Director, appointed 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. On 1 January 2022, Johns Lyng acquired US-based Reconstruction Experts – a leading provider of insurance focused repair services to residential, commercial and industrial properties in the US. The acquisition is discussed in detail below.

There were no other significant changes in the nature of the Group's activities during the year.

Dividends

On 29 August 2022, the Board declared a final dividend of 3.0 cents per share (fully franked). This final dividend is in addition to the previously announced half year (interim) dividend of 2.7 cents per share (fully franked), totalling 5.7 cents per share (fully franked) and representing 59% of NPAT attributable to the owners of Johns Lyng Group for FY22.

The final dividend will be paid on 19 September 2022 with a record date of entitlement of 2 September 2022.

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.

This is evidenced by our record financial performance and admission to the ASX 300 companies index which underscores the robustness of our business model and 'defensive growth' investment thesis.

On a consolidated basis, the Group delivered:

- Revenue: $895.0m / +57.5% (FY21: $568.4m)
- EBITDA[1]: $83.6m / +58.9% (FY21: $52.6m)

1 Excluding transaction related expenses of $9.4m (FY21: $0.4m plus non-recurring goodwill written off amounting to $1.8m)

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

- Major new 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;
- The establishment and launch of our "Johns Lyng Disaster Management" service offering – specifically assisting State and Local Governments with major event preparation, response and resiliency initiatives;
- Growth in our Strata Building Services business unit and the ongoing integration with Bright & Duggan; and
- Multiple strategic acquisitions that have materially contributed to the Group's record FY22 financial performance.

Insurance Building and Restoration Services (IB&RS)

The Insurance Building and Restoration Services division delivered a record financial performance during FY22:

- Revenue: $751.3m / +69.0% (FY21: $444.6m) – comprises:
  - » BaU revenue $586.5m / +63.8% (FY21: $358.0m)
  - » CAT revenue[1] $164.8m / +90.4% (FY21: $86.5m)

- EBITDA[2]: $84.9m / +67.0% (FY21 $50.8m) – comprises:
  - » BaU EBITDA[2] $66.3m / +61.9% (FY21: $40.9m)
  - » CAT EBITDA[1] $18.6m / +88.1% (FY21: $9.9m)

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 $9.2m (FY21: $0.1m)

The record 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:

- Blue Zebra: national building & restoration panel (effective 1 July 2021);
- Honey Insurance: national building & restoration panel (effective 1 July 2021);
- Steadfast Claims Solutions: national building & restoration panel (effective 1 July 2021);
- CHU: national building & restoration panel (effective 1 September 2021); and
- Suncorp: domestic building contract extension across 6 States and Territories (effective 1 November 2021).

The Group also benefited from significant work relating to catastrophic and other significant events which occurred in the current and previous financial years including:

- Hailstorms: ACT, VIC & NSW (Jan-20);
- East Coast Low (Feb-20);
- Hailstorm: SE QLD (Oct-20);
- Floods: NSW & SE QLD (Mar-21);
- Cyclone Seroja: WA (Apr-21);
- Storms & Floods: VIC (Jun-21);
- Earthquake: VIC (Sept-21);
- Severe Storms: SA, VIC & TAS (Oct-21); and
- Floods: SE-QLD & NSW (Feb-22).

During FY22, the Group continued to extend its national footprint opening offices in Launceston, Echuca, Coffs Harbour, Wollongong and Bairnsdale. 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.

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 approximately 20 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 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.

Steamatic Australia founder and CEO Oliver Threlfall retained the remaining 40% equity and maintains 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).

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.

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 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) and $4.8m in JLG Ltd shares, plus a potential future earn-out based on the financial performance of FY22 and FY23.

Strata Market Strategy & Acquisitions

During FY22, the Group continued to scale up "Johns Lyng Strata Services".

Launched during 2019, Johns Lyng Strata Services delivers strata management and domestic/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 significant growth market for Johns Lyng and is a key area of strategic focus going forward.

Cornerstone initiatives of the Group's strata market strategy include:

- The recent appointment of Johns Lyng to multiple national strata insurance building and restoration panels;
- The Group's acquisition of Bright & Duggan and Capitol Strata Management in FY20 and the recent bolt-on acquisitions successfully completed during FY22 including:
  - » Change Strata Management (100% equity interest): 1 July 2021;
  - » Structure Building Management (75%[1] equity interest): 1 July 2021;
  - » Shift Facilities Management (75%[1] equity interest): 1 July 2021; and
  - » BrisBay Strata Management (100% equity interest): 1 September 2021.

[1] Bright & Duggan's net equity interest post back-to-back sell-down of 25% equity 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. 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 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.

BrisBay Strata Management is a Brisbane-based boutique strata management business, focused on small buildings, with a portfolio of 1,387 lots across 123 strata schemes.

Bright & Duggan paid a total of $9.1m to complete the acquisitions, funded through existing cash reserves, current debt facilities and the sell-down of a 25% equity interest in BDFM to Mr Domazetovski.

Bright & Duggan currently manages a total of 89,379 lots under strata and/or building management contracts across 3,484 buildings/schemes including:

- 80,046 lots under strata management across 3,407 strata schemes;
  - » Of which, Bright & Duggan also undertakes building management for 7,206 lots across 62 buildings; and
  - » 9,333 lots across 77 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 the existing highly fragmented strata management market;
- Cross-sell of strata insurance building and restoration 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.

Johns Lyng Disaster Management

Johns Lyng Group is Australia's largest integrated insurance building, restoration and disaster management services provider.

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

Climate change is likely to increase both the frequency and severity of weather-related disasters. The Intergovernmental Panel on Climate Change's Sixth Assessment Report (August 2021) suggests that the Earth could heat by more than 1.5 degrees Celsius in less than 10 years. For Australia, this likely means more of the catastrophic events that we have experienced in recent history, including bushfires and severe flooding.

During FY22, we launched our dedicated "Johns Lyng Disaster Management" service offering – specifically assisting State and Local Governments with major event preparation, response and resiliency initiatives.

Johns Lyng's track record of service delivery, capability and local community engagement resulted in 2 milestone contracts with the Victorian and New South Wales State Governments including:

- On 5 July 2021, we announced a contract with the State Government of Victoria for the provision of clean-up and Makesafe works on private properties damaged by Victoria's severe storms. The extensive storm damage was spread across 39 Local Government Areas and the initial phase of work (focused on private properties) was delivered through joint funding of $55.5m from the Australian Federal and Victorian State Governments; and
- On 30 March 2022, we announced a contract with the NSW Government as part of the ongoing recovery response to the February 2022 flooding. The Australian and NSW Government funded $142m "Property Assessment and Demolition Program" provides free structural assessments (and demolition if necessary) of eligible flood impacted properties across 58 Local Government Areas.

As Australia's market leading national disaster response company, Johns Lyng Group will continue to build relationships with Local and State Governments to improve preparedness, resiliency and the effectiveness of our collective disaster response for the benefit of Australia and our local communities.

US Market Strategy

Johns Lyng initially entered the strategically important US market via the successful acquisition of the Steamatic Global Master Franchise in FY19 and subsequent bolt-on acquisition of the Steamatic Nashville franchise in FY20.

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.

These initial investments allowed the Group to research the US market dynamics, competitive landscape and build relationships with key clients and counterparties. As a result of these initiatives, Management identified the US market as a key pillar of the Group's long-term growth strategy which subsequently led to the successful acquisition of Reconstruction Experts.

Acquisition of Reconstruction Experts & $230m Equity Capital Raise

On 1 January 2022, Johns Lyng acquired a 99.5% equity interest in US-based Reconstruction Experts.

Established in Colorado in 2001, Reconstruction Experts is a leading provider of insurance focused repair services to residential, commercial and industrial properties in the US.

The company's primary client base is Homeowner Associations ("HOAs") – the US equivalent of Strata Managers / Owners' Corporations i.e. large multi-family properties including apartments, condominiums and master planned communities.

The company's key services are highly compatible with JLG's core competencies including:

- Defect and Damage Insurance – provides restoration repair works to clients when normal course insurable property damage losses occur, or flaws in initial construction result in a defect lawsuit; and
- Repairs and Maintenance – undertakes non-discretionary works to maintain or improve ageing properties not covered by insurance, typically in accordance with the long-term planning requirements of HOAs, or multi-family properties where reserve funds are in place for long-term capital projects.

Reconstruction Experts currently employs more than 300 staff across offices in four states including: Colorado, Texas, Florida and California.

The company is led by a strong, long standing, high-calibre and very experienced management team, who are fully aligned through ongoing equity ownership – consistent with JLG's equity partnership model.

Johns Lyng paid US$144.9m at Completion (US$144m Enterprise Value less net cash assumed of US$0.9m), plus a potential future earn-out based on the financial performance of the business (trailing 3-year average EBITDA), to be tested at 31 December 2022 and 31 December 2023.

The acquisition was funded by a successful A$230m equity capital raise comprising:

- A$187.5m Placement to sophisticated and institutional investors (Placement) at $7.00 per share representing a 1.7% discount to the theoretical ex-rights price of $7.12 per share as calculated and announced on 13 December 2021; and
- A$42.5m fully underwritten (1 for 35.91) accelerated non-renounceable entitlement offer (ANREO) at $6.80 per share.

The equity capital raise was fully underwritten at $6.80 per share by Joint Lead Managers, MA Financial Group and J.P. Morgan.

The Placement and institutional component of the ANREO settled on 20 December 2021 and the retail component of the ANREO settled on 7 January 2022.

The acquisition of Reconstruction Experts establishes a strong base from which to pursue growth in the very large US market for defect and damage insurance and property repairs and maintenance.

Johns Lyng's strategic plan (over time) is to develop a fully integrated national service offering including makesafe, insurance building, disaster management and restoration, through organic growth and the pursuit of select M&A opportunities.

Commercial Building Services (CBS)

Johns Lyng's Commercial Building Services division delivered a strong financial performance during FY22 following COVID-19 related disruption in FY21 which extended into the first quarter of FY22:

- Revenue: $52.6m / +15.0% (FY21: $45.7m)
- EBITDA[1]: $5.2m / +50.6% (FY21: $3.5m)

[1] Excluding transaction related expenses of nil (FY21: $0.1m plus $1.8m non-recurring goodwill written off)

The Commercial Building Services portfolio businesses continue to trade in-line with expectations and the Board is pleased with the progress made and the financial performance for FY22.

Commercial Construction (CC)

Johns Lyng's Commercial Construction division delivered a record financial performance for the first half of FY22, but the second half of the financial year saw significant input cost inflation erode margins for the current contracted work-in-progress.

- Revenue: $90.8m / +16.6% (FY21: $77.8m)
- EBITDA: ($1.8m) / (186.6%) (FY21: $2.1m)

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 for Cladding Safety Victoria.

As a result of the current market-wide input cost inflation pressures, the Board and Management have resolved to scale back the Group's commercial construction operations to focus on large-loss insurance building and other bilaterally negotiated commercial projects under a managed cost-plus or construction management model only.

This will significantly reduce the division's risk going forward.

Balance sheet

The Group continues to maintain a strong balance sheet with net assets of $333.0m (FY21: $73.4m) representing an annual increase of $259.6m. This includes cash and cash equivalents of $57.0m (FY21: $43.3m).

Matters subsequent to the end of the financial year

Acquisition of Trevor Bright's 44.5% Non-controlling Interest in Bright & Duggan

On 26 August 2022, Johns Lyng announced the retirement of Bright & Duggan Executive Chairman, Trevor Bright, and the completion of the acquisition of his 44.5% equity interest in the JLG subsidiary specialising in strata and building management (effective 25 August 2022).

The purchase price was $25.6m for the 44.5% equity interest comprising $15.4m in cash (funded from existing cash reserves and debt facilities) and $10.2m in JLG shares (50% subject to escrow for 6 months).

FY22 Final Dividend

On 29 August 2022, the Board declared a final dividend of 3.0 cents per share (fully franked). This final dividend is in addition to the previously announced half year (interim) dividend of 2.7 cents per share (fully franked), totalling 5.7 cents per share (fully franked) and representing 59% of NPAT attributable to the owners of Johns Lyng Group for FY22.

The final dividend will be paid on 19 September 2022 with a record date of entitlement of 2 September 2022.

There are no other matters or circumstances that have arisen since 30 June 2022 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 likely 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 44 to 47.

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 2022 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)	15	15	–	7	3	3	5	5
Scott Didier AM	15	14	–	6	–	2	–	3
Lindsay Barber	15	15	–	6	–	3	–	5
Nick Carnell	15	14	–	7	–	1	–	2
Adrian Gleeson	15	14	–	7	–	1	–	3
Pip Turnbull	15	14	–	7	–	–	–	1
Robert Kelly	15	10	–	4	3	3	–	–
Curt Mudd	15	15	7	6	3	3	–	1
Larisa Moran	15	15	7	7	–	3	5	5
Peter Dixon	15	15	7	7	–	3	5	5

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

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)

Dear Shareholders,

On behalf of the Board, I am pleased to present this year's Remuneration Report for Johns Lyng Group. For FY22, every Key Performance Indicator reflects another excellent year for Johns Lyng.

Working actively with Scott Didier, Group CEO and Managing Director, and leveraging a well-considered and disciplined Business and Performance Management System, the Board remains confident that the FY22 executive remuneration structure provides a fair and meaningful reward in alignment with the respective Executive's effort and Group performance.

Successfully navigating through the lingering implications of the COVID-19 pandemic, with a record level of 'business as usual' work, plus the significant weather events that impacted Australia, the extended team is proud to have successfully delivered an extensive range of services and solutions for clients and customers. The scope and scale of the Group's operations is significant, and the commitment to the highest quality of outcomes has remained steadfast.

The Board is committed to reviewing the executive remuneration structure annually. The primary focus of the review is to ensure that the remuneration structure continues to support Johns Lyng's strategies, aligns with the long-term interests of our shareholders, and provides market competitive remuneration to the team.

In FY23 we will be contemplating the refinement of Key Performance Indicators related to long-term incentives.

On behalf of the Board, I invite you to review our Remuneration Report and I thank our Executives and team for their efforts and contribution to our success in FY22.

Sincerely,

Curt Mudd,
Chairman, Nomination & Remuneration Committee

Contents	
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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 Directors and the Group Chief Financial Officer as listed below.

The KMP of the Group consists of Non-executive Directors and the following:

- Scott Didier AM (Group Chief Executive Officer and Managing Director);
- Lindsay Barber (Group Chief Operating Officer and Executive Director);
- Matthew Lunn (Group Chief Financial Officer);
- Nick Carnell (Chief Executive Officer, Australia 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 FY21 and continue to be reflected in FY22.

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 and 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 vested in previous financial years.

The remuneration of Non-executive Directors for the year ended 30 June 2022 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 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 taking into account 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 Group 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 FY22, 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.

KMP STI Plan – Rewards & Performance Matrix

Net Profit (Actual)[1]	<90% Forecast	90% Forecast	90%-100% Forecast	100%-200% Forecast	>200% Forecast
Scott Didier AM	0%	0.47%	Calculated pro-rata (straight-line) between bands	1.58%	STI Plan capped at 200% of Forecast
Lindsay Barber	0%	0.47%		1.58%	
Matthew Lunn	0%	0.38%		1.26%	
Nick Carnell	0%	0.33%		1.12%	
Adrian Gleeson	0%	0.28%		0.93%	
Pip Turnbull	0%	0.21%		0.70%	

[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 FY22 Results Presentation.

BUSINESS & PERFORMANCE MANAGEMENT SYSTEM

GO Meetings

(Group Operations Meetings)

90+ Business Leaders meet monthly with the Group 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

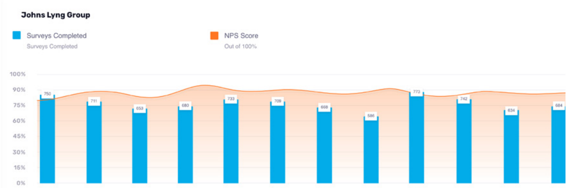
To augment the monthly GO Meetings, Key Management Personnel meet quarterly with the Group CEO and Group COO to discuss and review critical KPI's and successful demonstration of Johns Lyng's leadership 'Rockstar' competencies.

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
- Our People are Our Brand
- 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

KPI	Description					Comments	FY22 Results
	($m)	**FY22 (F)**	**FY22 (A)**	**Move**	**%**		
Achieve or Exceed Budgeted Turnover (Sales) Growth	Revenue	635.4	895.0	259.6	40.9%	Strong revenue outperformance driven by organic growth and acquisitions completed during FY22.	Revenue: $895.0m (+40.9% vs. forecast).
Achieve or Exceed Budgeted NPAT Performance	EBITDA[1]	60.1	83.6	23.5	39.1%	NPAT outperformance driven by revenue growth, margin expansion (cost control plus operating leverage) and acquisitions completed during FY22.	NPAT: $48.0m (+54.3% vs. forecast).
	NPAT[2]	31.1	48.0	16.9	54.3%		
Overall Claims Life Cycle						Reduction of overall claim life cycle will lead to increased capacity to handle incremental claims volume and increased job allocation from IB&RS clients.	Record volumes for FY22 handled successfully within performance parameters. This includes both performance milestones related to BaU and CAT events.
Net Promoter Score (NPS)						**Key questions:** Would you recommend Johns Lyng? How was the quality of repairs completed? How was the communication provided?	Meeting industry benchmarks. Process and software improvements continue to be a priority in support of NPS as a critical KPI.
Our People are our Brand	Talent & Succession Planning Systemic bi-annual Talent Review process					Quarterly employee KPI review & talent planning resulted in 27% of core IB&RS team members being promoted or progressed in FY22.	New acquisitions and BaU growth resulted in meaningful opportunities for employees. Key talent retained and deployed throughout the year.
Health & Safety	**Key metrics:**						Improvement observed across all key metrics through a focus on lead indicators and preventative strategies.
	Critical incidents/injuries					Incidents notifiable to the Regulator.	
	Total number of injuries					Raw number of staff injuries (requiring medical attention).	
	TRIFR: rolling 12 months total					Total Recordable Injury Frequency Rate.	
	Workers compensation claims R12					Workers compensation claims (may include contractors).	

1 Excluding transaction related expenses of $9,425,143 (FY21: $410,682 plus non-recurring goodwill written off of $1,770,929).

2 Excluding transaction related expenses of $9,493,873 including bank facility arrangement fee amortisation of $68,730 (FY21: $476,205 including bank facility arrangement fee amortisation of $65,524 plus non-recurring goodwill written off of $1,770,929).

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 FY22 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: 17 November 2022 (subject to shareholder approval at the FY22 AGM – shares to be issued as soon as practicable thereafter)
- Tranche 2 (33.3%):
  - Vesting date: 1 July 2023 (shares to be issued as soon as practicable thereafter)
- Tranche 3 (33.3%):
  - Vesting date: 1 July 2024 (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) and return on equity.

The Board determined that all vesting conditions in respect of the FY19 LTI (tranche 3) performance rights vesting 1 July 2022 had been met. This includes return on equity for FY22 of 30%[1] which outperformed the target/forecast return on equity of 26%.

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)[2]	**<Forecast +$4.4m**	**>/=Forecast +$4.4m**	**>/=Forecast +$7.0m**
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			
Net Profit (Actual)[2]	**<Forecast +$4.4m**	**>/=Forecast +$4.4m**	**>/=Forecast +$7.0m**
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 Underlying return on equity calculated using statutory net profit after tax attributable to the owners of Johns Lyng Group excluding tax effected transaction related expenses, tax effected amortisation of acquired identifiable intangible assets and excluding the profit and balance sheet impact of the acquisition of Reconstruction Experts and associated equity capital raising.

2 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 FY22 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 FY22 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 2025 (shares to be issued as soon as practicable thereafter)
  - Financial performance condition: Group actual Net Profit must exceed forecast and the Group must meet the 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 2 (33.3%):
  - Vesting date: 1 July 2025 (shares to be issued as soon as practicable thereafter)
  - Financial performance condition: Group actual Net Profit must exceed forecast and the Group must meet the 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
- Tranche 3 (33.3%):
  - Vesting date: 1 July 2025 (shares to be issued as soon as practicable thereafter)
  - Financial performance condition: Group actual Net Profit must exceed forecast and the Group must meet the return on equity target set by the Nomination and Remuneration Committee for FY25 (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 utilises the Employee Share Loan Plan (ESLP) for certain Directors and KMP, as a part of their employment arrangements and to recognise the ongoing abilities and efforts of Directors and KMP and their contribution to the performance and 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 limited-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 KMP as part of their remuneration during the year ended 30 June 2022 are set out below:

Name	Date	Shares	Issue price	Face Value $	Accounting Value $[3]
Peter Nash[1]	22 November 2021	8,201	$6.10	$50,000	$19,275
Matthew Lunn[2]	21 December 2021	250,000	$6.80	$1,700,000	$575,022

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.

2 Matthew Lunn received a discretionary issue of 250,000 Loan Funded Shares (escrowed until 31 December 2024) on successful completion of the acquisition of Reconstruction Experts.

3 Loan Funded Shares have been valued by an independent expert.

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.

Annual General Meeting (AGM)

The Group will hold its Annual General Meeting on 17 November 2022. At this time, a vote will be taken to adopt the remuneration report for the year ended 30 June 2022.

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 & Group Chief Executive Officer	Unlimited	Six months	Six months fully paid
Lindsay Barber	Executive Director & Group 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 & Chief Executive Officer, Australia	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 2022 $'000	30 June 2021 $'000	30 June 2020 $'000	30 June 2019 $'000	30 June 2018 $'000
Sales revenue	895,017	568,373	495,113	335,085	290,362
EBITDA[1]	83,560	52,596	40,987	27,779	25,231
NPAT[2]	47,957	29,708	22,919	16,102	17,843
Dividends declared (cents per share)	5.7	5.0	4.0	3.0	1.9
Share price at year end	$5.74	$5.10	$2.35	$1.45	$1.30
Performance based incentives to KMP[3]	4,326,906	2,876,394	1,649,838	1,371,449	1,039,417
Discretionary Loan Funded Share issue[4]	(575,022)	–	–	–	–
Net performance based incentives to KMP[3]	**3,751,884**	**2,876,394**	**1,649,838**	**1,371,449**	**1,039,417**

1 Excluding $9,425,143 (FY21: $410,682, FY20: $662,993, FY19: $427,238, FY18: $3,716,192) in transaction related expenses and $1,770,929 of non-recurring goodwill written off in FY21 only.

2 Excluding $9,493,873 (FY21: $476,205, FY20: $722,104, FY19: $486,349, FY18: $3,745,747) in transaction related expenses which includes bank facility arrangement fee amortisation of $68,730 (FY21: $65,524, FY20: $59,111, FY19: $59,111, FY18: $29,555) and $1,770,929 of non-recurring goodwill written off in FY21 only.

3 Rounded to the nearest dollar.

4 Accounting value of notional embedded option in Loan Funded Shares issued on successful completion of the acquisition of Reconstruction Experts.

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										
2022	150,000	–	–	–	–	19,275	–	169,275	100%	0%
2021	150,000	–	–	–	–	29,890	–	179,890	100%	0%
Robert Kelly[2]										
2022	60,000	–	–	–	–	–	–	60,000	100%	0%
2021	50,000	–	–	–	–	–	–	50,000	100%	0%
Curt Mudd[3]										
2022	99,249	–	–	–	–	–	–	99,249	100%	0%
2021	98,028	–	–	–	–	–	3,697	101,725	96%	4%
Larisa Moran[2]										
2022	70,000	–	–	–	–	–	–	70,000	100%	0%
2021	60,000	–	–	–	–	–	–	60,000	100%	0%
Peter Dixon[2]										
2022	70,000	–	–	–	–	–	–	70,000	100%	0%
2021	50,000	–	–	–	–	–	–	50,000	100%	0%

1 Loan Funded Shares have been valued by an independent expert.

2 Non-executive Directors' fees were increased by $20,000 per annum on 1 January 2022. Non-executive Directors fees' comprise $70,000 per annum plus $10,000 per annum for chairing a Board Committee.

3 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 were increased from $80,000 per annum to $100,000 per annum on 1 January 2022 plus ad-hoc consulting fees. Curt Mudd's STI and LTI amounts relate to awards made during his tenure as an Executive Director.

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] $	LTI perfor-mance rights $	Total $	Fixed (%)	Variable/ perfor-mance linked (%)
KMP:										
Scott Didier AM										
2022	487,156	–	551,419	163,587	24,921	–	109,591	1,336,674	38%	62%
2021	443,032	–	439,109	118,052	21,454	–	90,085	1,111,732	42%	58%
Lindsay Barber										
2022	359,694	–	551,419	163,587	24,921	4,185	109,591	1,213,397	32%	68%
2021	350,724	–	439,109	118,052	20,066	5,662	90,085	1,023,698	37%	63%
Matthew Lunn[3]										
2022	286,618	–	437,892	129,907	24,921	13,905	75,991	969,234	34%	66%
2021	258,416	–	348,704	93,747	19,262	4,197	67,945	792,271	36%	64%
Nick Carnell[4]										
2022	240,105	–	389,238	115,473	22,818	17,832	74,114	859,580	33%	67%
2021	161,951	–	257,308	69,176	26,676	18,573	52,990	586,674	35%	65%
Adrian Gleeson										
2022	239,849	–	324,364	96,227	22,826	10,011	72,004	765,281	36%	64%
2021	184,047	–	258,299	69,442	17,484	5,683	57,273	592,228	35%	65%
Pip Turnbull[5]										
2022	130,447	–	243,273	72,171	13,045	1,408	72,036	532,380	27%	73%
2021	134,524	–	193,724	52,082	22,102	(10,557)	57,515	449,390	33%	67%

1 In response to the COVID-19 pandemic, the Group's KMP took a temporary, non-refundable salary and superannuation reduction of 25% between 30 August 2021 and 24 October 2021 (4/26 pay runs) (FY21: 25% reduction 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 Excludes the accounting value of notional embedded option in discretionary Loan Funded Shares issued on successful completion of the acquisition of Reconstruction Experts ($575,022 – refer to page 62).

4 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.

5 Pip Turnbull worked 3 days per week as part of her maternity leave arrangements between 1 July 2021 and 31 December 2021. During this period, she received 60% of her base salary and superannuation remuneration.

8. Directors' interests[1]

	Interest in ordinary shares	Performance rights
Peter Nash[2]	370,920	–
Scott Didier AM	53,359,386	96,135
Lindsay Barber	12,862,462	96,135
Nick Carnell	2,147,140	148,531
Adrian Gleeson	1,662,533	63,419
Pip Turnbull	817,896	62,161
Robert Kelly[3]	5,735,935	–
Curt Mudd	832,229	–
Larisa Moran	4,400	–
Peter Dixon	73,889	–

1 Directors' interests as at Directors' Report date being 29 August 2022.

2 Includes 160,872 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 2021	Shares sold during FY22	Shares purchased during FY22	Shares received as remuneration during FY22[2]	Initial reported shareholding[3]	Shareholding at 30 June 2022
Non-executive Directors						
Peter Nash[4]	352,671	–	10,304	8,201	–	371,176
Robert Kelly[5]	5,000,000	–	735,935	–	–	5,735,935
Curt Mudd	1,070,934	(250,000)	–	11,295	–	832,229
Larisa Moran	4,400	–	–	–	–	4,400
Peter Dixon	71,888	–	2,001	–	–	73,889
KMP						
Scott Didier AM	55,346,834	(3,700,000)	1,604,605	63,386	–	53,314,825
Lindsay Barber	13,298,824	(1,000,000)	372,101	63,386	83,590	12,817,901
Matthew Lunn[6]	200,329	(110,000)	10,261	308,300	–	408,890
Nick Carnell	3,872,673	–	107,843	–	–	3,980,516
Adrian Gleeson	1,483,948	–	117,323	35,909	–	1,637,180
Pip Turnbull	838,879	(100,000)	24,280	33,016	–	796,175
	81,541,380	**(5,160,000)**	**2,984,653**	**523,493**	**83,590**	**79,973,116**

1 Non-executive Directors' and KMP's interests as at 30 June 2022.

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

3 Change of trustee (off-market transfer).

4 Includes 160,872 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.

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

6 Includes 320,000 Loan Funded Shares.

	Performance rights holding at 1 July 2021	Performance rights granted during FY22	Performance rights vested during FY22[1]	Initial reported performance rights holding	Performance rights holding at 30 June 2022
Non-executive Directors					
Peter Nash	–	–	–	–	–
Robert Kelly	–	–	–	–	–
Curt Mudd[2]	11,295	–	(11,295)	–	–
Larisa Moran	–	–	–	–	–
Peter Dixon	–	–	–	–	–
KMP					
Scott Didier AM	152,990	51,092	(63,386)	–	140,696
Lindsay Barber	152,990	51,092	(63,386)	–	140,696
Matthew Lunn	125,622	37,334	(58,300)	–	104,656
Nick Carnell	113,462	35,069	–	–	148,531
Adrian Gleeson	92,633	32,048	(35,909)	–	88,772
Pip Turnbull	88,624	28,274	(33,016)	–	83,882
	737,616	**234,909**	**(265,292)**	**–**	**707,233**

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 FY22: FY18 LTI (tranche 3), FY19 LTI (tranche 2), FY20 STI (tranche 2) and FY21 STI (tranche 1).

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.

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.

During FY22 Curt Mudd (Non-executive Director) received consultancy fees from the Group in the amount of $15,231 (GST: nil) (FY21: $31,621 (GST: nil)). These amounts have been included in salary and fees within the Remuneration Report.

During FY22 the Group paid $15,019 (plus GST) (FY21: $20,236 (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 $250 per night). 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 FY22 the Group paid $181,537 (plus GST) (FY21: $1,432 (plus GST)) to Hamilton Locke Pty Ltd (Hamilton Locke) for legal services and $88,875 (plus GST) (FY21: $16,620 (plus GST)) 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. These services were provided on an arm's length basis and on commercial terms.

During FY22, partially in response to the severe floods in southeast QLD and northern NSW, the Group paid $37,237 (plus GST) (FY21: nil) to Beach Houses of Byron Pty Ltd as trustee for BHOB Trust (BHOB) for staff and client accommodation purposes. BHOB manages 2 properties owned by 6-10 Shirley Lane Pty Ltd ATF 6-10 Shirley Lane Joint Venture and FMQ Pty Ltd ATF FMQ Pty Ltd Joint Venture. These entities are ultimately owned by Scott Didier AM, Lindsay Barber, Matthew Lunn, Nick Carnell, Adrian Gleeson, Pip Turnbull, Curt Mudd and other unitholders. These accommodation services were provided on an arm's length basis and on commercial terms.

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 FY22 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 $152,280 (plus GST) (FY21: $150,000 (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 (JLCB) 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 FY22 the value of work totalled $721,887 (plus GST) (FY21: $2,789,078 (plus GST)). At 30 June 2022 a total amount of $7,982,660 was owed from Is My CV to JLCB. This amount was subsequently fully paid. The arrangement is on an arm's length basis and on commercial terms.

During FY22 Johns Lyng Shopfit Services Pty Ltd ATF Johns Lyng Shopfit Services Unit Trust (JLSS) entered into various contracts with Retail Prodigy Operations Pty Ltd ATF Retail Prodigy Operations Trust (RPO) for retail space design and fitout services at a number of retail stores in Australia and New Zealand. The Ultimate owners of RPO include: Scott Didier AM, Lindsay Barber, Matthew Lunn, Nick Carnell, Adrian Gleeson, Pip Turnbull, Curt Mudd and other unitholders. During FY22 the amount invoiced totalled $553,703 (plus GST) (FY21: $1,167,992 (plus GST)). At 30 June 2022 a total amount of $10,692 was owed from RPO to JLSS in the ordinary course of business. This amount was subsequently fully paid. The arrangement is on an arm's length basis and on commercial terms.

During FY22 Johns Lyng Insurance Building Solutions (Victoria) Pty Ltd ATF Johns Lyng Insurance Building Solutions (Victoria) Unit Trust, Johns Lyng Commercial Builders Pty Ltd ATF Johns Lyng Commercial Builders Unit Trust, Dressed For Sale Australia Pty Ltd and Restorx Newcastle Pty Ltd ATF Restorx Newcastle Unit Trust completed works at Scott Didier AM's residence. During FY22 the amount invoiced totalled $108,939 (plus GST) (FY21: $183,011 (plus GST)). This project was completed on an arm's length basis and on commercial terms.

During FY22 Johns Lyng Insurance Building Solutions (Victoria) Pty Ltd ATF Johns Lyng Insurance Building Solutions (Victoria) Unit Trust and Johns Lyng Makesafe Emergency Builders (Victoria) Pty Ltd ATF Johns Lyng MakeSafe Emergency Builders (Victoria) Unit Trust completed renovation work for EBH Leasehold Pty Ltd ATF EBH Leasehold Unit Trust (EBH). During FY22 the amount invoiced totalled $57,495 (plus GST) (FY21: $65,718 (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.

During FY22, Global 360 Pty Ltd ATF Global 360 Unit Trust provided recruitment services to EB Research Partnership (Australia) Limited. The Group also incurred costs of $5,000 in relation to a charitable donation to EB Research Partnership (Australia). Scott Didier AM is a director of EB Research Partnership (Australia) Limited.

During FY22, Johns Lyng Group (Nominee) Pty Ltd ATF Johns Lyng Unit Trust invoiced $9,560 (plus GST) (FY21: $704 (plus GST)) to Buddybet Group Pty Ltd (Buddybet) for human resources services. Buddybet is owned by Scott Didier AM, Lindsay Barber, Matthew Lunn, Nick Carnell, Adrian Gleeson, Pip Turnbull, Curt Mudd and other shareholders. These services were provided 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.	FY22: $160,723 (plus GST) FY21: $159,041 (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).	FY22: $121,316 (plus GST) FY21: $112,873 (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.	FY22: $416,434 (plus GST) FY21: $404,304 (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.	FY22: $47,045 (plus GST) FY21: nil[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 receivables/(payables)

	Consolidated	
	2022	2021
Johns Lyng Investments Pty Ltd ATF Johns Lyng Investments Unit Trust[1]	–	(70,415)
NSC Collective Pty Ltd ATF Carnell Family Trust[2]	913,495	913,495
Is My CV Australia Pty Ltd ATF Is My CV Australia Unit Trust[3]	7,982,660	–
Retail Prodigy Operations Pty Ltd ATF Retail Prodigy Operations Trust[3]	10,692	–
Total related party loans – net receivable	8,906,847	843,080

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. Amount is included within other receivables at 30 June 2022.

3 Amount is included within trade receivables at 30 June 2022 and has subsequently been fully paid.

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

29 August 2022

Scott Didier AM
Managing Director

29 August 2022

AUDITOR'S INDEPENDENCE DECLARATION

30 June 2022

PITCHER PARTNERS

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 2022, 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

29 August 2022

PITCHER PARTNERS
Melbourne

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 30 June 2022

	Note	Consolidated 2022 $'000	2021 $'000
Revenue			
Sales income	5	895,017	568,373
Cost of sales		(698,475)	(448,789)
Gross profit		196,542	119,584
Other revenue and income	5	3,600	3,695
Expenses			
Administration expenses		(2,141)	(1,611)
Advertising expenses		(3,627)	(2,129)
Depreciation and amortisation	6	(15,103)	(9,581)
Employee benefits expenses	6	(74,538)	(44,415)
Finance costs	6	(2,284)	(1,872)
Goodwill written off		–	(1,771)
Insurance expenses		(5,713)	(2,784)
IT expenses		(7,687)	(4,816)
Motor vehicle expenses		(6,226)	(3,856)
Occupancy expenses		(2,379)	(1,369)
Printing, postage and stationery expenses		(1,733)	(1,765)
Professional fees		(3,046)	(2,527)
Telephone and communication expenses		(2,317)	(1,623)
Transaction related expenses[1]		(9,494)	(476)
Travel expenses		(2,563)	(1,115)
Other expenses		(4,435)	(2,449)
Total expenses		**(143,286)**	**(84,159)**
Profit before income tax		**56,856**	**39,120**
Income tax expense	7	(18,393)	(11,660)
Profit after income tax for the year		**38,463**	**27,460**
Attributable to:			
Owners of Johns Lyng Group	23	25,116	18,560
Non-controlling interests	24	13,347	8,900
		38,463	**27,460**

Earnings per share (EPS) for profit attributable to the owners of Johns Lyng Group

	Note	2022 Cents	2021 Cents
Basic earnings per share	36	10.34	8.30
Diluted earnings per share	36	10.30	8.27

[1] Transaction related expenses include $68,730 (FY21: $65,524) in respect of banking facility arrangement fee amortisation.

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2022

		Consolidated	
	Note	2022 $'000	2021 $'000
Profit after income tax for the year		**38,463**	**27,460**
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss			
Movement in foreign currency translation reserve	22	8,923	(390)
Total comprehensive income for the year		**47,386**	**27,070**
Attributable to:			
Owners of Johns Lyng Group		34,039	18,170
Non-controlling interests		13,347	8,900
		47,386	**27,070**

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended 30 June 2022

		Consolidated	
	Note	2022 $'000	2021 $'000
Assets			
Current assets			
Cash and cash equivalents	8	56,972	43,313
Trade and other receivables	9	174,825	78,794
Inventories	10	2,784	825
Accrued income	11	77,268	40,711
Current tax asset	7	1,888	–
Other current assets	12	6,104	2,930
Total current assets		319,841	166,573
Non-current assets			
Property, plant and equipment	13	25,983	15,260
Intangibles	14	279,248	48,158
Right-of-use assets	15	18,563	13,491
Deferred tax asset	7	6,250	4,883
Total non-current assets		330,044	81,792
Total assets		**649,885**	**248,365**
Liabilities			
Current liabilities			
Trade and other payables	16	192,081	99,208
Borrowings	17	19,496	6,757
Current tax liability	7	8,062	5,181
Employee provisions	18	9,607	7,522
Non-controlling interest liabilities	19	1,928	1,363
Right-of-use lease liabilities	15	6,859	3,976
Income in advance	20	39,598	23,710
Total current liabilities		277,631	147,717
Non-current liabilities			
Right-of-use lease liabilities	15	13,810	11,368
Borrowings	17	15,796	11,091
Deferred tax liability	7	8,430	4,171
Employee provisions	18	1,213	610
Total non-current liabilities		39,249	27,240
Total liabilities		**316,880**	**174,957**
Net assets		**333,005**	**73,408**
Equity			
Issued capital	21	297,544	64,651
Reserves	22	(10,137)	(19,826)
Retained earnings	23	32,544	20,737
Equity attributable to the owners of Johns Lyng Group		319,951	65,562
Non-controlling interests	24	13,054	7,846
Total equity		**333,005**	**73,408**

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 2022

	Issued capital	Reserves	Retained earnings	Non-controlling interest	Total equity
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 acquisitions including earn-outs	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**

Consolidated 30 June 2022	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Balance at 1 July 2021	64,651	(19,826)	20,737	7,846	73,408
Profit for the year	–	–	25,116	13,347	38,463
Movement in foreign currency reserve	–	8,923	–	–	8,923
Total comprehensive income for the year	–	8,923	25,116	13,347	47,386
Transactions with owners in their capacity as owners:					
Transactions with non-controlling interests	–	(1,081)	–	278	(803)
Issue of shares to non-controlling interests	–	–	–	1,638	1,638
Issue of shares in connection with business acquisitions including earn-outs	5,231	–	–	–	5,231
Non-controlling interests recognised on business acquisition	–	–	–	416	416
Dividends	–	–	(13,309)	(2,655)	(15,964)
Distributions	–	–	–	(7,816)	(7,816)
Share based payments	–	2,646	–	–	2,646
Issue of shares – vesting of Performance Rights[1]	799	(799)	–	–	–
Issue of shares – Institutional Placement and ANREO	230,209	–	–	–	230,209
Issue of shares – exercise of call options	1,000	–	–	–	1,000
Share issue transaction expenses net of tax	(4,346)	–	–	–	(4,346)
Balance at 30 June 2022	**297,544**	**(10,137)**	**32,544**	**13,054**	**333,005**

[1] Issued under the Employee and Executive Incentive Plan.

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 2022

		Consolidated	
	Note	2022 $'000	2021 $'000
Cash flows from operating activities			
Receipts from customers		907,774	604,957
Payments to suppliers and employees		(865,589)	(564,042)
Interest received		177	225
Finance costs		(2,284)	(1,872)
Income tax paid	7	(14,763)	(11,152)
Net cash from operating activities	**35(b)**	**25,315**	**28,116**
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		504	586
Payments for property, plant and equipment		(6,126)	(2,464)
Payments for intangibles (software)		(1,167)	(79)
Payments for intangibles (customer contracts)		(190)	–
Cash acquired on acquisition		2,633	–
Payments for business acquisitions		(174,544)	–
Net cash used in investing activities		**(178,890)**	**(1,957)**
Cash flows from financing activities			
Proceeds from share issue		230,209	–
Proceeds from borrowings	35(c)	18,453	1,977
Repayment of borrowings	35(c)	(42,261)	(7,630)
Payments to non-controlling interests		(10,569)	(6,269)
Proceeds from share issue to non-controlling interests		1,638	–
Payments (to)/from related parties (net)		(70)	85
Payment of right-of-use (principal) lease liabilities	35(c)	(5,909)	(4,111)
Repayment of hire purchase liabilities	35(c)	(4,739)	(3,839)
Dividends paid	25	(13,309)	(9,827)
Share issue transaction expenses		(6,209)	–
Net cash from/(used in) financing activities		**167,234**	**(29,614)**
Net increase/(decrease) in cash and cash equivalents		13,659	(3,455)
Cash and cash equivalents at the beginning of the financial year		43,313	46,768
Cash and cash equivalents at the end of the financial year	8, 35	**56,972**	**43,313**

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

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 29 August 2022. 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.

(g) New accounting standards and interpretations issued

The Company has adopted all of the new and revised Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current year. There has been no material effect.

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.

Deferred and contingent consideration

Deferred and contingent consideration to be potentially transferred by the acquirer is recognised at the acquisition date fair value. The fair value of contingent consideration is based on the forecast cash flows of the acquired entity. These calculations require the use of assumptions including growth rates of the estimated future cash flows.

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.

Consolidated – 2022	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	751,265	52,612	90,793	347	–	895,017
Intersegment sales	11,016	5,080	–	3,225	(19,321)	–
Total sales revenue	762,281	57,692	90,793	3,572	(19,321)	895,017
Total other revenue and expenses	(686,623)	(52,472)	(92,628)	(8,480)	19,321	(820,882)
EBITDA[1]	**75,658**	**5,220**	**(1,835)**	**(4,908)**	**–**	**74,135**
Depreciation and amortisation	(12,191)	(2,788)	(190)	66	–	(15,103)
Interest income	168	5	206	1	(203)	177
Finance costs	(1,872)	(170)	–	(445)	203	(2,284)
Banking facility arrangement fee amortisation	–	–	–	(69)	–	(69)
Profit/(loss) before income tax expense	**61,763**	**2,267**	**(1,819)**	**(5,355)**	**–**	**56,856**
Income tax expense						(18,393)
Profit after income tax expense						**38,463**

[1] Includes transaction related expenses of $9,425,143 shown in the consolidated statement of profit or loss.

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 plus goodwill written off of $1,770,929 shown in the consolidated statement of profit or loss.

NOTE 5. REVENUE AND OTHER INCOME

	Consolidated	
	2022 $'000	2021 $'000
Sales income		
Insurance Building and Restoration Services	751,265	444,550
Commercial Building Services	52,612	45,742
Commercial Construction	90,793	77,840
Other	347	241
	895,017	**568,373**
Other revenue and income		
Interest income	177	225
Other revenue	3,423	3,239
Profit on sale of property, plant and equipment	–	231
	3,600	**3,695**

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 revenue

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	
	2022 $'000	**2021 $'000**
Profit before income tax includes the following specific expenses:		
Employee benefits:		
Gross remuneration, bonuses and on-costs	122,295	87,341
Superannuation	8,065	5,877
Share based payments expense	2,646	1,264
	133,006	94,482
Less amounts expensed through cost of sales	(57,506)	(50,067)
Less amounts expensed through transaction related expenses	(962)	–
Total employee benefits	74,538	44,415
Depreciation and amortisation:		
Depreciation	7,140	4,638
Depreciation – right-of-use assets	6,162	4,298
Amortisation	1,801	645
Total depreciation and amortisation	15,103	9,581
Finance costs:		
Borrowings	1,365	1,101
Right-of-use lease liabilities	919	771
Total finance costs	2,284	1,872
Profit/(loss) on sale of property, plant and equipment	(150)	231

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 for Australian employees (currently 10% of the employees' average ordinary salary) and 401(k) contributions for Amercian employees, 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	
	2022 $'000	2021 $'000
(a) Components of tax expense		
Current tax	17,053	11,967
Deferred tax	1,256	(475)
Under/(over) provision in prior years	84	168
	18,393	11,660
(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	56,856	39,120
Prima facie income tax payable on profit before income tax at 30.0% (2021: 30.0%)	17,057	11,736
Add tax effect of:		
– Subsidiary losses not recognised	2,110	931
– Other non-deductible expenses	1,585	629
– Goodwill written off	–	531
– Under/(over) provision in prior years	84	168
Less tax effect of:		
– Distributions to non-controlling interests	(2,345)	(1,861)
– Subsidiary losses utilised (previously not recognised)	(98)	(474)
	18,393	11,660
(c) Current tax		
Current tax relates to the following:		
Current tax (liability)/asset		
Opening at 1 July	(5,181)	(4,198)
Current tax asset assumed on business acquisition	1,281	–
Income tax expense	(17,053)	(11,967)
Tax payments	14,763	11,152
Foreign exchange movements	100	–
Under provision in prior years	(84)	(168)
Closing at 30 June (net)	(6,174)	(5,181)
Current tax asset	1,888	–
Current tax (liability)	(8,062)	(5,181)
Net current tax (liability)	(6,174)	(5,181)

	Consolidated	
	2022 $'000	2021 $'000
(d) Deferred tax		
Deferred tax relates to the following:		
Deferred tax assets		
– Accruals	1,100	1,065
– Employee benefits	3,246	2,440
– Property, plant and equipment	(344)	402
– Capital raising costs and other blackhole (transaction) expenditure	1,619	420
– Right-of-use leases	629	556
	6,250	4,883
Deferred tax liability		
– Intangibles	(8,430)	(4,171)
	(8,430)	(4,171)
Net deferred tax asset/(liability)	(2,180)	712
Movements:		
Opening at 1 July	712	237
Income tax (expense)/benefit	(1,256)	475
Income tax credited directly to equity	1,863	–
Assumed on business acquisition	(3,379)	–
Foreign exchange movements	(120)	–
Closing at 30 June (net)	**(2,180)**	**712**

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	
	2022 $'000	**2021 $'000**
Cash on hand	25	16
Cash at bank	56,765	43,115
Cash on deposit	182	182
	56,972	**43,313**
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:		
Balance as above	56,972	43,313
Balance as per consolidated statement of cash flows	56,972	43,313

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 (if applicable), which are shown within borrowings in current liabilities on the consolidated statement of financial position.

NOTE 9. TRADE AND OTHER RECEIVABLES

	Consolidated	
	2022 $'000	**2021 $'000**
Trade receivables	155,628	72,215
Trade retentions	11,594	1,018
Other debtors	1,814	632
	13,408	1,650
Related parties	913	913
Non-controlling interests	4,876	4,016
	174,825	**78,794**

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, homeowner associations 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	
	2022 $'000	2021 $'000
Raw materials	2,784	825

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	
	2022 $'000	2021 $'000
Accrued income	77,268	40,711

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 2021 accrued income within the 2022 year and expects the 2022 balance to be settled within 12 months.

NOTE 12. OTHER CURRENT ASSETS

	Consolidated	
	2022 $'000	2021 $'000
Prepayments	6,104	2,930
Total other current assets	**6,104**	**2,930**

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	
	2022 $'000	2021 $'000
Freehold land – at cost	1,335	1,224
Buildings – at cost	363	333
Less: accumulated depreciation	(28)	(15)
	335	318
Leasehold improvements – at cost	4,492	3,402
Less: accumulated depreciation	(2,521)	(1,922)
	1,971	1,480
Plant and equipment – at cost	18,434	10,180
Less: accumulated depreciation	(7,715)	(5,976)
	10,719	4,204
Motor vehicles – at cost	21,341	15,043
Less: accumulated depreciation	(9,892)	(7,276)
	11,449	7,767
Computer equipment – at cost	2,025	1,925
Less: accumulated depreciation	(1,851)	(1,658)
	174	267
Total property, plant and equipment	**25,983**	**15,260**

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 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
Additions	–	–	322	5,649	5,483	21	11,475
Additions through business acquisitions	–	–	797	4,462	1,336	111	6,706
Disposals	–	–	(52)	(399)	(203)	–	(654)
Depreciation expense	–	(11)	(600)	(3,308)	(2,992)	(229)	(7,140)
Foreign exchange movements	111	28	24	111	58	4	336
Balance at 30 June 2022	**1,335**	**335**	**1,971**	**10,719**	**11,449**	**174**	**25,983**

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 2022 is $10,079,000 (2021: $6,872,000).

The corresponding hire purchase liability of $9,528,000 (2021: $6,611,000) 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	
	2022 $'000	2021 $'000
Goodwill	243,863	30,667
Trademarks	11,808	5,114
Customer contracts	24,528	12,744
Less: accumulated amortisation	(2,675)	(1,020)
	21,853	11,724
Software	2,093	876
Less: accumulated amortisation	(369)	(223)
	1,724	653
	279,248	**48,158**

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 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
Additions	–	–	190	1,167	1,357
Additions through business acquisitions	203,604	6,101	11,357	50	221,112
Foreign exchange movements	9,592	593	237	–	10,422
Amortisation expense	–	–	(1,655)	(146)	(1,801)
Balance at 30 June 2022	**243,863**	**11,808**	**21,853**	**1,724**	**279,248**

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 acquisitions and are initially measured at their fair value at the date of acquisition. Customer contracts and relationships are amortised using the straight-line method over their estimated useful lives commencing from the date of acquisition (as detailed below).

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.

Class of intangible asset	Amortisation rates	Amortisation basis
Customer contracts	4-20%	Straight-line
Software	33%	Straight-line

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

Impairment tests for goodwill and intangible assets with indefinite useful lives

Goodwill and trademarks have been tested for impairment by comparing the carrying amounts to the recoverable amounts.

The Steamatic trademark 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%.

The recoverable amount of goodwill and other trademarks is based on value-in-use calculations, 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 Floorcoverings – a terminal value growth rate of 2.5% (2021: 2.5%) and a discount rate of 8.3% (2021: 8.8%).
- Dressed for Sale Australia – a terminal value growth rate of 2.5% (2021: 2.5%) and a discount rate of 8.3% (2021: 8.8%).
- Steamatic USA – a terminal value growth rate of 2.5% (2021: 2.5%) and a discount rate of 8.3% (2021: 8.8%).
- Bright & Duggan – a terminal value growth rate of 2.5% (2021: 2.5%) and a discount rate of 8.3% (2021: 8.8%).
- Air Control Australia – a terminal value growth rate of 2.5% (2021: 2.5%) and a discount rate of 8.3% (2021: 8.8%).
- Unitech Building Services – a terminal value growth rate of 2.5% (2021: n/a) and a discount rate of 8.3% (2021: n/a).
- Steamatic Australia – a terminal value growth rate of 2.5% (2021: n/a) and a discount rate of 8.3% (2021: n/a).
- Reconstruction Experts – a terminal value growth rate of 2.5% (2021: n/a) and a discount rate of 8.3% (2021: n/a).

NOTE 14. INTANGIBLES (continued)

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

	Consolidated	
	2022 $'000	2021 $'000
Goodwill:		
Trump Floorcoverings	1,571	1,571
Dynamic Construction	100	100
Dressed for Sale Australia	5,217	5,217
Steamatic USA	816	749
Bright & Duggan	28,840	20,314
Air Control Australia	2,716	2,716
Steamatic Australia	14,282	–
Unitech Building Services	2,006	–
Reconstruction Experts	188,315	–
	243,863	**30,667**
Trademarks:		
Steamatic USA	3,200	2,933
Bright & Duggan	2,179	2,179
Reconstruction Experts	6,426	–
Other	3	2
	11,808	**5,114**

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	
	2022 $'000	2021 $'000
Right-of-use assets		
Buildings under lease arrangements at cost	32,734	21,500
Accumulated depreciation	(14,171)	(8,009)
Total carrying amount of right-of-use assets	**18,563**	**13,491**

Reconciliation of carrying amount of right-of-use assets	Buildings	Total
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**
Carrying amount at 1 July 2021	13,491	13,491
Additions	3,622	3,622
Additions through business acquisitions	7,451	7,451
Depreciation	(6,162)	(6,162)
Foreign exchange movements	165	165
Lease terminations	(4)	(4)
Carrying amount at 30 June 2022	**18,563**	**18,563**

	2022 $'000	2021 $'000
Right-of-use lease liabilities		
Current right-of-use lease liabilities	6,859	3,976
	6,859	**3,976**
Non-current right-of-use lease liabilities	13,810	11,368
	13,810	**11,368**
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)	(624)	(157)
Total cash outflow in relation to leases	(7,450)	(5,039)

NOTE 15. RIGHT-OF-USE ASSETS & LEASE LIABILITIES (continued)

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	
	2022 $'000	**2021 $'000**
Trade creditors	145,582	82,402
Sundry creditors and accruals	46,499	16,736
Related parties	–	70
	192,081	**99,208**

Accounting policy for trade and other payables

Trade and other payables are stated at amortised cost.

NOTE 17. BORROWINGS

	Consolidated	
	2022 $'000	2021 $'000
Current borrowings		
Secured:		
Insurance premium funding	3,090	1,587
Hire purchase	4,682	3,320
Bank loans	11,724	1,850
	19,496	**6,757**
Non-current borrowings		
Secured:		
Hire purchase	4,846	3,291
Bank loans	10,950	7,800
	15,796	**11,091**

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 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	
	2022 $'000	2021 $'000
Current		
Employee benefits	**9,607**	**7,522**
Non-current		
Employee benefits	**1,213**	**610**

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	
	2022 $'000	2021 $'000
Non-controlling interest liabilities	1,928	1,363

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	
	2022 $'000	2021 $'000
Income in advance	39,598	23,710

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			
	2022 Shares	2021 Shares	2022 $'000	2021 $'000
Ordinary shares – fully paid	259,195,074	224,099,475	297,544	64,651

Movements in issued capital

Details	Date	Shares	$'000
Opening balance	1 July 2020	222,388,980	60,460
Issue of shares - vesting of Performance Rights	1 July 2020	259,366	339
Issue of shares - business acquisition (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**
Opening balance	1 July 2021	224,099,475	64,651
Issue of shares - vesting of Performance Rights	1 July 2021	301,287	528
Issue of shares - business acquisition	29 July 2021	971,940	4,790
Issue of shares - vesting of Performance Rights	22 November 2021	40,274	271
Issue of shares - Loan Funded Shares	22 November 2021	8,201	–
Issue of shares - Institutional Placement and ANREO	21 December 2021	31,752,563	221,309
Share issue transaction expenses net of tax	21 December 2021	–	(4,066)
Issue of shares - business acquisition (earn-out)	21 December 2021	24,026	150
Issue of shares - exercise of call options	21 December 2021	234,810	1,000
Issue of shares - Loan Funded Shares	21 December 2021	418,382	–
Issue of shares - Retail ANREO	10 January 2022	1,308,764	8,900
Share issue transaction expenses net of tax	10 January 2022	–	(280)
Issue of shares - business acquisition (earn-out)	23 February 2022	35,352	291
Balance	**30 June 2022**	**259,195,074**	**297,544**

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.

NOTE 21. ISSUED CAPITAL (continued)

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

426,583 (FY21: 18,136) 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	
	2022 $'000	**2021 $'000**
Foreign currency translation reserve	8,403	(520)
Options reserve	3,779	1,932
Changes in subsidiary interests reserve	(22,319)	(21,238)
Balance at 30 June 2022	**(10,137)**	**(19,826)**

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 and employees 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 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)**
Balance at 1 July 2021	(520)	1,932	(21,238)	(19,826)
Transactions with non-controlling interests	–	–	(1,081)	(1,081)
Foreign currency translation	8,923	–	–	8,923
Share based payments	–	2,646	–	2,646
Issue of shares on vesting of Performance Rights[1]	–	(799)	–	(799)
Balance at 30 June 2022	**8,403**	**3,779**	**(22,319)**	**(10,137)**

[1] Issued under the Employee and Executive Incentive Plan.

NOTE 23. RETAINED EARNINGS

	Consolidated	
	2022 $'000	2021 $'000
Retained earnings at the beginning of the financial year	20,737	12,004
Profit after income tax for the year	25,116	18,560
Dividends paid	(13,309)	(9,827)
Retained earnings at the end of the financial year	**32,544**	**20,737**

NOTE 24. NON-CONTROLLING INTERESTS

	Consolidated	
	2022 $'000	2021 $'000
Non-controlling interests – paid up capital in subsidiaries	3,953	2,037
Non-controlling interests – share of retained earnings	1,717	505
Non-controlling interests – share of acquisition date net intangible assets recognised on consolidation[1]	7,384	5,304
	13,054	**7,846**
Non-controlling interests – paid up capital in subsidiaries		
Opening balance	2,037	1,877
Transactions with the Group	278	160
Issue of shares to non-controlling interests	1,638	–
Closing balance	**3,953**	**2,037**
Non-controlling interests – share of retained earnings		
Opening balance	505	(82)
Share of profit after income tax	13,790	9,095
Share of dividends	(2,655)	(2,303)
Share of distributions	(7,816)	(6,205)
Retained earnings (net of fair value adjustments) acquired through business acquisitions	(2,107)	–
Closing balance	**1,717**	**505**
Non-controlling interests – share of acquisition date net intangible assets recognised on consolidation[1]		
Opening balance	5,304	5,499
Reserves acquired through business acquisition[1]	2,523	–
Share of profit after income tax	(443)	(195)
Closing balance	**7,384**	**5,304**

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	
	2022 $'000	2021 $'000
Dividends paid		
Dividends paid at $0.055 per share (FY21: $0.044) fully franked at 30%	13,309	9,827

Dividends declared after the reporting period and not recognised		
Since the end of reporting period the Directors have recommended/declared a dividend at $0.030 per share (FY21: $0.028) fully franked at 30%	7,824	6,310

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	20,435	15,493

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 focuses 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 will consider cashflow hedges to manage foreign currency risk at an appropriate time when profits will be brought back to Australia net of tax, working capital, potential earn-out payments and other investment opportunities.

The Group's US-based operations trade and settle transactions in US dollars which provides a natural hedge to foreign currency risk.

As at 30 June 2022 the Group's exposure to foreign currency risk 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 2022, 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 – 2022						
Payables	192,081	–	–	–	192,081	192,081
Borrowings	11,622	8,286	16,276	–	36,184	35,292
Right-of-use lease liabilities	3,795	3,559	14,334	237	21,925	20,669
Total non-derivatives	207,498	11,845	30,610	237	250,190	248,042
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

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	
	2022 $	**2021 $**
Short-term employee benefits	4,690,723	3,876,975
Post-employment benefits	133,452	127,044
Long-term employee benefits	47,341	23,558
Share based payments	1,848,576	970,031
	6,720,092	4,997,608
Discretionary Loan Funded Share issue[1]	(575,022)	–
	6,145,070	**4,997,608**

1 Accounting value of notional embedded option in Loan Funded Shares issued on successful completion of the acquisition of Reconstruction Experts.

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	
	2022 $	**2021 $**
Audit services		
Audit or review of the financial statements	580,000	472,000
Other audit services	153,750	66,500
	733,750	538,500
Other services		
Accounting and taxation compliance	227,500	262,000
Other advisory services	56,550	51,951
Corporate finance	37,953	4,000
Corporate secretarial	67,604	77,710
Other	3,701	4,305
	393,308	399,966
Amounts paid and payable to network firms of Pitcher Partners[1]:		
Accounting and taxation compliance	4,600	5,010
Other audit services	291,259	–
Corporate finance	191,670	–
	487,529	5,010
Total remuneration for audit and other services	**1,614,587**	**943,476**

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	
	2022 $'000	2021 $'000
Estimates of the maximum amounts of contingent liabilities that may become payable:		
Bank guarantees	23,417	19,430

NOTE 30. COMMITMENTS

	Consolidated	
	2022 $'000	2021 $'000
Expenditure commitments contracted for:		
Contracted construction commitments		
Within one year	**137,973**	**98,601**

NOTE 31. RELATED PARTY TRANSACTIONS

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.

During FY22 Curt Mudd (Non-executive Director) received consultancy fees from the Group in the amount of $15,231 (GST: nil) (FY21: $31,621 (GST: nil)). These amounts have been included in salary and fees within the Remuneration Report.

During FY22 the Group paid $15,019 (plus GST) (FY21: $20,236 (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 $250 per night). 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 FY22 the Group paid $181,537 (plus GST) (FY21: $1,432 (plus GST)) to Hamilton Locke Pty Ltd (Hamilton Locke) for legal services and $88,875 (plus GST) (FY21: $16,620 (plus GST)) 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. These services were provided on an arm's length basis and on commercial terms.

During FY22, partially in response to the severe floods in southeast QLD and northern NSW, the Group paid $37,237 (plus GST) (FY21: nil) to Beach Houses of Byron Pty Ltd as trustee for BHOB Trust (BHOB) for staff and client accommodation purposes. BHOB manages 2 properties owned by 6-10 Shirley Lane Pty Ltd ATF 6-10 Shirley Lane Joint Venture and FMQ Pty Ltd ATF FMQ Pty Ltd Joint Venture. These entities are ultimately owned by Scott Didier AM, Lindsay Barber, Matthew Lunn, Nick Carnell, Adrian Gleeson, Pip Turnbull, Curt Mudd and other unitholders. These accommodation services were provided on an arm's length basis and on commercial terms.

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 FY22 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 $152,280 (plus GST) (FY21: $150,000 (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 (JLCB) 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 FY22 the value of work totalled $721,887 (plus GST) (FY21: $2,789,078 (plus GST)). At 30 June 2022 a total amount of $7,982,660 was owed from Is My CV to JLCB. This amount was subsequently fully paid. The arrangement is on an arm's length basis and on commercial terms.

During FY22 Johns Lyng Shopfit Services Pty Ltd ATF Johns Lyng Shopfit Services Unit Trust (JLSS) entered into various contracts with Retail Prodigy Operations Pty Ltd ATF Retail Prodigy Operations Trust (RPO) for retail space design and fitout services at a number of retail stores in Australia and New Zealand. The Ultimate owners of RPO include: Scott Didier AM, Lindsay Barber, Matthew Lunn, Nick Carnell, Adrian Gleeson, Pip Turnbull, Curt Mudd and other unitholders. During FY22 the amount invoiced totalled $553,703 (plus GST) (FY21: $1,167,992 (plus GST)). At 30 June 2022 a total amount of $10,692 was owed from RPO to JLSS in the ordinary course of business. This amount was subsequently fully paid. The arrangement is on an arm's length basis and on commercial terms.

During FY22 Johns Lyng Insurance Building Solutions (Victoria) Pty Ltd ATF Johns Lyng Insurance Building Solutions (Victoria) Unit Trust, Johns Lyng Commercial Builders Pty Ltd ATF Johns Lyng Commercial Builders Unit Trust, Dressed For Sale Australia Pty Ltd and Restorx Newcastle Pty Ltd ATF Restorx Newcastle Unit Trust completed works at Scott Didier AM's residence. During FY22 the amount invoiced totalled $108,939 (plus GST) (FY21: $183,011 (plus GST)). This project was completed on an arm's length basis and on commercial terms.

During FY22 Johns Lyng Insurance Building Solutions (Victoria) Pty Ltd ATF Johns Lyng Insurance Building Solutions (Victoria) Unit Trust and Johns Lyng Makesafe Emergency Builders (Victoria) Pty Ltd ATF Johns Lyng MakeSafe Emergency Builders (Victoria) Unit Trust completed renovation work for EBH Leasehold Pty Ltd ATF EBH Leasehold Unit Trust (EBH). During FY22 the amount invoiced totalled $57,495 (plus GST) (FY21: $65,718 (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.

During FY22, Global 360 Pty Ltd ATF Global 360 Unit Trust provided recruitment services to EB Research Partnership (Australia) Limited. The Group also incurred costs of $5,000 in relation to a charitable donation to EB Research Partnership (Australia). Scott Didier AM is a director of EB Research Partnership (Australia) Limited.

During FY22, Johns Lyng Group (Nominee) Pty Ltd ATF Johns Lyng Unit Trust invoiced $9,560 (plus GST) (FY21: $704 (plus GST)) to Buddybet Group Pty Ltd (Buddybet) for human resources services. Buddybet is owned by Scott Didier AM, Lindsay Barber, Matthew Lunn, Nick Carnell, Adrian Gleeson, Pip Turnbull, Curt Mudd and other shareholders. These services were provided 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.	FY22: $160,723 (plus GST) FY21: $159,041 (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).	FY22: $121,316 (plus GST) FY21: $112,873 (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.	FY22: $416,434 (plus GST) FY21: $404,304 (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.	FY22: $47,045 (plus GST) FY21: nil[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 receivables/(payables)

	Consolidated	
	2022	2021
Johns Lyng Investments Pty Ltd ATF Johns Lyng Investments Unit Trust[1]	–	(70,415)
NSC Collective Pty Ltd ATF Carnell Family Trust[2]	913,495	913,495
Is My CV Australia Pty Ltd ATF Is My CV Australia Unit Trust[3]	7,982,660	–
Retail Prodigy Operations Pty Ltd ATF Retail Prodigy Operations Trust[3]	10,692	–
Total related party loans – net receivable	8,906,847	843,080

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. Amount is included within other receivables at 30 June 2022.

3 Amount is included within trade receivables at 30 June 2022 and has subsequently been fully paid.

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	
	2022 $'000	**2021 $'000**
Profit after income tax	22,392	19,094
Total comprehensive income	22,392	19,094
Statement of financial position		
Total current assets	111,449	76,884
Total assets	351,154	98,849
Total current liabilities	14,748	6,266
Total liabilities	14,748	6,266
Net assets	**336,406**	**92,583**
Equity		
Issued capital	297,544	64,651
Options reserve	3,779	1,932
Retained earnings	35,083	26,000
Total equity	**336,406**	**92,583**

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

The Parent Entity had the following guarantees in relation to the debts of its subsidiaries as at 30 June 2022:

- The Parent Entity and some of its subsidiaries are party to a deed of cross guarantee under which each company guarantees the debts of the others. The deed of cross guarantee was implemented for licencing purposes in Queensland; and
- The Parent Entity provided a letter of support to its subsidiary Reconstruction Holdings, Inc. and its controlled entities whereby the Parent Company has agreed to provide financial support to Reconstruction Holdings, Inc. and its controlled entities until 25 March 2023, to the extent required to meet its ongoing obligations. No deficiencies of assets exist in the supported group.

Contingent liabilities

The Parent Entity had no contingent liabilities as at 30 June 2022 (2021: nil).

Capital commitments

The Parent Entity had no capital commitments as at 30 June 2022 (2021: 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	2022 %	2021 %
1	Johns Lyng Unit Trust	Australia	100.00%	100.00%
2	Johns Lyng Victoria Unit Trust	Australia	93.00%	93.00%
3	Johns Lyng Insurance Builders (Vic) Unit Trust (Dormant)	Australia	93.00%	93.00%
4	Johns Lyng Makesafe Emergency Builders (Victoria) Unit Trust	Australia	84.86%	86.03%
5	Johns Lyng Aztech Unit Trust	Australia	84.86%	86.03%
6	One Touch Services Unit Trust	Australia	84.86%	86.03%
7	Global Home Response Unit Trust	Australia	84.86%	100.00%
8	Global Home Response NZ Limited	New Zealand	84.86%	100.00%
9	Global Trade Unit Trust	Australia	84.86%	80.00%
10	Johns Lyng Makesafe Victoria Insurance Services Unit Trust	Australia	80.62%	81.72%
11	Johns Lyng Project Solutions Unit Trust	Australia	84.86%	–
12	Johns Lyng Express Claims (VIC) Unit Trust	Australia	83.70%	88.35%
13	Johns Lyng Insurance Building Solutions (Victoria) Unit Trust	Australia	83.70%	83.70%
14	JLG SC Victoria Unit Trust	Australia	83.70%	93.00%
15	Restorx (VIC) Unit Trust	Australia	87.42%	87.21%
16	Restorx (VIC) Insurance Services Unit Trust	Australia	87.42%	82.85%
17	Restorx (VIC) Major Loss Unit Trust	Australia	87.42%	87.21%
18	Restorx (VIC) Delivery Unit Trust	Australia	87.42%	87.21%
19	Restorx (VIC) Biohazard Services Unit Trust	Australia	83.05%	82.85%
20	Johns Lyng (VIC) Regional Unit Trust	Australia	93.00%	93.00%
21	Johns Lyng (VIC) Gippsland Unit Trust	Australia	88.35%	88.35%
22	Johns Lyng (VIC) Geelong Unit Trust	Australia	88.35%	88.35%
23	Johns Lyng (VIC) North Unit Trust	Australia	88.35%	88.35%
24	JL VIC North Holdco Pty Ltd	Australia	93.00%	–
25	Johns Lyng Insurance Building Solutions (Tasmania) Unit Trust	Australia	93.00%	74.40%
26	Johns Lyng Group Disaster Management (Australia) Unit Trust	Australia	100.00%	100.00%
27	Johns Lyng NSW Unit Trust	Australia	90.00%	90.00%
28	Johns Lyng Makesafe Emergency Builders (NSW) Unit Trust	Australia	90.00%	85.50%
29	Johns Lyng Express Building Solutions (NSW) Unit Trust	Australia	85.50%	81.00%
30	Johns Lyng Insurance Building Solutions (NSW) Unit Trust	Australia	85.50%	86.63%
31	Restorx NSW Unit Trust	Australia	81.00%	81.00%
32	Restorx (NSW) Major Loss Unit Trust	Australia	81.00%	76.95%
33	Restorx Newcastle Unit Trust	Australia	76.95%	–

			Ownership interest	
	Name	Principal place of business / country of incorporation	2022 %	2021 %
34	Johns Lyng (NSW) Regional Unit Trust	Australia	83.25%	83.25%
35	Johns Lyng (ACT) Unit Trust	Australia	74.93%	74.93%
36	Johns Lyng Regional Makesafe NSW Unit Trust	Australia	79.09%	79.09%
37	Johns Lyng Central NSW Unit Trust	Australia	79.09%	79.09%
38	Johns Lyng Newcastle Unit Trust	Australia	74.93%	–
39	JLG SC NSW Unit Trust	Australia	90.00%	85.50%
40	Johns Lyng Queensland Unit Trust	Australia	92.80%	96.40%
41	Johns Lyng Northern Territory Unit Trust	Australia	88.16%	96.40%
42	Johns Lyng Makesafe Emergency Builders (QLD) Unit Trust	Australia	88.16%	96.40%
43	Johns Lyng Express Building Solutions (QLD) Unit Trust	Australia	83.52%	91.58%
44	Johns Lyng Insurance Building Solutions (Brisbane) Unit Trust	Australia	83.52%	86.76%
45	Johns Lyng (QLD) Regional Unit Trust	Australia	88.16%	91.58%
46	Johns Lyng (QLD) Gold Coast Unit Trust	Australia	88.16%	91.58%
47	Johns Lyng (QLD) Central Unit Trust	Australia	79.34%	87.00%
48	Johns Lyng (QLD) North Unit Trust	Australia	83.75%	91.58%
49	JLG SC Queensland Unit Trust	Australia	92.80%	96.40%
50	Restorx Services QLD Unit Trust	Australia	83.52%	86.76%
51	Restorx Queensland Insurance Services Unit Trust	Australia	83.52%	–
52	Johns Lyng Large Loss Queensland Unit Trust	Australia	83.52%	–
53	Trump Ceramic & Timber Unit Trust	Australia	92.80%	96.40%
54	Johns Lyng Insurance Building Solutions (QLD) Unit Trust (Dormant)	Australia	92.80%	96.40%
55	Johns Lyng Insurance Building Solutions (WA) Unit Trust	Australia	87.50%	87.50%
56	Restorx (WA) Unit Trust	Australia	87.50%	87.50%
57	JLG SC Western Australia Unit Trust	Australia	87.50%	87.50%
58	Johns Lyng (SA) StateCo Unit Trust	Australia	100.00%	100.00%
59	Johns Lyng (SA) HoldCo Unit Trust	Australia	100.00%	100.00%
60	Unitech Building Services Pty Ltd	Australia	60.00%	–
61	Johns Lyng Insurance Building Solutions (SA) Unit Trust	Australia	60.00%	87.50%
62	Johns Lyng Steamatic Australia Pty Ltd	Australia	100.00%	100.00%
63	Steamatic Restoration & Recovery Pty Ltd	Australia	60.00%	–
64	Fischer's Cleaning Pty Ltd	Australia	60.00%	–
65	Johns Lyng USA, LLC	USA	100.00%	100.00%
66	Johns Lyng Intermediary Holdings, LLC	USA	100.00%	100.00%
67	Steamatic Property, LLC	USA	100.00%	100.00%
68	Steamatic of Nashville Real Property Holdings, LLC	USA	100.00%	100.00%
69	Johns Lyng Florida, LLC	USA	100.00%	100.00%
70	Steamatic, LLC	USA	95.00%	95.00%
71	Steamatic Operating Holdings, LLC	USA	100.00%	100.00%

NOTE 33. INTERESTS IN SUBSIDIARIES (continued)

			Ownership interest	
	Name	Principal place of business / country of incorporation	2022 %	2021 %
72	Steamatic of Nashville, LLC	USA	100.00%	100.00%
73	Reconstruction Holdings, Inc	USA	99.48%	–
74	Reconstruction, Inc	USA	99.48%	–
75	Reconstruction Experts, Inc	USA	99.48%	–
76	Advanced Roofing & Sheetmetal, LLC	USA	99.48%	–
77	Colorado Roofing Supply, LLC	USA	99.48%	–
78	Johns Lyng Strata Management Pty Ltd	Australia	100.00%	100.00%
79	Bright & Duggan Group Pty Ltd	Australia	45.50%	45.50%
80	Bright & Duggan Property Group Pty Ltd	Australia	45.50%	45.50%
81	Bright & Duggan (Hunter) Pty Ltd	Australia	23.20%	23.20%
82	Bright & Duggan Pty Ltd	Australia	45.50%	45.50%
83	Bright & Duggan (QLD) Pty Ltd	Australia	45.50%	45.50%
84	Bright & Duggan (VIC) Pty Ltd	Australia	45.50%	45.50%
85	Bright & Duggan (ACT) Pty Ltd	Australia	45.50%	45.50%
86	CMS Holdings (Mirvac) Pty Ltd	Australia	45.50%	45.50%
87	Cambridge Management Services Pty Ltd	Australia	45.50%	45.50%
88	Cambridge Management Services (Hunter) Pty Ltd	Australia	23.20%	23.20%
89	Focus Community Management Pty Ltd	Australia	45.50%	45.50%
90	Capitol Strata Management (Holdings) Pty Ltd	Australia	38.67%	38.67%
91	Capitol Strata Management (Brisbane) Pty Ltd	Australia	38.67%	38.67%
92	Capitol Strata Management (Redcliffe) Pty Ltd	Australia	38.67%	38.67%
93	Capitol Strata Management (Gold Coast) Pty Ltd	Australia	38.67%	38.67%
94	Bright & Duggan Facilities Management Pty Ltd	Australia	34.12%	45.50%
95	Structure Integrated Group Pty Ltd	Australia	34.12%	–
96	Structure Building Management Pty Ltd	Australia	34.12%	–
97	Waratah Building Management Pty Ltd	Australia	34.12%	–
98	Shift Facilities Management Pty Ltd	Australia	34.12%	–
99	Change Strata Management Pty Ltd	Australia	45.50%	–
100	BrisBay Pty Ltd	Australia	45.50%	–
101	Johns Lyng Strata Services Unit Trust	Australia	80.00%	80.00%
102	Johns Lyng Strata Services Victoria Unit Trust	Australia	80.00%	80.00%
103	Johns Lyng Strata NSW Unit Trust	Australia	72.00%	72.00%
104	Johns Lyng Strata Services Queensland Unit Trust	Australia	80.00%	80.00%
105	Johns Lyng Glass Unit Trust (Dormant)	Australia	100.00%	100.00%
106	Johns Lyng Commercial Builders Unit Trust	Australia	85.00%	80.00%
107	Johns Lyng Trump Unit Trust	Australia	100.00%	100.00%
108	Trump Property Maintenance (VIC) Pty Ltd	Australia	51.00%	51.00%

			Ownership interest	
	Name	Principal place of business / country of incorporation	2022 %	2021 %
109	Trump Floorcoverings Victoria Unit Trust	Australia	51.00%	51.00%
110	Industry Floors Unit Trust	Australia	51.00%	–
111	Floorcoverings Unit Trust	Australia	90.00%	90.00%
112	Trump Floorcoverings QLD Pty Ltd	Australia	90.00%	85.00%
113	Johns Lyng Shopfit Services Unit Trust	Australia	85.00%	85.00%
114	Johns Lyng Rapid Retail Response Unit Trust	Australia	80.75%	85.00%
115	Global 360 Unit Trust	Australia	85.00%	85.00%
116	Huski Holding Unit Trust	Australia	100.00%	80.00%
117	Huski Home Services Unit Trust	Australia	90.00%	80.00%
118	Johns Lyng Air Control Unit Trust	Australia	100.00%	100.00%
119	Vanzis Unit Trust (trading as 'Air Control Australia')	Australia	60.00%	60.00%
120	Air Control New South Wales Unit Trust	Australia	60.00%	57.00%
121	Air Control Queensland Unit Trust	Australia	60.00%	57.00%
122	Air Control Victoria Projects Unit Trust	Australia	54.00%	–
123	Air Control Victoria Services Unit Trust	Australia	57.00%	–
124	Johns Lyng DFS Pty Ltd	Australia	100.00%	100.00%
125	Dressed For Sale Australia Pty Ltd	Australia	65.00%	65.00%
126	Furniture Rentals Australia Holdings Pty Ltd	Australia	65.00%	65.00%
127	Dressed for Sale Melbourne Pty Ltd	Australia	52.00%	52.00%
128	Dressed for Sale Adelaide Pty Ltd	Australia	58.50%	52.00%
129	Johns Lyng Group International Holdings Pty Ltd (Dormant)	Australia	100.00%	100.00%
130	Restorx Australia Unit Trust (Dormant)	Australia	100.00%	100.00%
131	Johns Lyng Group IP Unit Trust (Dormant)	Australia	100.00%	100.00%
132	Johns Lyng Services Unit Trust	Australia	100.00%	100.00%

NOTE 34. BUSINESS COMBINATIONS

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.

The strategic rationale for the acquisition was to consolidate the Group'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. Control was obtained via share purchase.

Details of the purchase consideration:	$'000
Cash paid	6,094
Shares issued	4,790
Deferred and contingent consideration	3,593
Total purchase consideration	**14,477**

A potential earn-out of up to $3,592,683 is payable based on the financial performance of Steamatic Australia for FY22 and FY23. Accordingly, the Group has recognised a potential earn-out liability in the amount of $3,592,683 at the reporting date being the maximum earn-out payable.

No earn-out amounts were paid between the acquisition date and the reporting date.

Assets and liabilities acquired

Assets and liabilities acquired as a result of the business acquisition were:

	$'000
Assets and liabilities acquired	
Cash and cash equivalents	94
Trade and other receivables	3,223
Inventories	79
Accrued income	1,507
Other current assets	427
Property, plant and equipment	4,221
Intangibles - customer contracts	2,419
Intangibles - software	50
Right-of-use assets	4,151
Trade and other payables	(2,601)
Borrowings	(4,412)
Current tax payable	(1,055)
Employee provisions	(1,587)
Right-of-use lease liabilities	(4,151)
Income in advance	(1,188)
Deferred tax liabilities	(852)
Net identifiable assets acquired	325
Add: goodwill	14,282
Less: non-controlling interests	(130)
Total purchase consideration	**14,477**

The goodwill on acquisition comprises expected future revenue and operating synergies with Johns Lyng Group.

Goodwill is not deductible for tax purposes.

Contractual amounts

The fair value of receivables from contracts with customers equals the contractual amounts due.

Transaction costs

Transaction costs of $207,091 were incurred in relation to the acquisition. These costs are included in 'transaction related expenses' within profit or loss.

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.

The strategic rationale for the acquisition was to expand and grow the Group's service offering in South Australia by leveraging Unitech's market position and provide additional scale and capacity for a market leading CAT response in SA.

Control was obtained via share purchase.

Details of the purchase consideration:	$'000
Cash paid	1,922
Shares issued	291
Deferred and contingent consideration	321
Total purchase consideration	**2,534**

A potential earn-out of up to $640,766 was payable based on the financial performance of Unitech Building Services for FY21 and FY22. During the year $320,383 was paid in relation to the FY21 tranche of the earn-out. Accordingly, the Group has recognised a potential earn-out liability in the amount of $320,383 at the reporting date being the maximum earn-out payable.

Assets and liabilities acquired

Assets and liabilities acquired as a result of the business acquisition were:

	$'000
Assets and liabilities acquired	
Cash and cash equivalents	155
Trade and other receivables	63
Accrued income	325
Property, plant and equipment	230
Intangibles - customer contracts	1,112
Right-of-use assets	198
Trade and other payables	(310)
Current tax payable	(39)
Employee provisions	(218)
Right-of-use lease liabilities	(198)
Income in advance	(70)
Deferred tax liabilities	(368)
Net identifiable assets acquired	880
Add: goodwill	2,006
Less: non-controlling interests	(352)
Total purchase consideration	**2,534**

The goodwill on acquisition comprises expected future revenue and operating synergies with Johns Lyng Group.

Goodwill is not deductible for tax purposes.

Contractual amounts

The fair value of receivables from contracts with customers equals the contractual amounts due.

Transaction costs

Transaction costs of $86,220 were incurred in relation to the acquisition. These costs are included in 'transaction related expenses' within profit or loss.

NOTE 34. BUSINESS COMBINATIONS (continued)

Change Strata Management

On 1 July 2021, the Group, via its subsidiary Bright & Duggan acquired a 100% controlling equity interest in Change Strata Management – a strata management company managing high-end buildings in Sydney with a portfolio of 2,974 lots across 75 strata schemes.

The strategic rationale was a 'bolt-on' acquisition for Bright & Duggan in-line with the Group's strata management strategy.

Control was obtained via share purchase.

Details of the purchase consideration:	$'000
Cash paid	2,866
Total purchase consideration	**2,866**

Assets and liabilities acquired

Assets and liabilities acquired as a result of the business acquisition were:

	$'000
Assets and liabilities acquired	
Cash and cash equivalents	518
Other current assets	5
Intangibles - customer contracts	646
Trade and other payables	(88)
Current tax payable	(71)
Employee provisions	(211)
Deferred tax liabilities	(128)
Net identifiable assets acquired	671
Add: goodwill	2,195
Total purchase consideration	**2,866**

The goodwill on acquisition comprises expected future revenue and operating synergies with Johns Lyng Group.

Goodwill is not deductible for tax purposes.

Contractual amounts

The fair value of receivables from contracts with customers equals the contractual amounts due.

Transaction costs

Transaction costs of $97,230 were incurred in relation to the acquisition. These costs are included in 'transaction related expenses' within profit or loss.

Structure Building Management

On 1 July 2021, the Group, via its subsidiary Bright & Duggan acquired a 100% controlling equity interest in Structure Building Management – a building management company with a portfolio of 54 Sydney buildings, encompassing 6,954 lots.

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

The strategic rationale was a 'bolt-on' acquisition for Bright & Duggan in-line with the Group's strata and building management strategy.

Control was obtained via share purchase.

Details of the purchase consideration:	$'000
Cash paid	4,705
Deferred and contingent consideration	1,441
Total purchase consideration	**6,146**

A potential earn-out is payable based on the successful signing of certain long-term contracts between FY22 and FY26. The Group has recognised a potential earn-out liability in the amount of $1,441,440 being the estimated amount of the earn-out payable.

No earn-out amounts were paid between the acquisition date and the reporting date.

Assets and liabilities acquired

Assets and liabilities acquired as a result of the business acquisition were:

	$'000
Assets and liabilities acquired	
Cash and cash equivalents	273
Trade and other receivables	37
Current tax asset	90
Property, plant and equipment	20
Intangibles - customer contracts	2,463
Trade and other payables	(1,036)
Employee provisions	(226)
Deferred tax liabilities	(656)
Net identifiable assets acquired	965
Add: goodwill	5,181
Total purchase consideration	**6,146**

The goodwill on acquisition comprises expected future revenue and operating synergies with Johns Lyng Group.

Goodwill is not deductible for tax purposes.

Contractual amounts

The fair value of receivables from contracts with customers equals the contractual amounts due.

Transaction costs

Transaction costs of $29,127 were incurred in relation to the acquisition. These costs are included in 'transaction related expenses' within profit or loss.

NOTE 34. BUSINESS COMBINATIONS (continued)

Shift Facilities Management

On 1 July 2021, the Group, via its subsidiary Bright & Duggan acquired a 100% controlling equity interest in Shift Facilities Management – a building management company with a portfolio of 4 Sydney buildings, encompassing 296 lots.

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

The strategic rationale was a 'bolt-on' acquisition for Bright & Duggan in-line with the Group's strata and building management strategy.

Control was obtained via share purchase.

Details of the purchase consideration:	$'000
Cash paid	178
Deferred and contingent consideration	227
Total purchase consideration	**405**

A potential earn-out of up to $197,796 is payable based on the successful renewal of certain long-term contracts of which has subsequently been paid during the year.

Assets and liabilities acquired

Assets and liabilities acquired as a result of the business acquisition were:

	$'000
Assets and liabilities acquired	
Cash and cash equivalents	20
Intangibles - customer contracts	122
Trade and other payables	(11)
Current tax payable	(3)
Deferred tax liabilities	(36)
Net identifiable assets acquired	92
Add: goodwill	313
Total purchase consideration	**405**

The goodwill on acquisition comprises expected future revenue and operating synergies with Johns Lyng Group.

Goodwill is not deductible for tax purposes.

Contractual amounts

The fair value of receivables from contracts with customers equals the contractual amounts due.

Transaction costs

Transaction costs of $1,500 were incurred in relation to the acquisition. These costs are included in 'transaction related expenses' within profit or loss.

BrisBay Strata Management

On 2 September 2021 (effective 1 September 2021), the Group, via its subsidiary Bright & Duggan acquired a 100% controlling equity interest in BrisBay Strata Management – a Brisbane-based boutique strata management business, focused on small buildings, with a portfolio of 1,387 lots across 123 strata schemes.

The strategic rationale was a 'bolt-on' acquisition for Bright & Duggan in-line with the Group's strata management strategy.

Control was obtained via share purchase.

Details of the purchase consideration:	$'000
Cash paid	945
Total purchase consideration	**945**

Assets and liabilities acquired

Assets and liabilities acquired as a result of the business acquisition were:

	$'000
Assets and liabilities acquired	
Cash and cash equivalents	28
Intangibles - customer contracts	138
Trade and other payables	(7)
Current tax payable	(10)
Deferred tax liabilities	(41)
Net identifiable assets acquired	108
Add: goodwill	837
Total purchase consideration	**945**

The goodwill on acquisition comprises expected future revenue and operating synergies with Johns Lyng Group.

Goodwill is not deductible for tax purposes.

Contractual amounts

The fair value of receivables from contracts with customers equals the contractual amounts due.

Transaction costs

Transaction costs of $35,197 were incurred in relation to the acquisition. These costs are included in 'transaction related expenses' within profit or loss.

NOTE 34. BUSINESS COMBINATIONS (continued)

Reconstruction Experts (provisionally accounted)

On 1 January 2022, Johns Lyng acquired a 99.48% controlling equity interest in US-based Reconstruction Experts. Established in Colorado in 2001, Reconstruction Experts is a leading provider of insurance focused repair services to residential, commercial and industrial properties in the US.

The strategic rationale for the acquisition was to deeper penetrate the very large US market for insurance building and restoration services.

Control was obtained via share purchase.

Details of the purchase consideration:	$'000
Cash paid	155,762
Deferred and contingent consideration	10,307
Total purchase consideration	**166,069**

Cash paid of A$155,762,000 is based on the foreign exchange rate as at 1 January 2022 on completion of the acquisition. Actual cash paid was A$157,833,000 based on the foreign exchange rate on the payment date of 20 December 2021.

A potential earn-out is payable based on the financial performance (3-year trailing average normalised EBITDA) of Reconstruction Experts for the calendar years ending 31 December 2022 and 31 December 2023 in accordance with the contract terms of the acquisition. The potential earn-out is capped at US$58m. The Group has recognised a potential earn-out liability of $10,307,380 being the estimated amount of the earn-out payable as at 30 June 2022. The Group will continue to reassess its estimate of the earn-out payable during the earn-out period.

No earn-out amounts were paid between the acquisition date and the reporting date.

Assets and liabilities acquired

Assets and liabilities acquired as a result of the business acquisition were:

	$'000
Assets and liabilities acquired	
Cash and cash equivalents	1,545
Trade and other receivables	35,844
Inventories	950
Accrued income	4,826
Other current assets	4,777
Current tax asset	2,369
Property, plant and equipment	2,235
Intangibles - customer contracts	4,457
Intangibles - trademarks	6,101
Right-of-use assets	3,102
Trade and other payables	(36,281)
Borrowings	(35,208)
Employee provisions	(104)
Right-of-use lease liabilities	(3,102)
Income in advance	(3,000)
Deferred tax liabilities	(1,298)
Net identifiable liabilities acquired	(12,787)
Add: goodwill	178,790
Add: non-controlling interests	66
Total purchase consideration	**166,069**

The goodwill on acquisition comprises expected future revenue and operating synergies with Johns Lyng Group.

Goodwill is not deductible for tax purposes.

Goodwill is denominated in USD and has been translated at 30 June 2022 to be AUD $188,315,000.

Contractual amounts

The fair value of receivables from contracts with customers equals the contractual amounts due.

Transaction costs

Transaction costs of $8,709,102 were incurred in relation to the acquisition. These costs are included in 'transaction related expenses' within profit or loss.

NOTE 35. CASH FLOW INFORMATION

	Consolidated	
	2022 $'000	**2021 $'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	25	16
Cash at bank	56,765	43,115
At call deposits with financial institutions	182	182
	56,972	**43,313**
(b) Reconciliation of cash flow from operating activities with profit after income tax		
Profit after income tax for the year	38,463	27,460
Depreciation and amortisation	15,103	9,581
(Profit)/loss on sale of property, plant and equipment	150	(231)
Foreign currency translation differences	744	93
Share based payments expense	2,646	1,264
Goodwill written off	–	1,771
Change in operating assets and liabilities (excluding those assumed on acquisition):		
Decrease/(increase) in trade and other receivables	(56,004)	(16,735)
Decrease/(increase) in inventories	(930)	(184)
Decrease/(increase) in accrued income	(29,899)	(6,670)
Decrease/(increase) in other current assets	2,035	(1,026)
Decrease/(increase) in deferred tax assets/liabilities	1,893	(475)
Increase/(decrease) in trade and other payables	37,405	11,828
Increase/(decrease) in current tax payable	1,737	983
Increase/(decrease) in employee provisions	342	349
Increase/(decrease) in income in advance	11,630	108
Net cash from operating activities	**25,315**	**28,116**

(c) Reconciliation of liabilities arising from financing activities

Proceeds from borrowings during the year amounted to $18,453,000 (FY21: $1,977,000). Borrowings were repaid during the year of $42,261,000 (FY21: $7,630,000). Repayments were made in relation to hire purchase liabilities of $4,739,000 (FY21: $3,839,000) and right-of-use (principal) lease liabilities of $5,909,000 (FY21: $4,111,000).

NOTE 36. EARNINGS PER SHARE

	Consolidated	
	2022 $'000	2021 $'000
Profit after income tax	38,463	27,460
Non-controlling interests	(13,347)	(8,900)
Profit after income tax attributable to the owners of Johns Lyng Group	25,116	18,560

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	243,015,576	223,633,391
Weighted average number of ordinary shares used in calculating diluted earnings per share	243,873,133	224,326,167

	Cents	Cents
Basic earnings per share	10.34	8.30
Diluted earnings per share	10.30	8.27

NOTE 37. SHARE BASED PAYMENTS

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

	Consolidated	
	2022 $'000	2021 $'000
Value of new shares issued under the Employee Share Loan Plan (Loan Funded Shares)	982	30
Value of share based incentives (Performance Rights) issued under the Executive Incentive Plan	1,664	1,159
Value of new shares issued under the Executive Incentive Plan	–	75
	2,646	**1,264**

Loan Funded Shares

On 22 November 2021, the Company issued a total of 8,201 Loan Funded Ordinary Shares (Loan Funded Shares) to Directors of the Group at $6.10 per share (grant date: 18 November 2021).

On 21 December 2021, the Company issued 418,382 Loan Funded Shares to KMP and Staff of the Group at $6.80 per share (grant date: 3 December 2021).

Loan Funded Shares are funded by a zero interest 10 year limited-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	3 December 2021	18 November 2021	23 November 2020	10 December 2019	30 November 2018	18 October 2017
Grant date share price	$7.37	$7.00	$2.76	$1.78	$0.89	$1.00
Volatility	30%	30%	40%	40%	40%	45%
Dividend yield	1.25%	1.25%	1.27%	1.42%	2.29%	2.70%
Risk-free rate	1.32%	1.39%	0.85%	1.11%	2.59%	2.72%
Fair value	$2.30	$2.35	$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

Acquisition of Trevor Bright's 44.5% Non-controlling Interest in Bright & Duggan

On 26 August 2022, Johns Lyng announced the retirement of Bright & Duggan Executive Chairman, Trevor Bright, and the completion of the acquisition of his 44.5% equity interest in the JLG subsidiary specialising in strata and building management (effective 25 August 2022).

The purchase price was $25.6m for the 44.5% equity interest comprising $15.4m in cash (funded from existing cash reserves and debt facilities) and $10.2m in JLG shares (50% subject to escrow for 6 months).

FY22 Final Dividend

On 29 August 2022, the Board declared a final dividend of 3.0 cents per share (fully franked). This final dividend is in addition to the previously announced half year (interim) dividend of 2.7 cents per share (fully franked), totalling 5.7 cents per share (fully franked) and representing 59% of NPAT attributable to the owners of Johns Lyng Group for FY22.

The final dividend will be paid on 19 September 2022 with a record date of entitlement of 2 September 2022.

There are no other matters or circumstances that have arisen since 30 June 2022 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 2022

The Directors declare that:

1. In the Directors' opinion, the financial statements and notes thereto, as set out on pages 70 to 119, 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 2022 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 Group 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 2022.

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

On behalf of the Directors

Peter Nash
Chairman

29 August 2022

Scott Didier AM
Managing Director

29 August 2022

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

PITCHER PARTNERS

JOHNS LYNG GROUP LIMITED
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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 Limited "the Company" and its controlled entities "the Group", which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss, consolidated statement of 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 2022 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.

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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 revenue and work in progress on construction contracts - accrued income and income in advance Refer to note 3, note 11 and note 20.	
For the year ended 30 June 2022, the Group's revenue from construction contracts and other service revenue totalled \$895m. 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 and work in progress recognition; • Obtaining an understanding of the design and implementation of and testing the operating effectiveness of relevant controls in respect of the purchases process in respect of the costs incurred as a percentage of total estimated costs; • 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.

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

PITCHER PARTNERS

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

Impairment of intangible assets Refer to 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 2022. 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 growth rate 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, growth rates and terminal growth rates with specific reference to historical and expected performance of each relevant CGU, current 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 reviewing the terminal growth rate 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 expert; and • Assessing the adequacy and accuracy of the related 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 2022, 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.

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

PITCHER PARTNERS

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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.

PITCHER PARTNERS

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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 56-67 of the Directors' report for the year ended 30 June 2022. In our opinion, the Remuneration Report of Johns Lyng Group Limited, for the year ended 30 June 2022, 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

PITCHER PARTNERS
Melbourne

29 August 2022

SHAREHOLDER INFORMATION

30 June 2022

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 2022 (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	53,966,567	20.93%
– Trump One Pty Limited/ Scott Didier AM	Ordinary Shares	207,039	0.08%
– Yvette & Scott Investments Pty Ltd/ Scott Didier AM	Ordinary Shares	4,219	–
Total – Scott Didier AM	**Ordinary Shares**	**54,177,825**	**21.01%**
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%**

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	5,367

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 5,367 holders of a total of 259,424,424 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 2022

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 – 1,000	2,986	1,154,321	0.45%
1,001 – 5,000	1,542	3,774,088	1.46%
5,001 – 10,000	353	2,616,889	1.01%
10,001 – 100,000	432	11,894,415	4.59%
>100,000	54	239,552,109	92.49%
Total	**5,367**	**258,991,822**	**100%**

1 Excluding restricted shares subject to escrow arrangements detailed below.

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	5,367
Fully paid ordinary shares restricted until 31 January 2023	3
Loan Funded Ordinary Shares restricted until 31 December 2024	5
Performance rights (FY18 LTI – tranche 3)[1]	1
Performance rights (FY19 LTI – tranche 2)[1]	1
Performance rights (FY19 LTI – tranche 3)[2]	1
Performance rights (FY20 STI – tranche 2)[1]	1
Performance rights (FY20 STI – tranche 3)[2]	1
Performance rights (FY20 LTI – tranche 1)[3]	7
Performance rights (FY21 STI – tranche 1)[4]	1
Performance rights (FY21 STI – tranche 2)[2]	1
Performance rights (FY21 STI – tranche 3)[3]	8
Performance rights (FY21 LTI – tranche 1)[5]	7
Performance rights (FY21 – staff bonus)[6]	1

1 Performance rights vested 1 July 2021 but shares currently unissued

2 Performance rights vested 1 July 2022 but shares currently unissued

3 Performance rights vest 1 July 2023

4 Performance rights vested 18 November 2021 but currently unissued

5 Performance rights vest 1 July 2024

6 Performance rights vest 22 November 2026

Escrow

Class of restricted securities	Type of restriction	Number of securities	End date of escrow period
Ordinary shares	Voluntary escrow	14,220	31 January 2023
Loan Funded Ordinary Shares	Voluntary escrow	418,382	31 December 2024
Total		**432,602**	

SHAREHOLDER INFORMATION

30 June 2022

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
259,424,424	4,620	176	–

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]	15,166
Performance rights (FY20 STI – tranche 2)[1]	11,397
Performance rights (FY20 STI – tranche 3)[2]	11,397
Performance rights (FY20 LTI– tranche 1)[3]	331,513
Performance rights (FY21 STI – tranche 1)[4]	6,041
Performance rights (FY21 STI – tranche 2)[2]	6,041
Performance rights (FY21 STI – tranche 3)[3]	46,315
Performance rights (FY21 LTI – tranche 1)[5]	135,566
Performance rights (FY21 – staff bonus)[6]	203,341
Total	**800,840**

1 Performance rights vested 1 July 2021 but shares currently unissued

2 Performance rights vested 1 July 2022 but shares currently unissued

3 Performance rights vest 1 July 2023

4 Performance rights vested 18 November 2021 but currently unissued

5 Performance rights vest 1 July 2024

6 Performance rights vest 22 November 2026

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

SHAREHOLDER INFORMATION

30 June 2022

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	HSBC Custody Nominees (Australia) Limited	55,078,603	21.23%
2	JLRX Investments Pty Ltd	52,966,567	20.42%
3	J P Morgan Nominees Australia Pty Limited	37,270,969	14.37%
4	Citicorp Nominees Pty Limited	21,997,310	8.48%
5	Washington H Soul Pattinson and Company Limited	11,538,829	4.45%
6	National Nominees Limited	11,374,145	4.38%
7	Abilas Holdings Australia Pty Ltd	11,010,243	4.24%
8	Steadfast Group Limited	5,735,935	2.21%
9	BNP Paribas Noms Pty Ltd	4,271,605	1.65%
10	NSC Collective Pty Ltd	3,968,802	1.53%
11	John Mc Pty Ltd	3,429,316	1.32%
12	BNP Paribas Nominees Pty Ltd	3,427,398	1.32%
13	Abilas Super Pty Ltd	1,644,536	0.63%
14	Mr Thomas Andrew Alvin & Mrs Sally Anne Alvin	1,206,252	0.46%
15	Oliver Threlfall Nominees Pty Ltd	999,006	0.39%
16	BNP Paribas Nominees Pty Ltd Hub24 Custodial Serv Ltd	907,629	0.35%
17	P&T Folkard Investments P/L	835,915	0.32%
18	Two Strides Ahead Pty Ltd	817,896	0.32%
19	St Mudd Pty Ltd	798,344	0.31%
20	Sandhurst Trustees Ltd	778,316	0.30%
	Total number of shares of top 20 holders	**230,057,616**	**88.68%**

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
Valuing People
69 YEARS STRONG