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 2024

Previous corresponding period: For the financial year ended 30 June 2023

2. RESULTS FOR ANNOUNCEMENT TO THE MARKET

			$'000
Revenues from ordinary activities (sales)	down	9.6%	1,158,876
Profit from ordinary activities after tax attributable to the owners of Johns Lyng Group	up	2.5%	48,012
Total comprehensive income for the year attributable to the owners of Johns Lyng Group	down	15.1%	47,943

Explanatory note on results

The profit for the Group after providing for income tax and non-controlling interests amounted to $48,012,000 (30 June 2023: $46,846,000). For further information refer to the 'operating and financial review' section within the attached Directors' report.

3. CONTROL GAINED OVER ENTITIES OR BUSINESSES

On 11 July 2023 (effective 1 July 2023), the Group acquired a 100% equity interest in Project Safety Holdings Pty Ltd trading as Smoke Alarms Australia ("SAA") – a Sydney-based, national provider of smoke alarm, electrical and gas compliance, testing and maintenance services.

On 11 July 2023 (effective 1 July 2023), the Group acquired a 70% equity interest in Link Fire Holdings Pty Ltd ("Linkfire") – a leading provider of fire and essential safety services in Victoria and Newcastle (NSW).

On 6 September 2023 (effective 1 September 2023), Johns Lyng's subsidiary Bright & Duggan acquired a 100% equity interest in Sydney-based Your Local Strata. Your Local Strata manages 3,077 lots across 187 buildings/strata schemes.

On 23 February 2024 (effective 1 March 2024), Johns Lyng's subsidiary Bright & Duggan acquired a 100% equity interest in Gold Coast-based AM Strata. AM Strata manages 3,948 lots across 136 buildings/strata schemes.

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 2024					
Final dividend	4.7 cents	100%	2 September 2024	16 September 2024	13,090
Interim dividend	4.7 cents	100%	4 March 2024	19 March 2024	13,060
Total dividends	**9.4 cents**	**100%**			**26,150**
Year ended 30 June 2023					
Final dividend	4.5 cents	100%	4 September 2023	18 September 2023	12,434
Interim dividend	4.5 cents	100%	27 February 2023	14 March 2023	11,754
Total dividends	**9.0 cents**	**100%**			**24,188**

Johns Lyng Group Limited and controlled entities

APPENDIX 4E

Preliminary final report

Current period

On 27 August 2024, the Board declared a final dividend of 4.7 cents per share (fully franked). This final dividend is in addition to the previously announced half year (interim) dividend of 4.7 cents per share (fully franked), totalling 9.4 cents per share (fully franked) and representing approximately 54% of NPAT attributable to the owners of Johns Lyng Group for FY24.

The final dividend will be paid on 16 September 2024 with a record date of entitlement of 2 September 2024.

Previous period

The Board declared a final dividend of 4.5 cents per share (fully franked). The final dividend was in addition to the previously announced half year (interim) dividend of 4.5 cents per share (fully franked), totalling 9.0 cents per share (fully franked) and representing approximately 52% of NPAT attributable to the owners of Johns Lyng Group for FY23.

The final dividend was paid on 18 September 2023 with a record date of entitlement of 4 September 2023.

6. DIVIDEND REINVESTMENT PLANS

Not applicable.

7. NET TANGIBLE ASSETS

Net Tangible Assets (NTA)[1] per ordinary security for the year ended 30 June 2024 was 43.12 cents (30 June 2023: 44.13 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 2024 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 2024 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

On 2 August 2024, Johns Lyng announced the signing of binding Share Purchase Agreements to acquire 100% of SSKB Strata ("SSKB") and 84% of Chill-Rite HVAC ("Chill-Rite") for total upfront aggregate consideration of $57.6m.

Johns Lyng paid $28.8m in cash (funded from JLG's existing revolving credit facility), with the balance payable in JLG Ltd shares to be issued on Completion which is expected to occur in the first quarter of FY25 (effective 1 July). Additionally, there is an aggregate earn-out of up to $15.4m, which is contingent on FY25 and FY26 EBITDA.

SSKB Strata

SSKB is a leading provider of strata and strata related services focused on the east-coast of Australia, with a portfolio of over 44,000 lots across 790 strata schemes. JLG's subsidiary, Bright & Duggan, will make the acquisition, taking its total portfolio to over 145,000 lots. The acquisition further strengthens Bright & Duggan's position as a leader in the strata sector and marks a significant step in the business's strategic growth trajectory.

Chill-Rite HVAC

Chill-Rite is a leading provider of heating, ventilation and air-conditioning services in regional New South Wales. JLG's subsidiary, Air Control, will acquire an 84% controlling equity interest in Chill-Rite. The acquisition creates a strong foundation for further organic expansion into regional Queensland and Victoria and builds Air Control's capacity to service larger national contracts with blue-chip clients.

The founder and majority owner of Chill-Rite will reinvest a portion of the proceeds from the acquisition into a 10% equity interest in the combined Air Control/Chill-Rite business to ensure comprehensive alignment.

FY24 Final Dividend

On 27 August 2024, the Board declared a final dividend of 4.7 cents per share (fully franked). This final dividend is in addition to the previously announced half year (interim) dividend of 4.7 cents per share (fully franked), totalling 9.4 cents per share (fully franked) and representing approximately 54% of NPAT attributable to the owners of Johns Lyng Group for FY24.

The final dividend will be paid on 16 September 2024 with a record date of entitlement of 2 September 2024.

There are no other matters or circumstances that have arisen since 30 June 2024 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 13 November 2024. 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 25 September 2024.

Johns Lyng Group Limited | ANNUAL REPORT 2024 | Johns Lyng Group Limited | ANNUAL REPORT 2024 | Johns Lyng Group Limited

2024

JOHNS LYNG GROUP

Valuing People

JOHNS LYNG GROUP

Annual Report 2024

JOHNS LYNG GROUP LIMITED

CONTENTS

CORPORATE DIRECTORY

DIRECTORS

Peter Nash (Chairman and Non-executive Director)

Scott Didier AM (Managing Director)

Nicholas (Nick) Carnell (Executive Director)

Adrian Gleeson (Executive Director)

Robert Kelly AM (Non-executive Director)

Curtis (Curt) Mudd (Non-executive Director)

Larisa Moran (Non-executive Director)

Peter Dixon (Non-executive Director)

Alexander (Alex) Silver (Non-executive Director, appointed 8 February 2024)

AUDITOR

KPMG
Collins Square
Tower Two, 727 Collins Street
Melbourne 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

KCL Law
Level 4, 555 Lonsdale Street
Melbourne VIC 3000

COMPANY SECRETARY

Shannon Coates (Resigned 19 March 2024)

Lisa Dadswell (Appointed 19 March 2024)

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)

13 November 2024

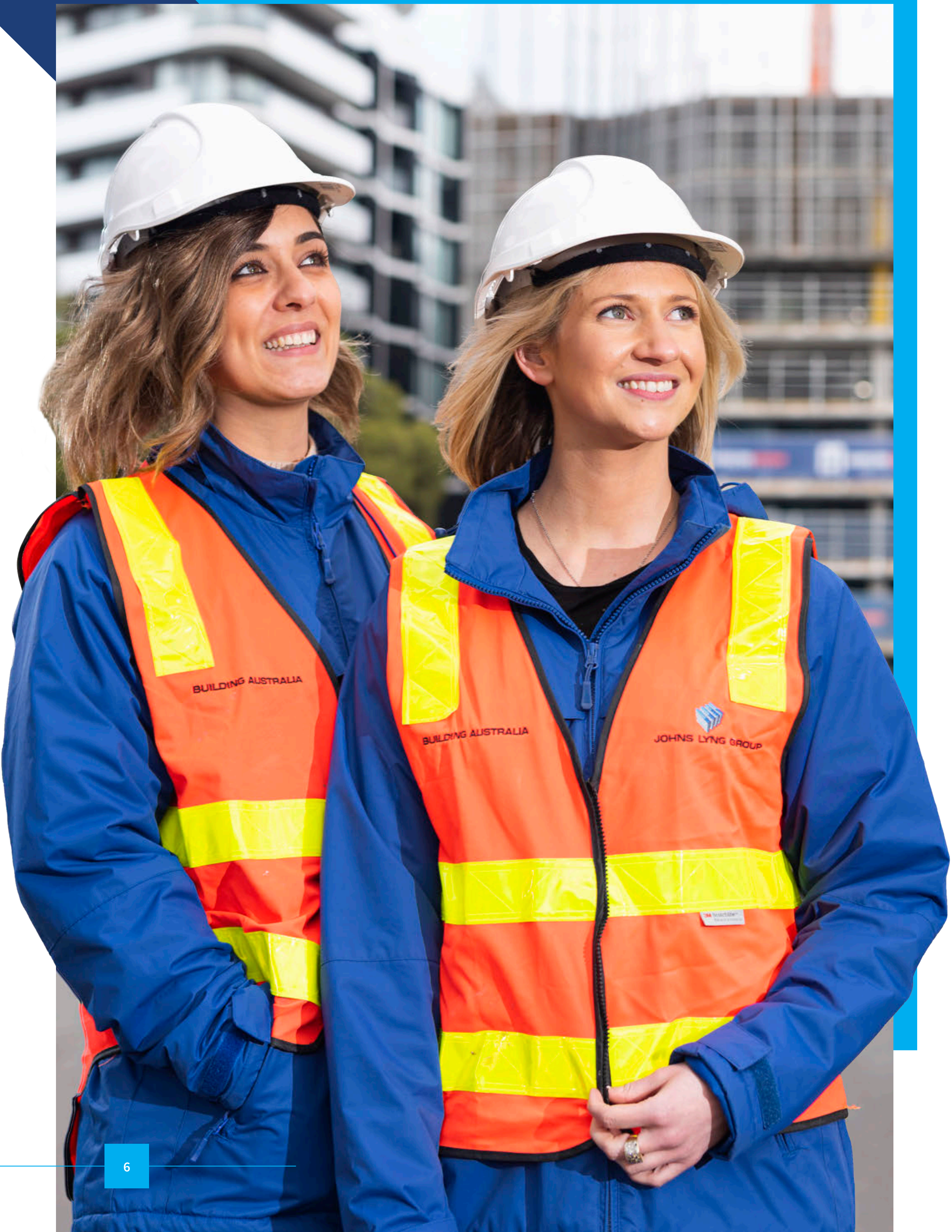
STOCK EXCHANGE LISTING

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

WEBSITE

www.johnslyng.com.au


JOHNS LYNG


BUILDING AUSTRALIA
BUILDING AUSTRALIA
JOHNS LYNG GROUP

FY24 SNAPSHOT

Group Revenue

$1,158.9m

(FY23: $1,281.3m)

Group EBITDA[1]

$129.6m

(FY23: $119.4m)

[1] Excluding transaction related and other non-recurring expenses of $5.0m (FY23: $3.5m) - refer to Operating and Financial Review per page 48

Geographical Footprint

Australian Locations

47 Johns Lyng Locations Nationally

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

19 Bright & Duggan Locations Nationally

International Locations

41 Steamatic USA Locations
(Including 37 franchisees and 4 company owned locations)

3 Steamatic International Franchise Agreements

10 Johns Lyng USA Locations (Across 5 States)

2 Johns Lyng New Zealand Locations

Recent Acquisitions

1. **Linkfire (70%):** effective 1 July 2023
2. **Smoke Alarms Australia (100%):** effective 1 July 2023
3. **Your Local Strata (100%):** effective 1 September 2023
4. **AM Strata (100%):** effective 1 March 2024
5. **Chill-Rite[1] (84%):** effective 1 July 2024
6. **SSKB Strata[1] (100%):** effective 1 July 2024

[1] Binding Share Purchase Agreements signed. Completion expected during 1Q25.

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 Group, we are pleased to present the Annual Report for the 2024 Financial Year.

FY24 was an exciting and strong year for the Group. We made significant progress on several key strategic and operational priorities, including key acquisitions into adjacencies such as Essential Home Services. Importantly, we delivered another record Business as Usual (BaU) earnings performance.

Revenue for the period was $1,158.9m, down from $1,281.3m in FY23, with last year's performance bolstered by a record Catastrophe (CAT) contribution. BaU revenue increased by 9.7% to $929.7m and BaU EBITDA increased by 18.2% to $111.2m.

Our continued growth amidst a challenging macroeconomic environment – characterised by rising inflation and interest rates, tight labour markets and economic uncertainty, demonstrates the resilience of our business model and the strength of our investment thesis, focused on defensive growth opportunities.

These growth opportunities involve directing capital and management to markets where we have a distinct competitive advantage and where there are strong fundamentals aligned with our core capabilities. Furthermore, our selected markets are largely insulated from economic cycles including inflationary pressures with non-discretionary, annuity style revenue profiles.

The key driver of our success is our talented and passionate people and our strong culture that celebrates success. Throughout FY24, we continued to further embed this culture across all levels of the business, with a focus on the delivery of exceptional service to our customers.

During FY24, we made significant progress across all five of our strategic growth pillars. The key drivers of our performance are similar to previous years and in line with our strategy for sustainable growth, including:

- Increasing our IB&RS market share via new client wins and contract extensions;
- Organic growth and diversification resulting in increased job allocations in our established core business markets;
- A strong financial performance from Johns Lyng Disaster Management, driven by new contracts, contract extensions and continued workflow from previous periods;
- Growth in our Strata Services business, including two strategic acquisitions and further integration of our service lines;
- Advancing Johns Lyng USA's strategic plan, including significantly growing our partner network, introducing our core business service lines and being appointed to an AllState Insurance panel; and
- Multiple strategic and 'bolt-on' acquisitions that are earnings accretive.

Reflecting on our progress since our Listing in 2017 underscores the value of this approach, with compound annual revenue and EBITDA growth since FY18 of approximately 26% and 32%, respectively. We are incredibly proud of the Company we have built and we thank our Shareholders for their continued support.

Insurance Building and Restoration Services Division (IB&RS)

IB&RS remains the foundation of the Group, comprising our traditional insurance related repair and restoration work, supported by CAT related work.

In FY24, the division delivered a record BaU performance, with BaU revenue of $845.3m and BaU EBITDA of $111.2m representing growth of 9.0% and 20.2% respectively.

This significant growth reflects the strength and depth of our relationships with our clients and our focus on delivering outstanding work and high levels of customer service. This is evidenced by the significant contracts with insurance counterparties that were extended during the period, including Hollard, Suncorp, CHU and QBE. We also won new contracts with New Zealand-based Tower Insurance, Safety Culture Care, RAA, Hutch and several others. In what was a pivotal moment for Johns Lyng USA, the division was also appointed to a panel with one of the country's largest insurers, Allstate – which we expand on below. These renewals and new business wins signify the strength of our offering and present a significant foundation for future growth.

Our record BaU performance was supplemented by CAT activity, which contributed $205.6m in revenue. Although this is lower than the previous period, it is important to highlight that FY23 was a record year for CAT activity, driven by several significant natural disasters impacting Australia. Notably, FY24 revenue exceeded our original CAT forecast of $137.8m by $67.8m.

Throughout the period our CAT teams proudly supported communities, insurers and governments across Australia, New Zealand and the United States. Our reputation as the leading national provider of disaster response services led to us securing several new contracts with councils and state governments, including providing support following Tropical Cyclone Jasper and as the preferred supplier of emergency temporary accommodation for the Queensland Government.

During FY24, we continued to assist with the recovery efforts associated with a number of catastrophic events that occurred in previous periods, including the 2022 Murray River floods in South Australia, the flooding that impacted Victoria, New South Wales and Tasmania in October 2022 and Hurricane Ian in the US.

The increasing activity and contract wins within IB&RS enabled the Group to extend its footprint, both nationally and internationally, opening multiple new offices to ensure we are able to support the continuing workflow into future periods.

Strata Services

Strata Services is a key strategic growth pillar for the Group. Since launching in FY20, we have continued to invest in and scale up this service line both organically and via consolidation of the highly fragmented strata management market. We are now pleased to have the second largest market share in Australia.

During the period, we acquired two leading strata management businesses, adding over 7,000 lots to our growing portfolio. As at 30 June 2024, Bright & Duggan managed 101,063 lots across 4,099 strata schemes. In early FY25, we were pleased to announce the acquisition of SSKB Strata, adding to our portfolio with more than 44,000 lots and strengthening our position as a leader in the sector.

The strata services segment also provides significant opportunities to provide building and restoration works for strata insurers and directly to strata managers/body corporates – this includes cross-sell from other Johns Lyng Group businesses.

Johns Lyng Disaster Management

We established our Disaster Management Australia (DMA) business in FY22, reflecting the increasing demand for our services due to the escalating frequency and severity of weather-related disasters.

Since then, DMA has established itself as Australia's leading provider of crisis response, recovery and reconstruction solutions, supporting communities to recover following bushfires, floods, cyclones and storms. Our market position, proven track record, nationwide footprint and significant network of local subcontractors provide us with the ability to win major contracts associated with this work, many of which offer workflows covering multiple periods.

During FY24, we entered into a three-year contract with the Department of Housing Queensland to provide temporary accommodation to those displaced by floods and storms. Since that appointment, we have successfully deployed our rapid solutions to offer shelter and comfort to residents impacted by Cyclone Jasper, allowing residents to remain in the community.

Our contract with the Victorian Government, originally entered into during FY23, was extended during the period following ongoing required works from prior flood events. This embodies the importance and strength of our relationships with governments and councils, which are built upon the quality of our services, robust governance frameworks, commitment to engaging local trades and our unique approach to preserving environments and cultural heritage.

With natural disasters forecast to occur more regularly and with greater intensity, we enter FY25 in a strong position to support communities to recover, invest in local businesses through our local subcontractor network, reduce the environmental impact of disasters and work with governments to enhance resilience.

Johns Lyng USA

The United States represents a large market opportunity for the Group and in FY24 we reached an inflection point in Johns Lyng USA's growth.

We continued to support the recovery following Hurricane Ian, which devastated large parts of Florida and impacted a number of other States. Ian was one of the most destructive and costly natural disasters in American history. Our inaugural CAT response in the US, provided the opportunity to prove our capability and establish ourselves in a new market. We are pleased to report we have achieved this, working closely with insurers and various levels of government since our initial engagement and assisting those displaced to return to their businesses and homes.

We advanced our strategic vision of offering comprehensive services across the US with the introduction of our core business service lines including: Makesafe, Express Reconstruction and Steamatic Restoration.

We also continued the roll-out of our proven equity partnership model – we currently have 25 Business Partners in the US.

In the second half of the year, we were pleased to announce our appointment to Allstate's Emergency Response and Mitigation Panel for the provision of emergency response makesafe and water mitigation. Allstate is one of the largest insurance companies in the US and this panel will provide us with access to a potential 16 million policyholders as job allocations begin to ramp up.

We anticipate significant workflow from this arrangement and have launched our Customer Connect claims management platform to manage this growth seamlessly and deliver the high standards of customer service that have driven our growth in Australia. As we continue to penetrate the US market, Customer Connect and Handii (a digital claims management platform in which we acquired a minority equity stake during the period), will be crucial in delivering a seamless experience for all stakeholders.

Having now completed the integration of Reconstruction Experts, we are optimistic and energised by the progress made during the year and will continue to deliver on our strategy in the coming period.

Essential Home Services

We established Essential Home Services as a new strategic growth pillar early in the year, following the acquisition of Smoke Alarms Australia and Linkfire. These two businesses provide fire, electrical and gas compliance, testing and maintenance services that are highly complementary to our existing offerings. This integration provides significant opportunities to introduce additional service lines and achieve cost synergies.

We see significant growth opportunities in Essential Home Services, which caters to residential and strata markets. These services are non-discretionary, often mandated by compliance requirements and increasingly subscription-based. Coupled with our strata portfolio and the ability to introduce our repairs and maintenance services, the growth opportunities within this pillar are compelling.

Commercial Building and Construction Services

Our Commercial Building Services division performed well in FY24, with Revenue and EBITDA increasing by 17.6% and 20.1% respectively.

Inflation and rising interest rates continued to present challenges for our Commercial Construction division. Additionally, the liquidation of multiple subcontractors further impacted our performance. As previously announced, Commercial Construction is in the latter stages of run-off, with all current activities based on legacy contracts and projects only. We expect the wind down of Commercial Construction to be completed in the first half of FY25.

Balance Sheet and Post Balance Date Matters

JLG's balance sheet is strong, positioning us well to rapidly capitalise on opportunities and make prudent bolt-on acquisitions in support of our growth strategy. Net assets increased by $66.1m during FY24 and our gearing is conservative.

On 2 August 2024, we were pleased to announce the acquisition of SSKB Strata and Chill-Rite HVAC for total upfront aggregate consideration of $57.6m.

SSKB is a leading provider of strata services focused on the east-coast of Australia, with a portfolio of over 44,000 lots across 790 schemes. The acquisition increases Bright & Duggan's total portfolio to more than 145,000 lots under management.

Chill-Rite is a leading provider of HVAC services in regional New South Wales. The acquisition facilitates Air Control's expansion into regional areas. Chill-Rite's founder will reinvest a portion of the proceeds into a 10% equity interest in the combined Air Control/Chill-Rite business to ensure comprehensive alignment.

Governance

In February this year we welcomed Alex Silver to our Board. Alex is based in the US and brings a wealth of experience in this important market to our Board. The evolution of our Board continues and we expect to make further announcements in advance of our AGM.

Following feedback from Shareholders, we have made important changes to our executive remuneration framework, the details of which are set out in the Remuneration Report.

FY24 Final Dividend

On 27 August 2024, the Board declared a final dividend of 4.7 cents per share (fully franked). This final dividend is in addition to the previously announced half year (interim) dividend of 4.7 cents per share (fully franked), totalling 9.4 cents per share (fully franked) and representing approximately 54% of NPAT attributable to the owners of Johns Lyng Group for FY24.

We thank our staff, clients and Shareholders for their ongoing support which has enabled the strong performance and progress presented in this report.

We look forward to continuing to build on our results in the coming period and are excited by the opportunities ahead.

Regards,

Peter Nash
Chairman
27 August 2024

Scott Didier AM
Managing Director
27 August 2024

Group Revenue
$1,158.9m
(FY23: $1,281.3m)

Group EBITDA[1]
$129.6m
(FY23: $119.4m)

[1] Excluding transaction related and other non-recurring expenses of $5.0m (FY23: $3.5m) – refer to Operating and Financial Review per page 48

COMPANY PROFILE

Johns Lyng Group is a market leading integrated building services provider delivering building, restoration and disaster management services nationally and internationally along with strata management services and essential home 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 and natural disasters 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 2,300 employees and a subcontractor base in excess of 16,000.

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

The Group's Australian national footprint facilitates superior project outcomes across major metropolitan and regional areas.

The Group operates offices in all major Australian cities and high risk regional areas such as northern Queensland, regional Victoria and regional New South Wales.

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

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.

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 70 years.

Insurance Building & Restoration Services

Building fabric repair, contents restoration, disaster management, hazardous waste removal, strata management and essential home services.

- Revenue: $1.050.9m (FY23: $1,146.6m)
- EBITDA[1]: $138.2m (FY23: $136.8m)

[1] Excluding transaction related and other non-recurring expenses of $3.8m (FY23: $3.3m) – refer to Operating and Financial Review per page 49.

Commercial Building Services

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

- Revenue: $84.2m (FY23: $71.6m)
- EBITDA[1]: $10.1m (FY23: $8.4m)

[1] Excluding transaction related expenses of $0.1m in FY23 only.

Commercial Construction

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

- Revenue: $23.6m (FY23: $62.5m)
- EBITDA: ($8.7m) (FY23: ($19.0m))

The Group's Commercial Construction operations are now in the latter stages of run-off. Going forward, existing resources will be focused on large-loss insurance building – current work now relates solely to legacy contracts and projects.

Important Milestones Post-Listing

OCT-17
Listed on the Australian Securities Exchange (ASX)

JUL-18
Divestment of Club Home Response & Sankey Glass

DEC-18
Commenced Strata Building Services operations in NSW (roll-out)

FEB-19
Acquired Dressed for Sale (56.6%)

APR-19
Acquired Steamatic Inc. (100%)

AUG-19
Acquired Bright & Duggan (51% voting/46% economic equity interest)

JAN-20
Acquired Steamatic Nashville (USA) – franchisee buy-out (100%)

FEB-20
Acquired Capitol Strata (85%)

APR-20
Acquired Air Control (60%)

JUL-21
Commenced Johns Lyng Disaster Management

Acquired Steamatic Australia (60%)

Acquired Unitech Building Services (60%)

Acquired Structure Building Management (75%)

Acquired Shift Facilities Management (75%)

Acquired Change Strata (100%)

SEP-21
Acquired BrisBay Strata (100%)

SEP-21
Admission to ASX 300 Companies Index

JAN-22
Acquired Reconstruction Experts (99.5%)

SEP-22
Admission to ASX 200 Companies Index

NOV-22
Acquired Adpen Strata (100%)

Acquired North Shore Strata (80%)

Acquired A1 Services (60%)

APR-23
Acquired Advanced Community Management (100%)

MAY-23
Acquired Mainland Building Services (80%)

JUL-23
Acquired Smoke Alarms Australia (100%)

Acquired Linkfire (70%)

SEP-23
Acquired Your Local Strata (100%)

MAR-24
Acquired AM Strata (100%)

JUL-24
Acquired Chill-Rite (84%)

Acquired SSKB Strata (100%)

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 including: water, fire, soot, mould and odour.

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 policyholders, 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.

Unitech is a South Australian-based insurance building services company.

Founded in 1995, Unitech has established a strong base of insurance industry clients in the South Australian market.

Onetouch Services offers expert building and facilities maintenance services for commercial properties. Onetouch's proprietary technology facilitates efficient scheduling of preventative and reactive maintenance services for its clients.

Steamatic Australia is a leading national restoration services company.

Established in 1986 under the Steamatic Inc. master franchise, the business currently employs more than 170 staff and operates a total of 40 locations including 35 regional franchisees and 5 company owned metro locations.

Strata Services

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

Bright & Duggan is a leading strata, facilities and building management business with 101,063 lots under strata and/or building management contracts across 4,099 buildings/strata schemes.

On 2 August 2024, Johns Lyng announced Bright & Duggan had signed a binding Share Purchase Agreement to acquire Brisbane-based SSKB Strata which manages more than 44,000 lots across 790 strata schemes.

BUSINESS DIVISION OVERVIEW

INSURANCE BUILDING & RESTORATION SERVICES (IB&RS)

Johns Lyng USA

Johns Lyng initially entered the US market in 2019 through the acquisition of the Steamatic Global Master Franchise Network.

Steamatic operates a Global Master Franchise Network with 41 US locations (37 franchisees and 4 company owned locations) and 3 International Master Franchise Agreements.

On 1 January 2022, Johns Lyng acquired US-based Reconstruction Experts.

Reconstruction Experts was established in Colorado in 2001 and 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 acquisition of Reconstruction Experts established a strong base from which to pursue growth in the very large US market for defect and damage insurance and property repairs and maintenance.

Over the course of the last 18-months, Johns Lyng USA has successfully launched its additional core products and services in Colorado, Texas, Florida and California including Makesafe, Express Reconstruction and Steamatic Restoration, alongside Reconstruction Experts and Advanced Roofing.

Johns Lyng USA currently employs more than 350 people across offices in five States including: Colorado, Texas, Florida, California and Tennessee.

Disaster Management

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 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.

A1 Services is a Byron Bay-based insurance repairs estimating business that provides key sub-contractor services for external and internal clients.

A1 Services' pool of estimating resources supports the Group's ability to scale-up and respond to rapid increases in work volume.

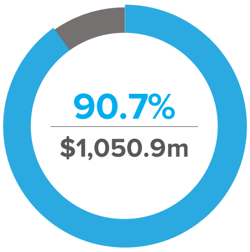
During FY23, the Group launched Johns Lyng Energy Services, which is committed to providing innovative energy solutions through our expertise in: electrification, decarbonisation, electric vehicle infrastructure, remote power, solar battery technologies, utility EPC services and recycling/repurposing initiatives.

Johns Lyng Energy Services offers comprehensive support to reduce energy costs and carbon footprints.

IB&RS Results

Insurance Building & Restoration Services	FY24 $m	FY23 $m	Change %
Revenue	1,050.9	1,146.6	(8.3%)
EBITDA[1]	138.2	136.8	1.0%

[1] Excluding transaction related and other non-recurring expenses of $3.8m (FY23: $3.3m) – refer to Operating and Financial Review per page 49



IB&RS revenue contribution to the Group

Essential Home Services

Effective 1 July 2023, Johns Lyng acquired Smoke Alarms Australia and Linkfire which form the foundation of our 5th Strategic Growth Pillar – Essential Home Services.

Smoke Alarms Australia (SAA) is a Sydney-based provider of smoke alarm, electrical and gas compliance, testing and maintenance services.

SAA is the second largest provider in Australia with more than 250,000 active subscribers (landlords) across more than 2,500 property manager clients.

Linkfire is a leading provider of fire and essential safety services in Victoria and Newcastle (NSW).

Annually servicing over 8,600 buildings, approximately 80% of Linkfire's customer base comprises Strata Managers and Owners' Corporations.

BUSINESS DIVISION OVERVIEW

COMMERCIAL BUILDING SERVICES (CBS)

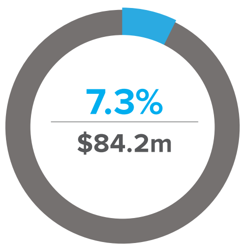
With more than 25 years in business and typically delivering work programs up to $2 million project value, Trump Floorcoverings has become a leading provider of floorcovering services to customers in both the commercial and retail sectors.

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

CBS Results

Commercial Building Services	FY24 $m	FY23 $m	Change %
Revenue	84.2	71.6	17.6%
EBITDA[1]	10.1	8.4	20.1%

[1] Excluding transaction related expenses of $0.1m in FY23 only



CBS revenue contribution to the Group

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.

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.

On 2 August 2024, Johns Lyng announced that Air Control had signed a binding Share Purchase Agreement to acquire an 84% equity interest in Chill-Rite – a leading provider of HVAC services in regional NSW.

BUSINESS DIVISION OVERVIEW

COMMERCIAL CONSTRUCTION (CC) & OTHER

JOHNS LYNG COMMERCIAL BUILDERS

Johns Lyng Commercial Builders operates in Victoria, typically undertaking projects ranging in value between $3 million and $20 million in the education, aged care, retail, community, hospitality, residential and cladding rectification sectors.

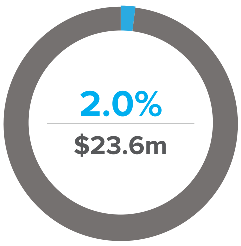
The Group's Commercial Construction operations are now in the latter stages of run-off. Going forward, existing resources will be focused on large-loss insurance building – current work now relates solely to legacy contracts and projects.

global 360 sourcing people

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

Commercial Construction Results

Commercial Construction	FY24 $m	FY23 $m	Change %
Revenue	23.6	62.5	(62.3%)
EBITDA	(8.7)	(19.0)	54.1%



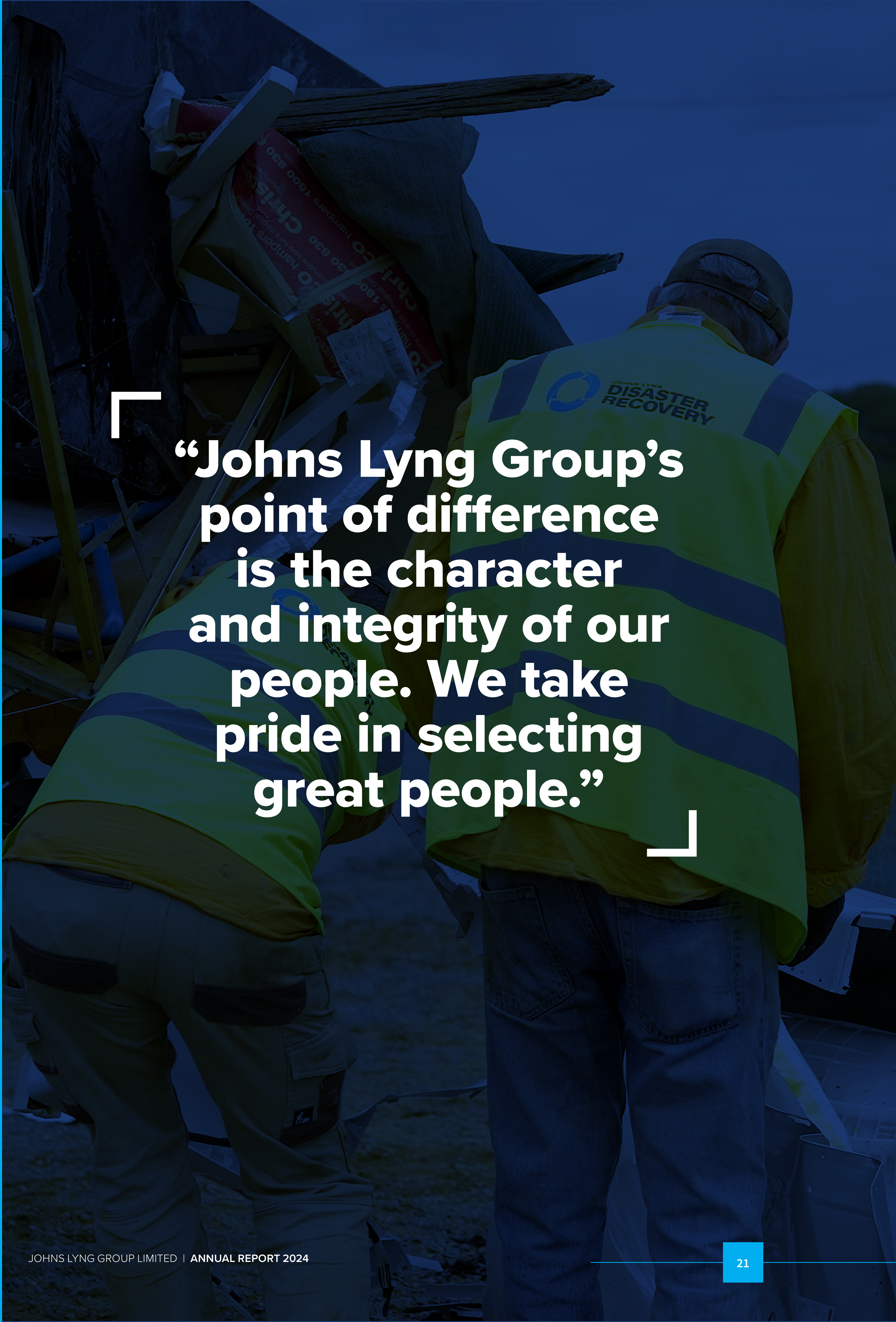
CC revenue contribution to the Group

Other Results (incl. Corporate Overheads)

Global 360 & Corporate Overheads	FY24 $m	FY23 $m	Change %
Revenue	0.2	0.7	(73.0%)
EBITDA[1] (incl. Corporate Overheads)	(10.0)	(6.8)	(47.3%)

[1] Excluding transaction related expenses of $1.2m (FY23: $0.1m)

Other revenue contribution to the Group



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

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 and essential home services.

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 and pre-sale property staging.

JOHNS LYNG GROUP

Australia & New Zealand Footprint

49 locations[1]

- **Head Office (1)**
- **State/Territory Offices (6)**
- **Regional Offices (28)**
- **Operational Warehouses (3)**
- **Novari Collective (2)**
- **Air Control (3)[2]**
- **Unitech Building Services (1)**
- **Smoke Alarms Australia (3)**
- **Linkfire (2)**

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

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

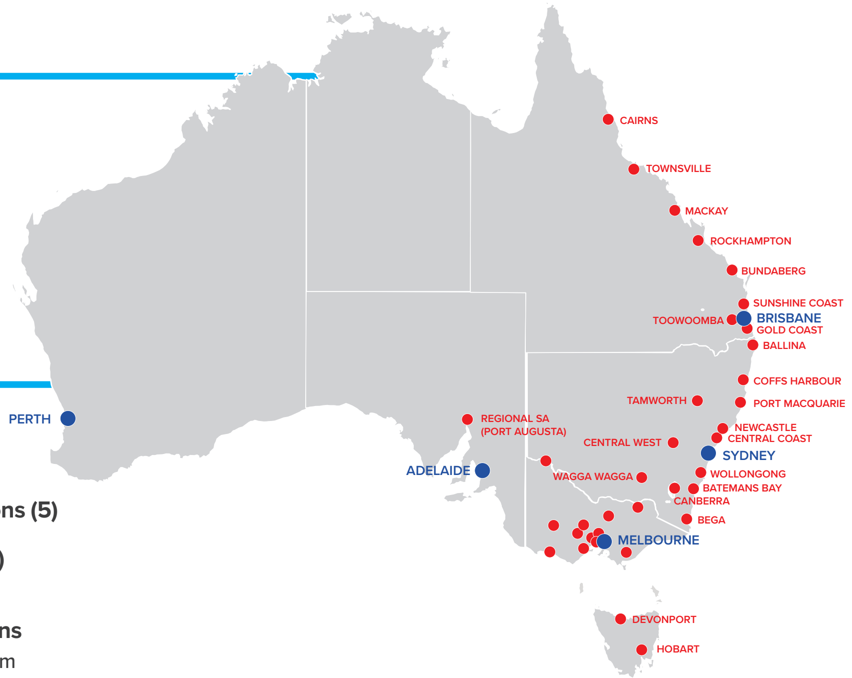
Steamatic Australia

Steamatic Australia is a leading national restoration services company.

Established in 1986 under the Steamatic Inc. master franchise, the business currently employs more than 170 staff and operates a total of 40 locations (including 35 regional franchisees and 5 company owned metro locations).

Australian National Footprint

40 locations nationally



- Company Owned Locations (5)
- Franchisee Locations (35)

Regional Victoria Locations

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

GEOGRAPHICAL FOOTPRINT

USA OPERATIONS

JOHNS LYNG USA

Johns Lyng initially entered the US market in 2019 through the acquisition of the Steamatic Global Master Franchise Network.

STEAMATIC
Construction | Restoration | Cleaning

Established in 1948, Steamatic is a US-based fire and flood restoration services company operating a Global Master Franchise Network with 41 US locations (37 franchisees and 4 company owned locations) and 3 International Master Franchise Agreements.

RE 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 Johns Lyng's core competencies including:

- Defect and Damage Insurance – provides reconstruction repair works for clients when insured 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.

The acquisition of Reconstruction Experts established a strong platform from which to pursue growth in the very large US market.

Since acquisition, Johns Lyng has made significant strategic and operational progress in-line with its long-term plan to develop a fully integrated service offering nationally.

During the last 18-months, Johns Lyng has successfully launched its additional core products and services in its existing States including: Makesafe, Express Reconstruction and Steamatic Restoration, alongside Reconstruction Experts and Advanced Roofing.

Johns Lyng USA is currently authorised to undertake work in a total of 17 States and employs more than 350 people across offices in five States including: Colorado, Texas, Florida, California and Tennessee.

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

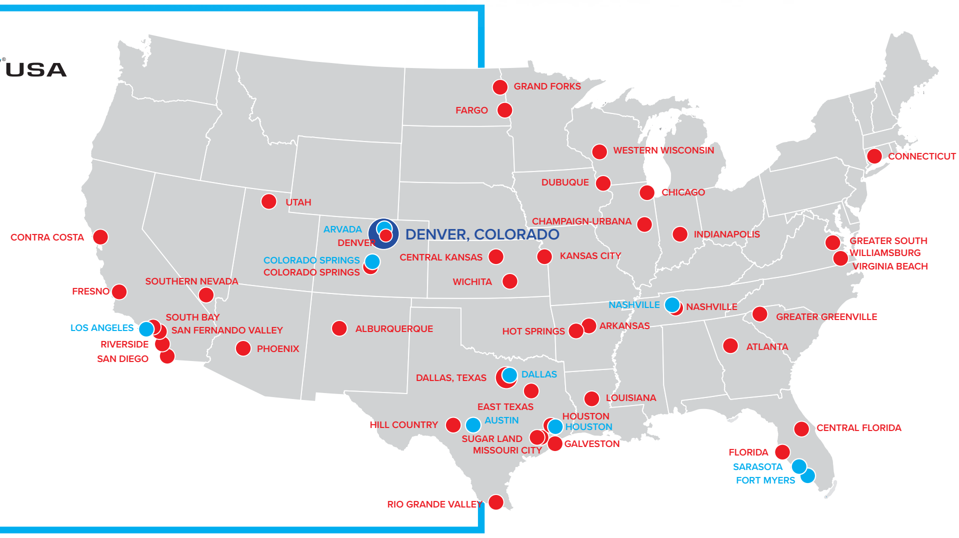
JOHNS LYNG USA

USA Footprint

51 US locations comprising:

- 10 Johns Lyng USA locations
- 41 Steamatic USA locations (37 franchisees and 4 company owned locations)

- Head Office (1)
- Steamatic USA (41)
- Johns Lyng USA (9)



JOHNS LYNG MAKESAFE & REINSTATE

JOHNS LYNG EXPRESS RECONSTRUCTION

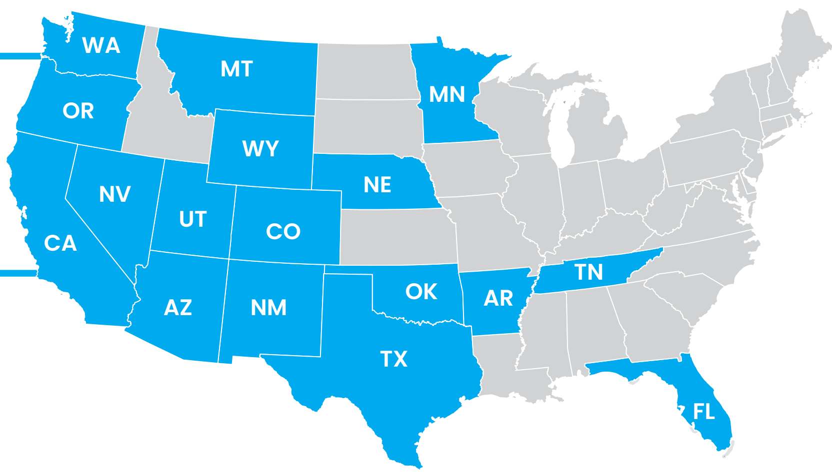
ADVANCED ROOFING + SHEET METAL

RECONSTRUCTION EXPERTS

STEAMATIC Construction | Restoration | Cleaning

JOHNS LYNG USA

17 Authorised Locations



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 in August 2019, Bright & Duggan has made 11 bolt-on acquisitions:

1. Capitol Strata (85% equity interest): effective 31 January 2020;
2. Change Strata (100% equity interest): effective 1 July 2021;
3. Structure Building Management (75% equity interest): effective 1 July 2021;
4. Shift Facilities Management (75% equity interest): effective 1 July 2021;
5. BrisBay Strata (100% equity interest): effective 1 September 2021;
6. North Shore Strata (80% equity interest): effective 1 November 2022;
7. Adpen Strata (100% equity interest): effective 1 November 2022;
8. Advanced Community Management (100% equity interest): effective 1 April 2023;
9. Your Local Strata (100% equity interest): effective 1 September 2023;
10. AM Strata (100% equity interest): effective 1 March 2024; and
11. SSKB Strata (100% equity interest); effective 1 July 2024.

As at 30 June 2024, Bright & Duggan employed more than 350 staff across 19 offices with a portfolio comprising:

- A total of 101,063 lots under strata and/or building management contracts across 4,099 buildings/ strata schemes including:
  - 90,238 lots under strata management contracts across 4,014 strata schemes;
    - Of which, Bright & Duggan also undertakes building management for 6,775 lots across 57 buildings; and
  - 10,825 lots across 85 buildings under discrete building management contracts.

Portfolio under management (30 June 2024):

101,063
Lots/Units

4,099
Buildings/
Strata Schemes

On 2 August 2024, Johns Lyng announced Bright & Duggan had signed a binding Share Purchase Agreement to acquire Brisbane-based SSKB Strata which manages more than 44,000 lots across 790 strata schemes.

National Footprint

19 locations nationally

Bright & Duggan (12)
Capitol (3)
Structure (1)
AM Strata (1)
Your Local Strata (2)


BUSHFIRE RECOVERY VICTORIA
JOHNS LYNG GROUP
BUILDING AUSTRALIA
UILDING AUSTRALIA
JOHNS LYNG GROUP
BUSHFIRE RECOVERY VICTORIA

CORPORATE SOCIAL RESPONSIBILITY REPORT

WE ARE PLEASED TO DELIVER THE GROUP'S CORPORATE SOCIAL RESPONSIBILITY REPORT FOR THE 2024 FINANCIAL YEAR (FY24)

This report details our performance across a number of strategic areas and outlines some of the key initiatives introduced and progressed during the year pertaining to Environmental, Social and Governance (ESG) matters.

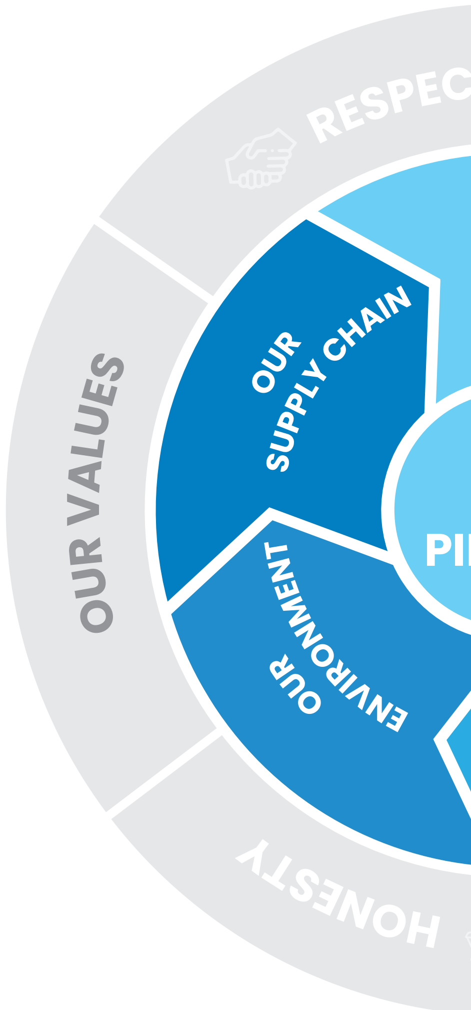
During the period, we conducted a thorough assessment of our Corporate Responsibility Framework (Framework). This assessment resulted in some important changes to the Framework that will assist with more robust reporting into future periods, while also ensuring all work completed in this space is aligned to our foundational values.

OUR FRAMEWORK IS NOW BUILT UPON FIVE PILLARS

Providing a clear reporting structure for ESG matters, our Pillars are the foundation of Johns Lyng Group's approach to Corporate Social Responsibility and will enable us to more effectively define our ESG impact through FY25 and beyond.

The Risk and Compliance Committee has oversight of the Corporate Responsibility Framework and the work is led by our Head of HSE, Risk and Compliance.

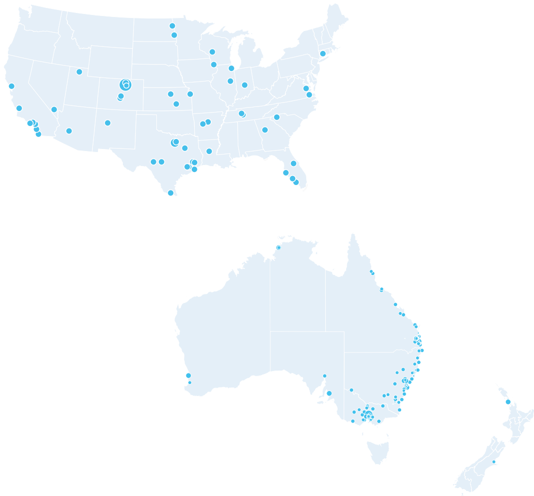
Throughout FY24, we continued to support and deliver significant value to our stakeholders through all facets of our business whilst also making progress across our Pillars. The period presented a number of challenges, the impacts of which, we diligently worked to minimise. These included introducing new ways for our customers to engage with our team amidst sustained cost-of-living pressures, a focus on building resilience in response to increasing catastrophic weather events and several initiatives to reduce the environmental impact of our operations.



24/7

INTERNATIONAL SERVICE AVAILABILITY

We are actively broadening our geographical presence, including extending into New Zealand to offer a comprehensive one-stop shop to our clients.



159

NATIONAL & INTERNATIONAL

OFFICES

159 bricks and mortar offices with full project management capabilities, designed to connect **Local People** with **Local Trades.**

c.16,000

Subcontractors

2,300+	30+	ASX
Employees	Brands	ASX 200

Our People

Our people are the foundation of our business, our greatest asset and the catalyst of our success. As such, we continued to invest in training and development to ensure we have a skilled and engaged workforce that understands our foundational values and embody them in all engagements with customers, communities and other key stakeholders.

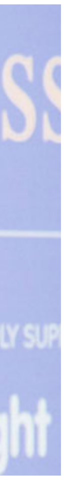
Throughout the period, we continued to grow our workforce. We now employ more than 2,300 staff across Australia, New Zealand and the USA. c.30% of our team are female employees.

DURING FY24

c.48%

OF CORE INSURANCE BUILDING & RESTORATION STAFF

Were provided with career progression and promotion opportunities.



c.30%

FEMALE PARTICIPATION IN THE WORKFORCE FY24

Our Culture and Engagement of our People

Johns Lyng Group is proud of its culture, which emphasises our Values of: Respect, Integrity, Courtesy and Honesty at all times. Our culture is embedded across all our businesses and is critical to the success of our operations, whether dealing with insurance clients, governments, or communities that have been devastated by natural disasters.

During FY24, the strength of our culture was formally recognised by "Great Place to Work™" which certified Johns Lyng Group as an 'employer of choice'. Great Place to Work™ utilises employee feedback and independent analysis to identify employers that create an outstanding employee experience. This globally recognised certification will assist the business in recruiting and retaining great talent and a high-quality workforce.

This certification not only helps job seekers identify JLG as genuinely offering a great company culture, but also gives us a recruiting advantage by providing a globally recognised accreditation which verifies our commitment to providing a great employee experience.

The Group also revamped its onboarding process during the period, streamlining the orientation experience for new starters and delivering process efficiencies internally. This process optimisation will ensure our Values are entrenched in our people from their first day on the job, supporting our operational and ESG goals.

Professional Development and Career Progression

We believe in supporting our people and nurturing their careers. We continue to invest in initiatives that develop the skills and careers of our people, which in turn strengthens our ability to deliver positive outcomes for our customers, communities and Shareholders.

In FY24, c.48% of our core insurance building and restoration services staff were provided with career progression or promotion opportunities.

Our biannual Talent Reviews during the period focused heavily on presenting potential Business Partners with tangible career progression plans. This included key learning requirements and clear time frames for potential advancement opportunities. Succession plans were also a focus given the number of existing staff expected to progress into leadership positions as the Group continues to grow and evolve.

Recognising our People

Acknowledging achievements and the outstanding efforts of teams and individuals throughout the Group is an important driver of employee engagement. A total of 29 awards were presented throughout FY24, recognising both individual and team operational performance along with those embodying our Values.

Emily Doherty, Chief Executive Officer of Bright & Duggan, received the 2023 “Scott Didier Award” in recognition of her ability to promote and enshrine our culture throughout the Group’s Strata businesses and growth initiatives. This includes strong intra-group collaboration and relationships promoting and cross-selling a myriad of complementary services.

A Journey of Dedication, Growth and Success: Tyson Barber

Tyson Barber’s story embodies JLG’s culture of supporting employees who deliver strong results for our customers to develop into business leaders. Today, Tyson heads up one of the most important pillars in the Group’s growth strategy – Johns Lyng USA.

Tyson joined JLG in 2010 as the Group’s inaugural Purchasing Officer. After two years of strong performance and results, he was promoted to Project Manager in the Group’s Makesafe business, charged with overseeing Government projects.

The business rapidly grew from approximately $500,000 revenue to over $20m over a 3-year period and in 2014, Tyson was made a Business Partner. His talent for recognising and nurturing future leaders helped the business continue its growth trajectory – a theme that permeates Tyson’s career with JLG.

After being promoted to State Operations Manager and then State Manager for Victoria and Tasmania, Tyson helped to more than double revenue and increase the team from approximately 180 people to more than 330.

In these roles, Tyson was charged with overseeing the responses to all types of catastrophic events, including devastating bushfires and floods. He was also involved in securing an emergency response contract from the Victorian State Government and setting up the Group’s response to the South Australian floods, two significant projects which delivered significant revenue.

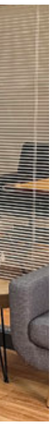
Tyson was appointed COO of Johns Lyng USA in 2023. He and his family relocated to Denver, Colorado and he threw himself into the role, building the Group’s network of Business Partners, launching new service lines and leading the response to Hurricane Ian. This strong performance resulted in him being promoted to CEO of Johns Lyng USA.

Tyson’s ethos revolves around building a talented and passionate team and providing them with avenues to thrive and grow. This approach led him to work with Swinburne University to create a dedicated Diploma course for JLG employees, which has now seen over 30 students obtain a Diploma of Construction.

29

AWARDS PRESENTED THROUGHOUT FY24

Recognising both individual and team performance.



Health and Safety (H&S) Performance

Our commitment to the health, safety and wellbeing of our people is fundamental to the ongoing success of JLG. The simplicity behind this approach is articulated in our H&S vision, such that we want everybody to go home safe to their family and friends at the end of each day. This extends beyond our staff, to our contractors, clients, customers and visitors.

FY24 saw the review and continued improvement of our H&S Strategic Roadmap (Roadmap), which is focused on reducing risks and preventing injuries. The Roadmap is supported by our culture and Values of: Respect, Integrity, Courtesy and Honesty, which ensures that our motivation for driving health and safety is easy to understand, impacts all and is never something that can be taken for granted.

This evolution saw the introduction of our health and safety pillars: **Safe People, Safe Plant & Equipment and Safe Systems**, a streamlined approach to our strategic objectives, performance measures and targets. This approach ensures that our work in this space is tied to the safety of our people through training and engagement, the management of critical risks onsite and the continual improvement of our H&S management systems and technology platforms.

There was considerable work completed on bringing the Roadmap to life over the course of the year. Some of these highlights include:

- The completion of the JLG Safety Management System review – completed to update and improve our procedural framework and ensure that H&S onsite is simple, easy to execute and well understood;
- The update and roll-out of the JLG Induction Program – relevant to all staff and subcontractors;
- The development of 'Safety Skillbuilders' – seven online learning modules linked to high-risk work onsite or significant themes relating to H&S. These modules will be rolled out in early FY25; and
- Significant work was completed on our H&S technology systems used for site-based compliance. This led to streamlined, simpler access for staff and subcontractors and enhanced reporting. The data insights gleaned from the completion of site-based inspections, audits and observations will guide future strategic decisions and focus.

Pleasingly, our investment in H&S resources led to a reduction in critical/notifiable incidents of 33% over the course of the financial year. This is a key performance measure which illustrates the level of management and control over critical risks within our business.

Our Customers

Johns Lyng Group is committed to providing our customers with value for money and a high-quality service. We continually focus on enhancing the customer experience across all our businesses, guided by our Customer Experience Roadmap.

Customer Experience Roadmap Review

During the period, we conducted a comprehensive review of our Customer Experience Roadmap. This exercise involved seeking feedback from internal and external stakeholders to develop a greater understanding of how we can improve outcomes for customers. A key focus of this review was an emphasis on "Simpler" and "Better", which underpin our commitment to delivering exceptional service and seamless experiences for our customers. The recommendations of this review will be implemented in FY25.

Simpler – Processes and Integrated Digital Experiences:

We aim to streamline workflows, enhance efficiency and integrate customer interactions into a unified journey. This includes refining our processes to ensure a smooth and hassle-free experience for our customers at every touchpoint.

Better – Customer First Culture and Enabled Team Capability:

We foster a customer-first mindset by enhancing onboarding and reinforcement training for our team. Recognising and celebrating outstanding service is essential in cultivating a culture where the customer comes first.

Enhancing Customer Communication Channels

During FY24, we introduced two new features designed to enhance customers' ability to communicate with our people in an easier and more flexible manner that reflects modern lifestyles. Webchat functionality was added to our website, enabling customers to conveniently interact directly with a JLG Customer Connect representative during business hours. We also introduced a digital feedback form, ensuring customers have a simple and accessible channel for providing feedback directly to the relevant team for timely actioning.

Strengthening our Culture of Customer Care

FY24 saw the Group focus on developing our people's understanding of customer service and ensuring it is embedded in the Group's culture. This was achieved through several initiatives, including introducing a 'Customer First' competency in our performance framework with two key performance indicators for all staff focusing on service outcomes and behaviours.

The Group updated its Privacy Policy and completed refresher training for all staff members to ensure compliance and awareness. We also reinforced our commitment to the General Insurance Code of Practice (GICOP) through comprehensive training across our team and supply chain. Over 1,000 staff members and 3,400 subcontractors completed this training during FY24.

1,000+

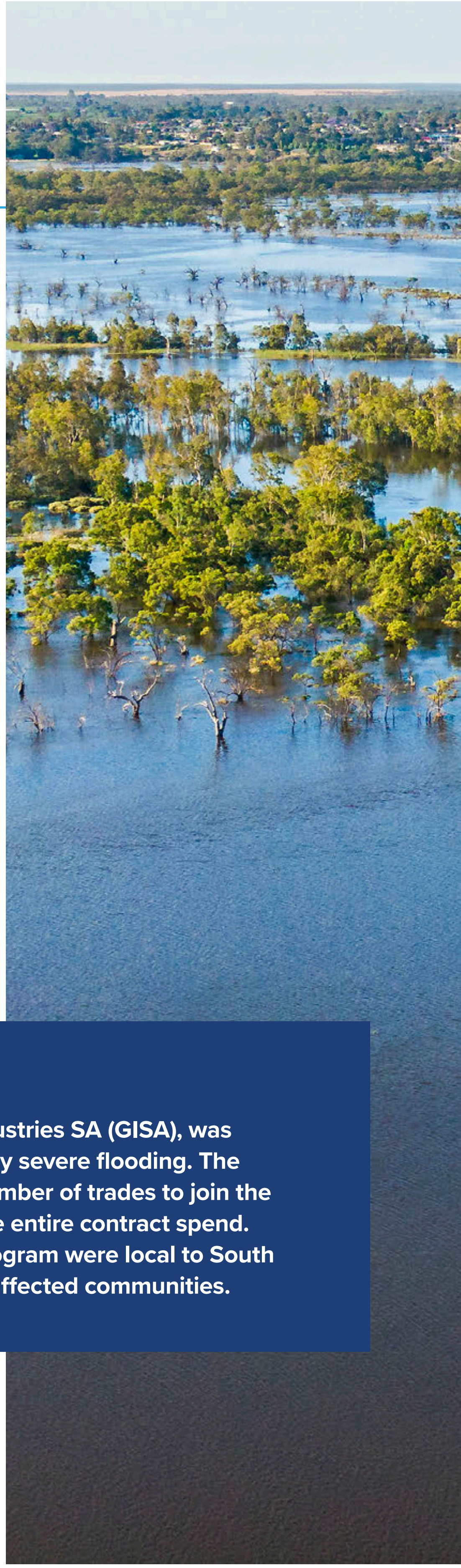
STAFF MEMBERS

3,400+

SUBCONTRACTORS

COMPLETED GICOP TRAINING FY24

Our Community



Our businesses operate in communities all over Australia, New Zealand and the USA. We aim to sustainably improve the communities in which we operate and the lives of our customers with everything we do. We focus on trauma-informed care, supporting Indigenous engagement and engaging local trades to reinvest in impacted communities. Outside of our operations, we support several initiatives that align with our Values.

Building Economic Resilience in Disaster Impacted Communities

We put the community at the heart of our disaster recovery work, ensuring they are supported at every step of our engagement. We believe that one of the best ways to achieve this and facilitate the economic recovery of impacted communities is by engaging local businesses to deliver works.

Our Disaster Management business prioritises local subcontractors – with more than 1,900 personnel inducted over the course of the last year, we achieved 80% local participation[1] across government recovery programs (Programs) in South Australia (SA), Victoria, New South Wales and Far North Queensland.

Case Study: SA Recovery Program

The SA Recovery Program, which was a partnership with Green Industries SA (GISA), was spread through four separate regions of the SA Riverland affected by severe flooding. The program successfully engaged with local communities, inviting a number of trades to join the program in which local contractors earned approximately 72% of the entire contract spend. Importantly, approximately 83% of all personnel inducted on the program were local to South Australia – this represents a significant reinvestment back into the affected communities.

Upskilling workers and providing opportunities for people of all experience levels is part of the Group's focus for Disaster Management programs. During FY24, approximately 12% of the 1,900 plus personnel inducted were "Learning Workers"[2].

Indigenous Engagement and Preservation of Culture

As an Australian business, we have a deep respect for the traditional owners of the land on which we reside and operate. Johns Lyng Disaster Management has a committed focus to Indigenous engagement, with an average 10% Indigenous participation across our subcontractors and staff[3]. This includes government recovery programs in South Australia, Victoria, New South Wales and Far North Queensland. This is significantly higher than the industry average of 4%, which is outlined in the Indigenous Procurement Policy created by the Australian Government's National Indigenous Australian Agency.

Working in partnership with A2B Personnel, an Aboriginal owned and controlled apprenticeships, recruitment and labour hire company, we have developed a market-leading methodology to work with traditional landowners, to identify sites of cultural significance in disaster affected landscapes and ensure these sites are not disturbed by our operations. This methodology has proven successful in detecting multiple culturally sensitive sites and has formed a significant component of our disaster response framework.

A2B Personnel also provided project specific Cultural Heritage Inductions to all staff and subcontractors working on the Programs. As a result, JLG team members were well prepared to protect areas of cultural significance. Over 5,000 staff and subcontractors completed this induction training during FY24.

Case Study: Cultural Heritage Protection[4]

A particularly prominent example of the effectiveness of the cultural heritage protection process was observed in the South Australian Flood Recovery Program. During the onsite operations, A2B's Cultural Heritage Manager discovered what appeared to be evidence of human remains exposed by floodwaters after street debris was removed. In accordance with our procedures, work was stopped immediately so the area could be fenced off and authorities called to the scene along with an anthropologist. As a result, the discovery of Aboriginal ancestral remains was confirmed, registered in the archives and protected for the future.

[1] Local engagement requirements are set by the client and are measured through personnel and company information obtained during the program.

[2] Learning workers are identified as either apprentices, trainees, cadets or workers with less than 6 months experience.

[3] Based on staff and subcontractors that identify as Aboriginal and Torres Strait Islanders out of total persons inducted in DMA.

[4] The SA River Murray Flood Clean-Up Project was recognised as project of the year at the Aboriginal Building & Civil Construction Academy Gala Dinner. The award is a recognition of the outstanding work the team did to protect the cultural heritage of the River Murray region.

Community Contributions

CureEB Foundation

CureEB Foundation's mission is to provide hope, treatments and ultimately a cure for Epidermolysis Bullosa (EB).

IN FY24, THE GROUP'S PARTICIPATION IN FUNDRAISING EVENTS CONTRIBUTED TO

$277,849

being raised, which goes directly to advancing treatments and improving the lives of individuals living with this challenging condition.

Starlight Children's Foundation

The Starlight Children's Foundation collaborates with health professionals to bring essential fun, joy and laughter to sick children, which is crucial for their health and wellbeing.

IN FY24, OUR INVOLVEMENT IN THE FOUNDATION'S FUNDRAISING INITIATIVES GENERATED A TOTAL OF

$277,849

Spirit to Cure

For the last three years, Johns Lyng Group has proudly sponsored the "Spirit to Cure", a Suncorp initiative dedicated to raising funds for cancer research, support and prevention.

SINCE ITS INCEPTION IN 2021, SPIRIT TO CURE HAS RAISED A TOTAL OF

$4.7M

With $1.9 million raised through the 2023 event alone

Westpac Rescue Helicopter Service

Johns Lyng Group is a proud supporter of the Westpac Rescue Helicopter Service, an essential provider of aeromedical services, conducting over 1,500 primary rescue missions and secondary emergency hospital transfers annually.

IN FY24, THE GROUP SPONSORED SEVERAL CHARITY EVENTS WHICH RAISED OVER

$340,000

TO SUPPORT THESE VITAL OPERATIONS

Dollar General Literacy Foundation

Johns Lyng USA is a regular donor to the Dollar General Literacy Foundation, supporting investment in literacy programs that help students learn to read, prepare for the high school equivalency or learn English.

Power of Love Gala Ball

Johns Lyng USA supports "Keep Memory Alive" and the Lou Ruvo Center for Brain Health's "Power of Love" Gala Ball, which raises funds for vital research and caregiver programs for patients and their families.

Our Environment

Johns Lyng Group remains committed to ensuring its impact on the environment is minimised.

We strive to reduce the climate related impacts of our operations and corporate locations through the implementation of our environmental strategy which sits within our Corporate Responsibility Framework.

This strategy is underpinned by key practices and disciplines pertaining to waste management across our operations, including:

- Material separation: separating materials onsite for recycling, including segregating wood, metal, concrete and cardboard;
- Deconstruction instead of demolition: where possible, disassembling structures to salvage usable materials such as doors, windows, fixtures and lumber; and
- Educating and training workers: reinforcement of our waste management practices through strengthening contractual arrangements and educating staff and subcontractors.

These practices help reduce construction waste being unnecessarily sent to landfills and lower waste disposal costs. JLG will continue to collaborate with clients and industry partners to evolve this important work.

Case Study: DMA Waste Management by the Numbers

c.26,000
TONNES OF WASTE COLLECTED

c.52% OF WASTE DIVERTED
from landfill across all DMA programs in FY24

c.1,600
TONNES OF ORGANIC WASTE
collected, with the majority converted into materials such as mulch

APPROXIMATELY
5,000
TONNES OF ASBESTOS
contaminated material safely removed from the community at licensed disposal facilities

Environmental Protection in Disaster Impacted Areas

Our disaster response work takes our people into environments that have been severely impacted by fire, floods and storms. These events not only devastate communities, homes and infrastructure but can severely disrupt ecosystems. As such, we strive to ensure that our operations do not further damage the fragile flora, fauna or animal habitats and that all measures are taken to enable impacted ecosystems to recover.

We work in close partnership with local stakeholders including community members, traditional owners and ecology experts who have an in depth understanding of the disaster impacted areas in which we operate. This collaboration ensures that native habitats and cultural artefacts are protected, allowing local communities to continue to enjoy the natural environments in which they reside.

When responding to disaster events in Victoria, New South Wales, South Australia and Far North Queensland, Johns Lyng Disaster Management implemented proactive measures to minimise our environmental impact. This approach has been demonstrated across our waste management programs in these regions, which collectively managed over 26,000 tonnes of waste last year, successfully diverting close to 52% from landfill.

Additionally, we partnered with “Wildlife Advocates”, who were present during the Programs and tasked with protecting injured wildlife. The initiative is the first of its kind and has the support of “Animals Australia”, the “Victorian Kangaroo Alliance” and “Wildlife Victoria”.

Our Commitment: Greenhouse Gas (GHG) Emissions Reporting

Johns Lyng Group intends to extend its current sustainability initiatives to deliver long-term value and benefits to our stakeholders. We note the increasing interest of stakeholders regarding both the risks and opportunities relating to the impact of climate change.

During FY25, the Group will be improving its reporting on environmental matters in order to meet future reporting requirements. This will include identifying baseline emissions prior to the introduction of mandatory emissions and sustainability reporting requirements.

Corporate Social Responsibility Report

Our Supply Chain

The Group's operations cover a broad spectrum of sectors and as such we have a significant supply chain with more than 16,000 service providers supporting our operations. We are deeply committed to maintaining an ethical, responsible and cost-effective supply chain and have a National Purchasing and Licensing Manager who is tasked with ensuring we meet all targets and obligations.

During FY24, we completed proactive audits of licensing requirements and compliance across our state-based obligations. This led to a series of system enhancements to maintain compliance and help manage regulatory risks. The scope of the audit will be extended into FY25 as we continuously iterate and improve systems and processes.

To support our growing supply chain, we have evolved our vendor management system, continually improving compliance reporting with a focus on insurance, licensing and general controls for high risk works completed onsite. This important work will continue into FY25 and beyond.

Modern Slavery

In line with the external reporting requirements of Australia's *Modern Slavery Act* 2018 (Cth) and associated guidelines, our annual Modern Slavery Statement was most recently published in December 2023. Compliance is the responsibility of the Group's Head of HSE, Risk and Compliance under the oversight of JLG Australia's CEO and the Board's Risk and Compliance Committee.

Further to this reporting requirement, a review was completed during the year which saw our subcontractor agreements updated to further strengthen our commitment to human rights and Modern Slavery throughout our entire supply chain.

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 and The Social Policy Group.

Other current Directorships:

Westpac Banking Corporation

Mirvac Group Limited

ASX Limited

General Sir John Monash Foundation (not-for-profit)

The Social Policy Group (not-for-profit)

Former Directorships (last 3 years):

Koorie Heritage Trust Limited (not-for-profit)

Scott Didier AM

Managing Director and Group Chief Executive Officer

Scott has led the Group for over 20 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 revenue of approximately $12m p.a. and 30 staff, to an international company with revenue exceeding $1.1bn and a headcount of more than 2,300 across offices in Australia, New Zealand 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. Scott is a founder of "CureEB" which aims to find a cure for Epidermolysis Bullosa, known as "the worst disease you have never heard of".

Other current Directorships:

CureEB Foundation Limited (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 18 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 Johns Lyng Group Chairman from 2011 to Listing. Prior to this, Adrian built a successful career in the wealth management and financial services industries, establishing C.A.G Wealth Management in 1999, which subsequently merged with Tribeca Financial. Adrian had a strong focus on relationship building within the SME market and he supported many high-net-worth individuals, family offices and corporates to co-ordinate their accounting, legal, banking and financial affairs. Adrian also had a distinguished AFL playing career with the Carlton Football Club, where he played 176 games, was a member of the 1987 Premiership team and was inducted into the Hall of Fame in March 2023. He also served on the Carlton Football Club Board for 12 years and is a Life Member at the club. As an Executive Director at JLG, 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

Robert Kelly AM

Non-executive Director

Robert is the Founder, 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 100 company with a market capitalisation of over $6 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. He recently received the prestigious award of Member of the Order of Australia (AM) in the Queen's Birthday 2022 Honours List.

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

BOARD OF DIRECTORS & KMP

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 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 Advisory Panel for Sundaram Business Services, a subsidiary of Sundaram Finance, 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 and Chief Strategy Officer of HPX Group Pty Ltd, a diverse professional services group. Through its two main operating subsidiaries, Hamilton Locke and Source, HPX Group provides 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. 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 is also a non-executive director of Calix Limited (ASX:CXL). Peter holds a Bachelor of Commerce (Finance) and Bachelor of Laws from the University of New South Wales.

Other current Directorships:
Calix Limited

Former Directorships (last 3 years):
None

Alex Silver

Non-executive Director

Alex is the co-founder and Chief Investment Officer of Ananym Capital Management, LP, which is a private investment firm based in New York City. Prior to co-founding Ananym Capital Management, LP, Alex was a founding partner at P2 Capital Partners through 2023. Prior to that, Alex was with Karsch Capital Management (2005-2007), Soros Private Equity Partners (2001-2003) and Lazard Freres (1999-2001). Alex is a founder and Chairman Emeritus of EB Research Partnership, a foundation dedicated to supporting medical research to heal and cure Epidermolysis Bullosa. Alex is also a founder and Chairman of Phoenicis Therapeutics, a company focused on developing rare dermatological therapies. Alex currently serves on the Children's Board at Columbia University Medical Center and previously served as a Director at Blackhawk Network, Inc. and Achievers, Inc. Alex also previously served on the NIAMS Advisory Council of the National Institute of Health. Alex holds an MBA from Harvard Business School (2005), where he received a Little Family Foundation Fellowship and a BA in political science from Brown University (1999), where he graduated magna cum laude and was elected to Phi Beta Kappa.

Other current Directorships:
President's Advisory Council for Biology and Medicine at Brown University (not-for-profit)

Children's Board of Columbia University Medical Center (not-for-profit)

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 Accounting, Finance, Reporting and Corporate Development 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 Business Graduate (BA (Hons) Business & Finance), UK Chartered Accountant and CFq designation holder (ICAEW's Advanced Diploma in Corporate Finance).

Other current Directorships:
None

Former Directorships (last 3 years):
None

Company Secretary

Lisa Dadswell

Company Secretary

Lisa is an experienced Company Secretary, corporate governance professional and executive leader. She has extensive experience working as a trusted advisor to boards and executive management of companies across a variety of sectors and industries along with a proven track record of successfully leading and growing large and high performing teams. Lisa offers expertise in governance best practice, as well as compliance with the ASX Listing Rules, Corporations Act and other relevant legislation. She has a strong skill set in advising ASX-listed companies as well as multinational groups and large privately owned companies. Lisa is a Fellow of the Governance Institute of Australia and holds a bachelor's degree in law.

DIRECTORS REPORT

30 June 2024

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 2024.

Peter Nash (Chairman and Non-executive Director, appointed 1 October 2017)

Scott Didier AM (Managing Director, appointed 28 September 2017)

Nick Carnell (Executive Director, appointed 1 September 2020)

Adrian Gleeson (Executive Director, appointed 28 September 2017)

Robert Kelly AM (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)

Alex Silver (Non-executive Director, appointed 8 February 2024)

Principal Activities

The principal activities of the Group consist of Insurance Building and Restoration Services in Australia, New Zealand and the USA, along with Commercial Building Services and Commercial Construction in Australia.

The Group's Commercial Construction operations are in the latter stages of run-off. Going forward, existing resources will be focused on large-loss insurance building – current work now relates solely to legacy contracts and projects. We expect the wind down of Commercial Construction to be completed in the first half of FY25.

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

Dividends

On 27 August 2024, the Board declared a final dividend of 4.7 cents per share (fully franked). This final dividend is in addition to the previously announced half year (interim) dividend of 4.7 cents per share (fully franked), totalling 9.4 cents per share (fully franked) and representing approximately 54% of NPAT attributable to the owners of Johns Lyng Group for FY24.

The final dividend will be paid on 16 September 2024 with a record date of entitlement of 2 September 2024.

Operating and Financial Review

In a year of continued market volatility driven by high inflation, rising interest rates, tight labour markets and economic uncertainty, Johns Lyng made significant strategic, operational and financial progress.

This is evidenced by yet another record EBITDA performance, with Johns Lyng's focused and consistent growth efforts delivering compound annual revenue and EBITDA growth post-IPO (FY18-FY24) of approximately 26% and 32% respectively.

This underscores the robustness of our business model and 'defensive growth' investment thesis.

On a consolidated basis, the Group delivered:

- Revenue: $1,158.9m / (9.6%) (FY23: $1,281.3m)
- EBITDA[1]: $129.6m / +8.5% (FY23: $119.4m)
- Net profit after tax[2]: $68.3m / +6.9% (FY23: $63.9m)

[1] Excluding transaction related expenses of $5.0m (FY23: $1.0m plus a $2.5m non-recurring bad debt write-off in respect of a repairs, maintenance and warranty defect contract with Porter Davis prior to liquidation. JLG does not have any contracts of this nature with any other home builders).

[2] Excluding transaction related expenses (including bank facility arrangement fee amortisation) of $5.0m (FY23: $1.1m).

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 Catastrophe (CAT) markets;
- **Organic growth and diversification** – increased job allocations in our established core business markets compounded by additional growth in recently entered complementary adjacencies including HVAC and Essential Home Services;

- **A strong financial performance and contribution from Johns Lyng Disaster Management** – specifically assisting State and Local Governments with major event preparation, response and resiliency initiatives;
- **Growth in our Strata Services business** which includes Strata Management (Bright & Duggan) and Strata Building Services;
- **Significant progress against Johns Lyng USA's strategic plan** and the achievement of multiple key operational milestones including:
  - » Completion of the integration of Reconstruction Experts (acquired 1 January 2022);
  - » The launch of JLG's core business service lines into the US market including Makesafe, Express Reconstruction and Steamatic Restoration to create a 'full-service offering' and differentiated value proposition for clients – initially focused on Reconstruction Experts' established/existing States including: Colorado, Texas, Florida and California;
  - » The development and successful launch of "Customer Connect" – discussed further below, Customer Connect is a key component of JL USA's strategic plan to organically fast-track market penetration as evidenced by our recently announced partnership with Allstate to join its Emergency Response and Mitigation Panel (one of the largest insurance companies in the United States);
  - » The continued roll-out of Johns Lyng's proven Business Partner equity model in the US market – JL USA currently has 25 Business Partners (FY23: 13); and
  - » JL USA invested in a strategic minority equity interest (less than 20%) in Handii – a digital claims management platform, which is highly complementary to JL USA's business model and 'Go-to-Market Strategy'.
- **Multiple strategic and bolt-on acquisitions** that have contributed to the Group's performance including:
  - » As announced on 5 July 2023 (effective 1 July 2023), the Group acquired 100% of Smoke Alarms Australia and 70% of Linkfire. The acquisitions were funded by a successful $70m equity raising and set the foundation for the Group's 5th Strategic Growth Pillar – "Essential Home Services";
  - » During FY24, Bright & Duggan continued its successful M&A roll-up strategy completing 2 'bolt-on' acquisitions including:
    - 100% equity interest in Your Local Strata (effective 1 September 2023); and
    - 100% equity interest in AM Strata (effective 1 March 2024).

Insurance Building and Restoration Services (IB&RS)

The Insurance Building and Restoration Services division delivered a record BaU financial performance during FY24 with BaU EBITDA growth of 20.2%:

- Revenue: $1.050.9m / (8.3%) (FY23: $1,146.6m) – comprises:
  - » BaU revenue: $845.3m / +9.0% (FY23: $775.3m)
  - » CAT revenue: $205.6m / (44.6%) (FY23: $371.3m)
- EBITDA[1]: $138.2m / +1.0% (FY23: $136.8m) – comprises:
  - » BaU EBITDA[1]: $111.2m / +20.2% (FY23: $92.5m)
  - » CAT EBITDA: $27.0m / (38.9%) (FY23: $44.3m)

[1] Excluding transaction related expenses of $3.8m (FY23: $0.8m plus a $2.5m non-recurring bad debt write-off in respect of a repairs, maintenance and warranty defect contract with Porter Davis prior to liquidation. JLG does not have any contracts of this nature with any other home builders).

The record BaU financial performance was driven by the Group's continued focus on client relationships, innovation, growth and delivering exceptional customer outcomes.

Notwithstanding the challenges of high inflation, rising interest rates, tight labour markets and economic uncertainty, Johns Lyng continued to grow, winning major new clients and extending significant contracts including:

New contract wins:

- Tower (NZ): Wellington, Auckland and Christchurch building contract (evergreen);
- Safety Culture Care: national building and restoration contract (evergreen);
- RAA: 3-year South Australian building panel;
- Allstate (US): appointed to Emergency Response and Mitigation panel with access to Allstate's c.16m policyholders;
- Auto & General (CAT): national building and restoration panel (evergreen);
- Auto & General (BaU): Dubbo and Riverina (NSW) and Metro (VIC and WA) building and restoration panel (evergreen);
- Hutch: 12-month national building and restoration panel;
- Longitude: national building panel (evergreen); and
- MAS (NZ): national building and restoration panel (evergreen).

Contract extensions:

- Hollard: 18-month building and restoration panel extension;
- Suncorp: 3-year national commercial building panel extension;
- CHU: 5-year national (excl. NSW & TAS) building panel extension; and
- QBE: 3-year VIC, SA, NSW, ACT and NT restoration panel extension.

Johns Lyng Disaster Management: multi-phase work programs awarded:

- QLD Government (Jul-23, event preparedness): temporary emergency mobile accommodation;
- Cairns Council (Dec-23, Tropical Cyclone Jasper): flood and disaster recovery;
- Douglas Council (Dec-23, Tropical Cyclone Jasper): flood and disaster recovery; and
- VIC Government (Dec-23, Christmas Storms): variation and extension with ERV to cover further works for Parks Victoria and the State Emergency Services.

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

- Floods: SE-QLD and NSW (Feb-22);
- Floods: VIC, NSW and TAS (Oct-22);
- Hurricane Ian: Florida, USA (Oct-22);
- Floods: SA, River Murray (Dec-22);
- Cyclone Gabrielle and Floods: Auckland, NZ (Feb-23);
- Cyclone Jasper: QLD (Dec-23); and
- Severe Storms: East Coast Xmas/NY (Dec-23).

During FY24, the Group continued to extend its national footprint opening a number of offices in new regions.

Johns Lyng's national footprint, full-suite service offering and ability to efficiently scale up while maintaining the highest standards of quality in responding to CAT events are some of the Group's core competencies and a source of sustainable competitive advantage.

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

Strata Market Strategy and Acquisitions

During FY24, the Group continued to scale up Johns Lyng Strata Services.

Launched during FY20, Johns Lyng Strata Services delivers strata management, property management and domestic/commercial building and restoration works for: strata insurers, loss adjusters, brokers, strata managers and property managers.

The strata property market comprises more than 3.1m 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 platform acquisition of Bright & Duggan in August 2019 and successful follow-on M&A program including 11 'bolt-on' acquisitions to date, including 2 deals completed during FY24 plus the acquisition of SSKB Strata completed shortly post-year end:
  - » Your Local Strata (100% equity interest): 6 September 2023 (effective 1 September 2023):
    - Your Local Strata is a Sydney-based strata management business with 3,077 lots under management across 187 strata schemes.
    - Johns Lyng paid $2.28m cash plus a potential earn-out of up to $0.62m based on the financial performance for FY24.
  - » AM Strata (100% equity interest): 23 February 2024 (effective 1 March 2024):
    - AM Strata is a Gold Coast-based strata management business with 3,948 lots under management across 136 strata schemes.
    - Johns Lyng paid $4.28m cash (net of a 5% retention pending finalisation of customary post-Completion purchase adjustments).

Shortly post-year end, on 2 August 2024, Johns Lyng announced that Bright & Duggan had signed a binding Share Purchase Agreement to acquire a 100% equity interest in SSKB Strata – a Brisbane-based strata management business with more than 44,000 lots under management across more than 790 strata schemes.

As at 30 June 2024, Bright & Duggan managed a total of 101,063 lots under strata and/or building management contracts across 4,099 buildings/strata schemes including:

- 90,238 lots under strata management contracts across 4,014 strata schemes;
  - » Of which, Bright & Duggan also undertakes building management for 6,775 lots across 57 buildings.
- 10,825 lots across 85 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 services 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 "Climate Change Synthesis Report" (2023) suggests that the Earth could heat by more than 1.5 degrees Celsius in less than 10 years. 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 has resulted in multiple milestone contracts with the Victorian, New South Wales, Queensland and South Australian State Governments over the last few years. A significant amount of work was completed in respect of these contracts during FY24 which is expected to continue into FY25 and beyond 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;
- 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;
- On 17 October 2022, we announced a contract with the Victorian Government's Emergency Recovery Victoria agency (ERV), to assist those affected by the flood disaster impacting 24 Local Government Areas;
- On 3 April 2023, we announced a contract with the South Australian Government to support disaster recovery operations following extensive flooding along the Murray River. Under the contract, Johns Lyng is co-ordinating and managing immediate risks to people and properties, co-ordinating clean-up activities and disposing of flood debris within the 9 affected Local Government Areas. The initial $56m body of work is funded jointly by the Commonwealth Government and the SA Government and is administered via Green Industries SA (the responsible SA Government entity);
- On 31 July 2023, we were engaged by the Department of Housing Queensland to deliver the "Flexible Home Solutions Program", providing rapid accommodation solutions to people affected by floods and storms. So far under this 3-year contract, we have delivered accommodation solutions following the Tara bushfires and Cyclone Jasper in late 2023 along with several ongoing deployments for aged claims in South East Queensland. These projects are jointly funded by the Commonwealth Government and State Government of Queensland;
- Following Cyclone Jasper in late December 2023, we were engaged by the Cairns and Douglas Shire Councils in Queensland to complete various initiatives including: curbside cleanup, the establishment of a waste facility and an ongoing structural property assessment program; and
- On 24 December 2023, Victoria recorded significant flooding in a number of Local Government Areas, resulting in a variation and extension to our contract with ERV (originally signed in October 2022) – this contract has since been expanded further to cover works for Parks Victoria and the State Emergency Services.

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 41 US locations (37 franchisees and 4 company owned locations) and 3 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 on 1 January 2022.

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 Johns Lyng's core competencies including:

- Defect and Damage Insurance – provides reconstruction and repair works for clients when insured 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.

The acquisition of Reconstruction Experts established 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 USA currently employs more than 350 staff across offices in 5 States including: Colorado, Texas, Florida, California and Tennessee.

The company is led by a high-calibre and very experienced management team, who are fully aligned through ongoing equity ownership – consistent with Johns Lyng's Business Partner equity model.

Johns Lyng's long-term strategic plan is to develop a fully integrated national service offering including Makesafe, Insurance Building (Reconstruction Experts), Steamatic Restoration and Disaster Management through organic growth and the pursuit of select M&A opportunities.

During FY24, we made significant progress against Johns Lyng USA's strategic plan and achieved multiple key operational milestones including:

- Completion of the integration of Reconstruction Experts (acquired 1 January 2022);
- The launch of JLG's core business service lines into the US market including Makesafe, Express Reconstruction and Steamatic Restoration, alongside Reconstruction Experts and Advanced Roofing, to create a 'full-service offering' and differentiated value proposition for clients – initially focused on Reconstruction Experts' established/existing States including: Colorado, Texas, Florida and California;
    - » During FY24, we sold 4 new Steamatic Restoration franchises in Virginia Beach (VA), Fresno (CA), Sugar Land (TX) and Missouri City (TX).
- The development and successful launch of "Customer Connect":
    - » Customer Connect is a key component of JL USA's strategic plan to organically fast-track market penetration as evidenced by our recently announced partnership with Allstate to join its Emergency Response and Mitigation Panel (one of the largest insurance companies in the United States);
    - » Customer Connect acts a conduit between clients and service providers – essentially receiving jobs from clients such as insurance companies, institutional property owners/managers and large-scale retailers etc. before allocating jobs to the appropriate service provider including JL USA operating companies or our network of more than 120 third-party affiliates.
- Inaugural CAT response;
    - » In October 2022, Hurricane Ian made landfall wreaking havoc and destruction on the affected States – in particular Florida. Johns Lyng USA successfully launched its inaugural emergency CAT response, successfully delivering a significant number of jobs related to the event. This was an important milestone in the evolution of our US business model which established our CAT response capability and service offering ready to expediently respond to future events.

- The continued roll-out of Johns Lyng's proven Business Partner equity model in the US market – JL USA currently has 25 Business Partners (FY23: 13);
- JL USA invested in a strategic minority equity interest (less than 20%) in Handii – a digital claims management platform which is highly complementary to JL USA's business model and 'Go-to-Market Strategy'.

Commercial Building Services (CBS)

Johns Lyng's Commercial Building Services division delivered a strong financial performance during FY24:

- Revenue: $84.2m / +17.6% (FY23: $71.6m)
- EBITDA[1]: $10.1m / +20.1% (FY23: $8.4m)

[1] Excluding transaction related expenses of $0.1m in FY23 only.

The Commercial Building Services portfolio businesses continue to trade in-line with expectations and the Board is pleased with the progress made and financial performance for FY24.

Commercial Construction (CC)

As a result of challenging market-wide conditions, Johns Lyng's Commercial Construction division underperformed during FY24. The business suffered from significant, industry-wide input cost inflation, compounded by numerous subcontractor liquidations:

- Revenue: $23.6m (FY23: $62.5m)
- EBITDA: ($8.7m) (FY23: ($19.0m))

The Group's Commercial Construction operations are now in the latter stages of run-off. Going forward, existing resources will be focused on large-loss insurance building – current work now relates solely to legacy contracts and projects. The wind down of the Group's Commercial Construction operations is expected to be completed during the first half of FY25.

Reconciliation to financial statements

Refer to note 4 for a reconciliation of Revenue and EBITDA to the financial statements.

Balance sheet

The Group continues to maintain a strong balance sheet with net assets of $460.3m (FY23: $394.2m) representing an annual increase of $66.1m.

Information on Directors and Key Management Personnel

The current profiles of the Board of Directors and Key Management Personnel 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 2024 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)	14	14	–	7	3	3	4	4
Scott Didier AM	14	14	–	7	–	3	–	3
Nick Carnell	14	14	–	7	–	3	–	4
Adrian Gleeson	14	14	–	7	–	2	–	4
Robert Kelly AM	14	12	–	6	3	2	–	4
Curt Mudd	14	14	7	7	3	3	–	3
Larisa Moran	14	14	7	7	–	3	4	4
Peter Dixon	14	14	7	7	–	3	4	4
Alex Silver (Appointed 8 February 2024)	6	4	–	2	–	1	–	2

[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, 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 AM 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.

Matters Subsequent to the End of the Financial Year

On 2 August 2024, Johns Lyng announced the signing of binding Share Purchase Agreements to acquire 100% of SSKB Strata ("SSKB") and 84% of Chill-Rite HVAC ("Chill-Rite") for total upfront aggregate consideration of $57.6m.

Johns Lyng paid $28.8m in cash (funded from JLG's existing revolving credit facility), with the balance payable in JLG Ltd shares to be issued on Completion which is expected to occur in the first quarter of FY25 (effective 1 July). Additionally, there is an aggregate earn-out of up to $15.4m, which is contingent on FY25 and FY26 EBITDA.

SSKB Strata

SSKB is a leading provider of strata and strata related services focused on the east-coast of Australia, with a portfolio of over 44,000 lots across 790 strata schemes. JLG's subsidiary, Bright & Duggan, will make the acquisition, taking its total portfolio to over 145,000 lots. The acquisition further strengthens Bright & Duggan's position as a leader in the strata sector and marks a significant step in the business's strategic growth trajectory.

Chill-Rite HVAC

Chill-Rite is a leading provider of heating, ventilation and air-conditioning services in regional New South Wales. JLG's subsidiary, Air Control, will acquire an 84% controlling equity interest in Chill-Rite. The acquisition creates a strong foundation for further organic expansion into regional Queensland and Victoria and builds Air Control's capacity to service larger national contracts with blue-chip clients.

The founder and majority owner of Chill-Rite will reinvest a portion of the proceeds from the acquisition into a 10% equity interest in the combined Air Control/Chill-Rite business to ensure comprehensive alignment.

FY24 Final Dividend

On 27 August 2024, the Board declared a final dividend of 4.7 cents per share (fully franked). This final dividend is in addition to the previously announced half year (interim) dividend of 4.7 cents per share (fully franked), totalling 9.4 cents per share (fully franked) and representing approximately 54% of NPAT attributable to the owners of Johns Lyng Group for FY24.

The final dividend will be paid on 16 September 2024 with a record date of entitlement of 2 September 2024.

There are no other matters or circumstances that have arisen since 30 June 2024 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 subject to compliance with both Commonwealth and State environmental protection legislation. The Board is satisfied that adequate policies and procedures are in place to ensure JLG's compliance with the applicable legislation. JLG is not aware of any incidents that have resulted in non-compliance with environmental regulations during the financial year.

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 we continue to work closely with our contractors and suppliers to ensure our operations and supply chain are slavery free. This has been enforced through strict disciplines being integrated into due diligence procedures for acquisitions and new business start-ups, along with a focus on implementing our Supplier Code of Conduct within our supply chain.

Further details of Johns Lyng Group's approach to Modern Slavery risk mitigation can be found in our Modern Slavery Statement developed in accordance with the reporting requirements of Australia's *Modern Slavery Act* 2018 (Cth). This was approved by the Board and published in December 2023.

REMUNERATION REPORT (audited)

Dear Shareholders,

On behalf of the Board, I am pleased to present our Remuneration Report for FY24.

We continue to be steadfast about creating and sustaining a compelling culture and team of leaders who can inspire, teach and lead our global team of employees. We are determined to create a business for the long term, which is reflected in the way we structure the Executive Remuneration Framework for our long-tenured, very established and exceptionally talented leadership team. Of particular note and pride – every Executive KMP listed in this Remuneration Report was involved in leading the Group's successful Float in October 2017 and have remained committed to Johns Lyng – leading our subsequent exponential growth.

The Board continues to have a high degree of confidence in Scott Didier, Managing Director and Group Chief Executive Officer along with Nick Carnell, Executive Director and Chief Executive Officer, Australia. Our extended team of leaders have delivered a broad portfolio of results, which include a record BaU EBITDA performance for FY24. This record financial performance, strong work-in-hand and recent acquisitions position our Company very well for a successful FY25.

Partnering with Scott and Nick, the Board implemented a significantly restructured Executive Remuneration Framework for FY24 (effective 1 July 2023), in alignment with the ongoing objectives of aligning rewards to business performance, investor outcomes and the shared interests of our stakeholders. It has been equally critical to ensure the ongoing motivation, engagement and retention of the leadership team.

On behalf of the Board of Directors, I invite you to review our Remuneration Report and we would like to thank our extended team of global employees for their Rockstar efforts and contribution to our success in FY24.

Sincerely,

Curt Mudd,
Chairman, Nomination & Remuneration Committee

Contents

1. Remuneration Report overview

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

Lindsay Barber (Group Chief Operating Officer) and Pip Turnbull (Executive General Manager, Business Development and Marketing) resigned as Executive Directors effective 1 March 2023. Both continued in their respective roles but are no longer designated as KMP for FY24.

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

- Scott Didier AM (Group Chief Executive Officer and Managing Director);
- Nick Carnell (Chief Executive Officer, Australia and Executive Director);
- Matthew Lunn (Group Chief Financial Officer); and
- Adrian Gleeson (Director, Investor and Business Relations 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.

In response to feedback and recommendations received from Shareholders and Proxy Advisors at the FY23 AGM, the Nomination and Remuneration Committee made several amendments to the Employee and Executive Incentive Plan (effective 1 July 2023). Priorities included:

- Improvement of transparency and disclosure regarding remuneration practices;
- Refinement of financial targets related to STI and LTI rewards, which reflect the best interests of our Shareholders and broader Stakeholders;
- Sustaining the engagement, motivation and tenure of the leadership team; and
- Maintaining the very strong and successful cultural tradition of significant incentives reflected in variable pay, while remaining market competitive in total fixed remuneration.

A summary of the changes is set out below:

Short-term Incentive Plan – Changes for FY24

- The key financial performance indicator has been changed from actual versus forecast net profit after tax (NPAT) to earnings before interest, tax, depreciation and amortisation (EBITDA).
    - The Board's key financial performance indicator/earnings metric is EBITDA, which represents the underlying financial performance of the business undistorted by non-cash expenses such as depreciation and amortisation, interest expense (which is subject to changes in external interest rates) and taxation (Johns Lyng is not a tax consolidated group, hence the Group's consolidated income tax expense is impacted by the relative financial performance (profits/losses) of its numerous subsidiaries which cannot be offset).
    - The Group publicly discloses its EBITDA forecast in its various ASX and investor materials published from time-to-time. Accordingly, Shareholders now have visibility over the key financial performance target for the Short-term Incentive Plan including individual KMP targets and caps as set out in section 3.
- No STI Plan payments at <90% of forecast EBITDA[1]. At forecast EBITDA[1] performance, the total available for distribution as STI Plan payments is 6% of EBITDA[1].

[1] Earnings before interest, tax, depreciation and amortisation, excluding transaction related expenses and/or other normalisation adjustments included in the FY24 results presentation.

Long-term Incentive Plan – Changes for FY24

- The Group's Long-term Incentive Plan has been fundamentally restructured for FY24.
- Set out below is a summary of the Group's Long-term Incentive Plan structure prior to FY24 (refer to prior years' Annual Reports for further details):
  - » In prior years, participants received a grant of Performance Rights subject to the Group's actual NPAT outperformance versus forecast for the relevant financial year.
  - » Performance Rights were issued in 3 equal tranches, vesting 3 years post grant date, subject to continued employment and certain financial conditions including:
    - Financial performance condition: actual Group NPAT must exceed forecast and the Group must meet the return on equity target set by the Nomination and Remuneration Committee:
      - Tranche 1: year 1 post grant date (annual/non-cumulative measure);
      - Tranche 2: year 2 post grant date (annual/non-cumulative measure); and
      - Tranche 3: year 3 post grant date (annual/non-cumulative measure).
- As set out in more detail below, the Long-term Incentive Plan for FY24 onwards will grant Performance Rights to participants subject to continued employment and 3-year, cumulative financial conditions including:
  - » Target 3-year average return on equity (RoE): 50% weighting; and
  - » Target 3-year average earnings per share before amortisation (EPS (A)) growth: 50% weighting.

Employee Share Loan Plan – Changes for FY24

- 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. This arrangement has been discontinued from FY25 onwards.

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.

The remuneration of Non-executive Directors for the year ended 30 June 2024 is detailed in Item 6 of this report.

BUSINESS & PERFORMANCE MANAGEMENT SYSTEM

GO Meetings

(Group Operations Meetings)

Business Leaders meet monthly with the Executive Leadership Team 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

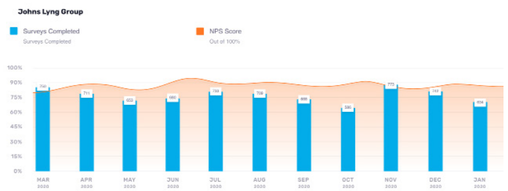
To augment the monthly GO Meetings, Key Management Personnel meet quarterly with the Group CEO to discuss and review critical KPI's and successful demonstration of Johns Lyng's leadership 'Rockstar' competencies.

Key Performance Indicators that Inform Short-term Incentives:

- Achieve or Exceed Budgeted EBITDA[1]
- Claims Lifecycle 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	FY24 Results
Achieve or Exceed Budgeted EBITDA[1] Performance	($m) | FY24 (F) | FY24 (A) | Move | % EBITDA[1] | 128.0 | 129.6 | 1.6 | 1.3%	EBITDA outperformance driven by organic growth and acquisitions completed during FY24.	EBITDA[1]: $129.6m (+1.3% vs. forecast).
Overall Claims Life Cycle		Reduction of overall claims life cycle will lead to increased capacity to handle incremental claims volume and increased job allocation from IB&RS clients.	There was notable improvement observed in the second half of FY24, with a 20% increase in jobs being delivered within KPI. The business continues to maintain a strong operating performance from job allocation through to delivery, including performance oversight.
Net Promoter Score (NPS)		**Key questions:** Would you recommend Johns Lyng? How was the quality of repairs completed? How was the communication provided?	Throughout FY24, our IB&RS business' NPS results showed significant improvement, with our NPS score exceeding 70 for 8 out of 12 months (FY23: 5 months). Continued investment in systems and reporting will facilitate continued improvement going forward.
Our People are our Brand	Talent & Succession Planning Systemic bi-annual Talent Review process "Great Place to Work™" Accreditation	Consistent business growth provided opportunities for staff career progression. Key talent retained whilst engagement and culture were enhanced through commitment to personal development and career progression.	Employee KPI reviews and talent planning sessions are completed quarterly. This resulted in 48% of IB&RS team members being promoted or progressed during FY24. Completion of our annual engagement survey and strong employee engagement score resulted in JLG being awarded the "Great Place to Work™" accreditation.
Health & Safety	**Key metrics:** Critical incidents/injuries Total number of injuries TRIFR: rolling 12 months total	Incidents notifiable to the Regulator. Raw number of staff injuries (requiring medical attention). Total Recordable Injury Frequency Rate.	During FY24, there was continued investment in health and safety systems. Across the core JLG brands, there was a 33% reduction in critical/notifiable incidents and a 24% reduction in staff injuries which influenced an 18% improvement in the rolling 12-month TRIFR. The focus on lead indicators continues to enhance our safety culture, with critical risk management a priority across the Group.

[1] Earnings before interest, tax, depreciation and amortisation, excluding transaction related expenses of $4,990,766 (FY23: $3,494,913) - refer to Operating and Financial Review per page 48.

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 earnings before interest, tax, depreciation and amortisation (EBITDA).

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 previous 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 FY24, the Board determined that all financial and non-financial measures had been met. Hence there was no modification to STI outcomes determined by reference to financial performance.

<table>
<tr><th colspan="7">KMP STI Plan – Rewards & Performance Matrix</th></tr>
<tr><th>EBITDA[1]</th><th><90% Forecast</th><th>90% Forecast</th><th>90%-100% Forecast</th><th>≥100% Forecast</th><th>≤200% Forecast</th><th>>200% Forecast</th></tr>
<tr><td>EBITDA Threshold/Targets</td><td>N/A</td><td>$115,156,097</td><td rowspan="5">Calculated pro-rata (straight-line) between bands</td><td>$127,951,219</td><td>$255,902,438</td><td>N/A</td></tr>
<tr><td>Scott Didier AM</td><td rowspan="4">No STI Plan payments <90% of Forecast</td><td>0.33%</td><td colspan="2">1.00%</td><td rowspan="4">STI Plan capped at 200% of Forecast</td></tr>
<tr><td>Nick Carnell</td><td>0.29%</td><td colspan="2">0.86%</td></tr>
<tr><td>Matthew Lunn</td><td>0.29%</td><td colspan="2">0.86%</td></tr>
<tr><td>Adrian Gleeson</td><td>0.29%</td><td colspan="2">0.86%</td></tr>
</table>

[1] Earnings before interest, tax, depreciation and amortisation, excluding transaction related expenses and/or other normalisation adjustments included in the FY24 results presentation.

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 FY24 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: 13 November 2024 (subject to Shareholder approval at the FY24 AGM – shares to be issued as soon as practicable thereafter).
- Tranche 2 (33.3%):
  - Vesting date: 1 July 2025 (shares to be issued as soon as practicable thereafter).
- Tranche 3 (33.3%):
  - Vesting date: 1 July 2026 (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 Board determined that all vesting conditions in respect of the FY21 LTI (tranches 1-3) Performance Rights vesting 1 July 2024 had been met. This includes return on equity for FY24 of 11.5%[1] which outperformed the target/forecast return on equity of 9.2%.

[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.

The value of potential LTI Plan payments to KMP in respect of FY24 is set out below:

KMP LTI Plan – FY24 Award	
Name	**FY24 LTI Award ($)**
Scott Didier AM	1,000,000
Nick Carnell	1,000,000
Matthew Lunn	1,000,000
Adrian Gleeson	500,000

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 FY24 Annual Report issue date.

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

- Vesting date: 1 July 2027 (shares to be issued as soon as practicable thereafter)
- Financial performance conditions – the key financial performance indicators include the following metrics (actual versus target):
  - » Return on equity (RoE) – 3-year average (FY25 to FY27): 50% weighting;
  - » Earnings per share before amortisation growth (EPS (A) growth) – 3-year average (FY25 to FY27): 50% weighting.
- 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 Nomination and Remuneration Committee reserves its right to adjust any financial performance condition/target amount based on relevant trigger events e.g. equity capital raises, material acquisitions or changes in accounting policies etc.

The 'continued employment' vesting condition of Performance Rights 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 in respect of the years ended 30 June 2024 and 30 June 2023 are set out below:

Name	Date	Shares	Issue price	Face Value	Accounting Value[3]
Peter Nash[1]	30 June 2024	7,647	$6.54	$50,000	$25,694
Peter Nash[1,2]	30 June 2023	7,978	$6.27	$50,000	$27,205

[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. This arrangement has since been discontinued from FY25 onwards.

[2] Loan Funded Shares were not issued to Mr Nash during FY23 (in respect of FY22) and were issued following Shareholder approval at the 2023 Annual General Meeting.

[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 13 November 2024. At this time, a vote will be taken to adopt the remuneration report for the year ended 30 June 2024.

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
Nick Carnell	Executive Director & Chief Executive Officer, Australia	Unlimited	Three months	Three months fully paid
Matthew Lunn	Group Chief Financial Officer	Unlimited	Three months	Three months fully paid
Adrian Gleeson	Executive Director & Director, Investor & Business Relations	Unlimited	Three months	Three months fully paid

5. Group performance

	30 June 2024 $'000	30 June 2023 $'000	30 June 2022 $'000	30 June 2021 $'000	30 June 2020 $'000
Sales revenue	1,158,876	1,281,312	895,017	568,373	495,113
EBITDA[1]	129,577	119,406	83,560	52,596	40,987
NPAT[2]	68,307	63,916	47,718	29,708	22,919
Dividends declared (cents per share)	9.4	9.0	5.7	5.0	4.0
Share price at year end	$5.70	$5.32	$5.74	$5.10	$2.35
Performance based incentives to KMP[3]	5,879,627	5,694,428	4,326,906	2,876,394	1,649,838
Discretionary Loan Funded Share issue[4]	–	–	(575,022)	–	–
Net performance based incentives to KMP[3]	**5,879,627**	**5,694,428**	**3,751,884**	**2,876,394**	**1,649,838**

[1] Excluding $4,990,766 (FY23: $1,031,109 FY22: $9,425,143, FY21: $410,682, FY20: $662,993) in transaction related expenses plus $2,463,804 in respect of a non-recurring bad debt write-off with Porter Davis prior to liquidation in FY23 only and $1,770,929 of non-recurring goodwill written off in FY21 only.

[2] Excluding $5,023,539 (FY23: $1,105,796 FY22: $9,493,873, FY21: $476,205, FY20: $722,104) in transaction related expenses which includes bank facility arrangement fee amortisation of $32,773 (FY23: 74,687, FY22: $68,730, FY21: $65,524, FY20: $59,111) plus $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 employ-ment	Long-term benefits					
	Salary and fees $	Non-monetary $	STI cash bonus $	Super-annua-tion $	Employee benefits $	Loan funded shares[1] $	LTI perfor-mance rights $	Total $	Fixed (%)	Variable/ perfor-mance linked (%)
Non-executive Directors:										
Peter Nash[2]										
2024	150,000	–	–	–	–	42,687	–	192,687	100%	0%
2023	150,000	–	–	–	–	10,212	–	160,212	100%	0%
Robert Kelly AM[3]										
2024	70,000	–	–	–	–	–	–	70,000	100%	0%
2023	70,000	–	–	–	–	–	–	70,000	100%	0%
Curt Mudd[4]										
2024	157,026	–	–	–	–	–	–	157,026	100%	0%
2023	161,297	–	–	–	–	–	–	161,297	100%	0%
Larisa Moran[3]										
2024	80,000	–	–	–	–	–	–	80,000	100%	0%
2023	80,000	–	–	–	–	–	–	80,000	100%	0%
Peter Dixon[3]										
2024	80,000	–	–	–	–	–	–	80,000	100%	0%
2023	80,000	–	–	–	–	–	–	80,000	100%	0%
Alex Silver[5]										
2024	48,617	–	–	–	–	–	–	48,617	100%	0%

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

[2] 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. This arrangement has since been discontinued from FY25 onwards.

[3] Non-executive Directors' fees comprise $70,000 per annum plus $10,000 per annum for chairing a Board Committee.

[4] Curt Mudd's salary and fees comprise a Non-executive Director fee of $100,000 per annum plus ad-hoc consulting fees.

[5] Alex Silver was appointed as a Non-executive Director on 8 February 2024. Alex is also a member of the Johns Lyng USA Advisory Board for which he receives fees of US$35,000 per annum. All fees are presented pro-rata from the date of his appointment as a Non-executive Director.

7. KMP remuneration

	Short-term benefits			Post employ-ment	Long-term benefits				
	Salary and fees $	STI cash bonus $	STI perfor-mance rights $	Super-annuation $	Employee benefits[1] $	LTI perfor-mance rights $	Total $	Fixed (%)	Variable/ perfor-mance linked (%)
KMP:									
Scott Didier AM									
2024	472,500	965,575	300,468	27,500	8,037	400,106	2,174,186	23%	77%
2023	470,500	851,152	237,900	27,500	–	101,882	1,688,934	29%	71%
Nick Carnell									
2024	352,500	824,762	253,623	27,500	3,029	364,708	1,826,122	21%	79%
2023	329,342	714,625	190,416	26,812	34,868	90,946	1,387,009	28%	72%
Matthew Lunn									
2024	302,500	824,762	255,424	27,500	7,660	366,509	1,784,355	19%	81%
2023	302,500	722,004	198,027	27,500	5,532	91,202	1,346,765	25%	75%
Adrian Gleeson									
2024	300,893	824,762	251,222	27,415	11,501	247,706	1,663,499	20%	80%
2023	254,723	704,786	180,268	25,293	3,005	90,709	1,258,784	22%	78%

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

8. Directors' interests[1]

	Interest in Ordinary Shares	Performance rights
Peter Nash[2]	392,626	–
Scott Didier AM	49,517,298	38,209
Nick Carnell	2,344,720	47,266
Adrian Gleeson	1,672,052	47,266
Robert Kelly AM[3]	6,011,940	–
Curt Mudd	728,344	–
Larisa Moran	5,366	–
Peter Dixon	79,714	–
Alex Silver	–	–

[1] Directors' interests as at Directors' Report date being 27 August 2024.

[2] Includes 180,976 Loan Funded Shares.

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

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

	Shareholding at 1 July 2023	Shares sold during FY24	Shares purchased during FY24	Shares received as remuneration during FY24[2]	Shareholding at 30 June 2024
Non-executive Directors					
Peter Nash[3]	371,176	–	5,825	15,625	392,626
Robert Kelly AM[4]	5,735,935	–	276,005	–	6,011,940
Curt Mudd	728,344	–	–	–	728,344
Larisa Moran	4,400	–	966	–	5,366
Peter Dixon	73,889	–	5,825	–	79,714
Alex Silver	–	–	–	–	–
KMP					
Scott Didier AM	49,367,743	–	–	97,427	49,465,170
Nick Carnell	2,237,144	–	–	69,055	2,306,199
Matthew Lunn[5]	345,129	(104,934)	–	70,547	310,742
Adrian Gleeson	1,667,449	(100,000)	–	67,065	1,634,514
	60,531,209	**(204,934)**	**288,621**	**319,719**	**60,934,615**

[1] Non-executive Directors' and KMP's interests as at 30 June 2024.

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

[3] Includes 180,976 Loan Funded Shares.

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

[5] Includes 250,000 Loan Funded Shares.

	Performance Rights holding at 1 July 2023	Performance Rights granted during FY24	Performance Rights vested during FY24[1]	Performance Rights holding at 30 June 2024
Non-executive Directors				
Peter Nash	–	–	–	–
Robert Kelly AM	–	–	–	–
Curt Mudd	–	–	–	–
Larisa Moran	–	–	–	–
Peter Dixon	–	–	–	–
Alex Silver	–	–	–	–
KMP				
Scott Didier AM	132,705	55,059	(97,427)	90,337
Nick Carnell	89,461	65,381	(69,055)	85,787
Matthew Lunn	91,690	65,381	(70,547)	86,524
Adrian Gleeson	86,488	65,381	(67,065)	84,804
	400,344	**251,202**	**(304,094)**	**347,452**

[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 FY24: FY21 LTI (tranches 1-3), FY22 STI (tranche 3) and FY23 STI (tranches 1 and 2).

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 FY24 Curt Mudd (Non-executive Director) received consultancy fees from the Group in the amount of $57,026 (GST: nil) (FY23: $61,297 (GST: nil)). These amounts have been included in salary and fees within the Remuneration Report.

During FY24 Alex Silver (Non-executive Director) received consultancy fees (in respect of his membership of Johns Lyng USA's Advisory Board) from the Group in the amount of $21,001 (GST: nil) (FY23: nil (GST: nil)). These amounts have been included in salary and fees within the Remuneration Report.

During FY24 the Group paid $67,127 (plus GST) (FY23: $539,601 (plus GST)) to Hamilton Locke Pty Ltd (Hamilton Locke) for legal services (including due diligence, contract drafting and transaction advice) and $83,245 (plus GST) (FY23: $60,630 (plus GST)) to Source Governance Pty Ltd (Source) for company secretarial services. Peter Dixon is a director and shareholder of HPX Group Pty Ltd, the parent company of Hamilton Locke and Source. These services were provided on an arm's length basis and on commercial terms. As a result of changes to the Group's Related Party Transaction Policy, alternative legal service providers are now being utilised.

During FY24 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 fit-out services at a number of retail stores in Australia and New Zealand. The ultimate owners of RPO include KMP[1] and other unitholders. Effective 2 April 2024, RPO was sold to a third-party and hence transactions between the Group and RPO are no longer related party transactions. Between 1 July 2023 and 2 April 2024, the amount invoiced totalled $4,751,667 (plus GST) (FY23: $3,289,359 (plus GST)). The arrangement is 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. The table below lists the names of the related party landlords and their relationship with the Group. The lease agreements with the landlords noted below have been entered into on an arm's length basis and on commercial terms.

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.	FY24: $180,585 (plus GST) FY23: $165,544 (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).	FY24: $135,792 (plus GST) FY23: $116,846 (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. KMP[1] and other unitholders own the units in Johns Lyng Investments Unit Trust.	FY24: $429,600 (plus GST) FY23: $429,600 (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	KMP[1] and other unitholders own the units in Is My Software Unit Trust.	FY24: $62,093 (plus GST) FY23: $46,352 (plus GST)

[1] KMP include: Scott Didier AM, Nick Carnell, Matthew Lunn, Adrian Gleeson and Curt Mudd.

Related party receivables/(payables)

	Consolidated	
	2024	2023
NSC Collective Pty Ltd ATF Carnell Family Trust[1]	913,495	913,495

[1] 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 2024.

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 (Cth). 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 (Cth) 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 (Cth).

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 (Cth) 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 KPMG

Peter Nash and Larisa Moran are former partners of KPMG. Peter retired in 2017 and Larisa left KPMG in 2014.

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 (Cth) 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 (Cth).

On behalf of the Directors

Peter Nash
Chairman

27 August 2024

Scott Didier AM
Managing Director

27 August 2024

KPMG

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Johns Lyng Group Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Johns Lyng Group Limited for the financial year ended 30 June 2024 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

Tony Romeo

Partner

Melbourne

27 August 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 30 June 2024

		Consolidated	
	Note	2024 $'000	2023 $'000
Revenue			
Sales income	5	1,158,876	1,281,312
Cost of sales		(869,670)	(1,006,216)
Gross profit		289,206	275,096
Other revenue and income	5	8,302	6,764
Expenses			
Administration expenses		(3,374)	(2,894)
Advertising expenses		(7,815)	(6,549)
Depreciation and amortisation	6	(30,311)	(21,179)
Employee benefits expenses	6	(96,262)	(98,128)
Finance costs	6	(5,459)	(3,786)
Insurance expenses		(12,030)	(9,706)
IT expenses		(10,897)	(9,660)
Motor vehicle expenses		(11,768)	(9,973)
Occupancy expenses		(2,276)	(2,562)
Printing, postage and stationery expenses		(2,220)	(1,958)
Professional fees		(6,869)	(5,267)
Telephone and communication expenses		(3,192)	(3,150)
Transaction related expenses[1]		(5,024)	(1,106)
Travel expenses		(4,397)	(5,363)
Other expenses		(3,308)	(7,136)
Total expenses		**(205,202)**	**(188,417)**
Profit before income tax		**92,306**	**93,443**
Income tax expense	7	(29,023)	(30,633)
Profit after income tax for the year		**63,283**	**62,810**
Attributable to:			
Owners of Johns Lyng Group	23	48,012	46,846
Non-controlling interests	24	15,271	15,964
		63,283	**62,810**

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

	Note	2024 Cents	2023 Cents
Basic earnings per share	36	17.34	17.94
Diluted earnings per share	36	17.29	17.88

[1] Transaction related expenses include $32,773 (FY23: $74,687) 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 2024

		Consolidated	
	Note	2024 $'000	2023 $'000
Profit after income tax for the year		**63,283**	**62,810**
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss			
Movement in foreign currency translation reserve	22	(69)	9,633
Total comprehensive income for the year		**63,214**	**72,443**
Attributable to:			
Owners of Johns Lyng Group		47,943	56,479
Non-controlling interests		15,271	15,964
		63,214	**72,443**

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 2024

		Consolidated	
	Note	2024 $'000	2023 $'000
Assets			
Current assets			
Cash and cash equivalents	8	73,819	130,034
Trade and other receivables	9	197,871	211,171
Inventories	10	4,502	3,828
Accrued income	11	49,480	48,926
Other current assets	12	6,741	5,659
Total current assets		332,413	399,618
Non-current assets			
Property, plant and equipment	13	39,142	40,378
Intangibles	14	361,775	282,995
Right-of-use assets	15	21,192	24,571
Deferred tax asset	7	6,588	5,150
Other receivables	9	24,961	32,770
Total non-current assets		453,658	385,864
Total assets		**786,071**	**785,482**
Liabilities			
Current liabilities			
Trade and other payables	16	173,770	200,581
Borrowings	17	15,196	13,335
Current tax liability	7	8,011	13,375
Employee provisions	18	11,528	10,254
Non-controlling interest liabilities	19	3,743	3,265
Right-of-use lease liabilities	15	8,222	8,988
Income in advance	20	41,332	69,781
Total current liabilities		261,802	319,579
Non-current liabilities			
Right-of-use lease liabilities	15	14,839	17,657
Borrowings	17	37,689	44,830
Deferred tax liability	7	10,150	8,074
Employee provisions	18	1,315	1,167
Total non-current liabilities		63,993	71,728
Total liabilities		**325,795**	**391,307**
Net assets		**460,276**	**394,175**
Equity			
Issued capital	21	398,524	317,534
Reserves	22	(29,614)	(18,360)
Retained earnings	23	82,089	59,572
Equity attributable to the owners of Johns Lyng Group		450,999	358,746
Non-controlling interests	24	9,277	35,429
Total equity		**460,276**	**394,175**

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 2024

Consolidated 30 June 2023	Issued capital $'000	Reserves $'000	Retained earnings $'000	Non-controlling interest $'000	Total equity $'000
Balance at 1 July 2022	297,544	(10,137)	32,305	13,110	332,822
Profit for the year	–	–	46,846	15,964	62,810
Movement in foreign currency reserve	–	9,633	–	–	9,633
Total comprehensive income for the year	–	9,633	46,846	15,964	72,443
Transactions with owners in their capacity as owners:					
Transactions with non-controlling interests	–	(19,321)	–	23,292	3,971
Issue of shares to non-controlling interests	–	–	–	165	165
Issue of shares in connection with business acquisitions including earn-outs	12,630	–	–	–	12,630
Non-controlling interests recognised on business acquisition	–	–	–	247	247
Dividends	–	–	(19,579)	(5,924)	(25,503)
Distributions	–	–	–	(11,425)	(11,425)
Share based payments	170	2,475	–	–	2,645
Issue of shares – vesting of Performance Rights[1]	1,010	(1,010)	–	–	–
Issue of shares – exercise of call options	6,180	–	–	–	6,180
Balance at 30 June 2023	**317,534**	**(18,360)**	**59,572**	**35,429**	**394,175**

Consolidated 30 June 2024	Issued capital $'000	Reserves $'000	Retained earnings $'000	Non-controlling interest $'000	Total equity $'000
Balance at 1 July 2023	317,534	(18,360)	59,572	35,429	394,175
Profit for the year	–	–	48,012	15,271	63,283
Movement in foreign currency reserve	–	(69)	–	–	(69)
Total comprehensive income for the year	–	(69)	48,012	15,271	63,214
Transactions with owners in their capacity as owners:					
Transactions with non-controlling interests	–	(12,914)	–	(29,205)	(42,119)
Issue of shares to non-controlling interests	–	–	–	4,337	4,337
Issue of shares in connection with business acquisitions including earn-outs	2,346	–	–	–	2,346
Non-controlling interests recognised on business acquisition	–	–	–	805	805
Dividends	–	–	(25,495)	(8,141)	(33,636)
Distributions	–	–	–	(9,219)	(9,219)
Share based payments	–	3,689	–	–	3,689
Issue of shares – vesting of Performance Rights[1]	1,960	(1,960)	–	–	–
Issue of shares – Institutional Placement	65,001	–	–	–	65,001
Issue of shares – exercise of call options	8,178	–	–	–	8,178
Issue of shares – Share Purchase Plan	5,001	–	–	–	5,001
Share issue transaction expenses net of tax	(1,496)	–	–	–	(1,496)
Balance at 30 June 2024	**398,524**	**(29,614)**	**82,089**	**9,277**	**460,276**

[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 2024

		Consolidated	
	Note	2024 $'000	2023 $'000
Cash flows from operating activities			
Receipts from customers		1,225,664	1,409,444
Payments to suppliers and employees		(1,160,025)	(1,244,033)
Interest received		3,523	2,572
Finance costs		(5,459)	(3,786)
Income tax paid	7	(34,390)	(23,519)
Net cash from operating activities	**35(b)**	**29,313**	**140,678**
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		4,470	1,143
Payments for property, plant and equipment		(7,755)	(13,154)
Payments for intangibles (software)		(1,732)	(1,067)
Payments for investments		(8,519)	–
Cash acquired on acquisition		3,329	419
Payment for business acquisition – 44.5% equity interest in Bright & Duggan		–	(15,360)
Payments for business acquisitions		(69,709)	(5,773)
Payments for business acquisitions - deferred consideration		(1,618)	–
Net cash used in investing activities		**(81,534)**	**(33,792)**
Cash flows from financing activities			
Proceeds from share issue		70,002	–
Proceeds from borrowings	35(c)	23,450	32,431
Repayment of borrowings	35(c)	(30,297)	(16,844)
Payments to non-controlling interests		(19,027)	(16,796)
Proceeds from share issue to non-controlling interests		–	878
Payment of right-of-use (principal) lease liabilities	35(c)	(10,117)	(8,163)
Repayment of hire purchase liabilities	35(c)	(10,372)	(5,751)
Dividends paid	25	(25,495)	(19,579)
Share issue transaction expenses		(2,138)	–
Net cash used in financing activities		**(3,994)**	**(33,824)**
Net (decrease)/increase in cash and cash equivalents		(56,215)	73,062
Cash and cash equivalents at the beginning of the financial year		130,034	56,972
Cash and cash equivalents at the end of the financial year	8, 35(a)	**73,819**	**130,034**

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

30 June 2024

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 27 August 2024. The Directors have the power to amend and reissue the financial statements.

NOTE 2. MATERIAL 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 (Cth), 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 (Cth), 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.

Foreign subsidiaries and operations

The assets and liabilities of foreign operations and subsidiaries 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 and liabilities incurred by the acquirer to former owners of 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 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.

Business combinations

The fair value of the consideration transferred (including contingent consideration) and the fair value of the assets acquired and liabilities assumed are measured on a provisional basis.

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 – 2024	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	1,050,945	84,165	23,589	177	–	1,158,876
Intersegment sales	26,162	4,003	–	1,828	(31,993)	–
Total sales revenue	1,077,107	88,168	23,589	2,005	(31,993)	1,158,876
Total other revenue and expenses	(942,689)	(78,116)	(32,294)	(13,184)	31,993	(1,034,290)
EBITDA[1]	**134,418**	**10,052**	**(8,705)**	**(11,179)**	–	**124,586**
Depreciation and amortisation	(27,483)	(2,825)	–	(3)	–	(30,311)
Interest income	2,108	51	419	1,364	(419)	3,523
Finance costs	(4,148)	(238)	–	(1,492)	419	(5,459)
Banking facility arrangement fee amortisation	(33)	–	–	–	–	(33)
Profit/(loss) before income tax expense	**104,862**	**7,040**	**(8,286)**	**(11,310)**	–	**92,306**
Income tax expense						(29,023)
Profit after income tax expense						**63,283**

[1] Includes transaction related expenses of $4,990,766 shown in the consolidated statement of profit or loss.

NOTE 4. OPERATING SEGMENTS (continued)

Consolidated – 2023	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	1,146,596	71,571	62,490	655	–	1,281,312
Intersegment sales	36,120	4,496	–	3,607	(44,223)	–
Total sales revenue	1,182,716	76,067	62,490	4,262	(44,223)	1,281,312
Total other revenue and expenses	(1,049,203)	(67,811)	(81,457)	(11,153)	44,223	(1,165,401)
EBITDA[1]	**133,513**	**8,256**	**(18,967)**	**(6,891)**	**–**	**115,911**
Depreciation and amortisation	(18,411)	(2,677)	(131)	40	–	(21,179)
Interest income	2,434	95	130	15	(102)	2,572
Finance costs	(2,626)	(99)	–	(1,163)	102	(3,786)
Banking facility arrangement fee amortisation	(31)	–	–	(44)	–	(75)
Profit/(loss) before income tax expense	**114,879**	**5,575**	**(18,968)**	**(8,043)**	**–**	**93,443**
Income tax expense						(30,633)
Profit after income tax expense						**62,810**

[1] Includes transaction related expenses of $1,031,109 shown in the consolidated statement of profit or loss.

Geographical Information

	Australia and New Zealand	United States	Total
	$'000	$'000	$'000
30 June 2024			
Sales revenue	908,626	250,250	1,158,876
Non-current assets	222,153	231,505	453,658
30 June 2023			
Sales revenue	1,033,738	247,574	1,281,312
Non-current assets	148,107	237,757	385,864

NOTE 5. REVENUE AND OTHER INCOME

	Consolidated	
	2024 $'000	2023 $'000
Sales income		
Insurance Building and Restoration Services	1,050,945	1,146,596
Commercial Building Services	84,165	71,571
Commercial Construction	23,589	62,490
Other	177	655
	1,158,876	**1,281,312**
Other revenue and income		
Interest income	3,523	2,572
Other revenue	4,328	3,893
Profit on sale of property, plant and equipment	451	299
	8,302	**6,764**

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. The amounts billed correlate directly to the percentage stage of completion of the contract.

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	
	2024 $'000	2023 $'000
Profit before income tax includes the following specific expenses:		
Employee benefits:		
Gross remuneration, bonuses and on-costs	183,650	166,645
Superannuation	13,967	11,453
Share based payments expense	3,689	2,645
	201,306	180,743
Less amounts expensed through cost of sales	(105,044)	(82,615)
Total employee benefits	96,262	98,128
Depreciation and amortisation:		
Depreciation	15,549	9,980
Depreciation – right-of-use assets	9,911	8,130
Amortisation	4,851	3,069
Total depreciation and amortisation	30,311	21,179
Finance costs:		
Borrowings	4,314	2,784
Right-of-use lease liabilities	1,145	1,002
Total finance costs	5,459	3,786
Profit on sale of property, plant and equipment	451	299

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 11% of the employees' average ordinary salary) and 401(k) contributions for American employees, to the employees' defined contribution superannuation plans of their 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	
	2024 $'000	**2023 $'000**
(a) Components of tax expense		
Current tax	28,556	30,245
Deferred tax	299	375
Under/(over) provision in prior years	168	13
	29,023	30,633
(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	92,306	93,443
Prima facie income tax payable on profit before income tax at 30.0% (2023: 30.0%)	27,692	28,033
Add tax effect of:		
– Subsidiary losses not recognised	2,923	7,069
– Other non-deductible expenses	2,943	1,884
– Under provision in prior years	168	13
Less tax effect of:		
– Distributions to non-controlling interests	(2,766)	(3,427)
– Subsidiary losses utilised (previously not recognised)	(678)	(1,294)
– Other differences	(1,259)	(1,645)
	29,023	30,633
(c) Current tax		
Current tax relates to the following:		
Current tax (liability)/asset		
Opening at 1 July	(13,375)	(6,174)
Current tax liability assumed on business acquisition	(327)	(404)
Income tax expense	(28,556)	(30,245)
Tax payments	34,390	23,519
Foreign exchange movements	25	(58)
Under provision in prior years	(168)	(13)
Closing at 30 June	(8,011)	(13,375)

NOTE 7. INCOME TAX (continued)

	Consolidated	
	2024 $'000	**2023 $'000**
(d) Deferred tax		
Deferred tax relates to the following:		
Deferred tax assets		
– Accruals	2,121	1,559
– Employee benefits	3,868	3,441
– Property, plant and equipment	(1,721)	(1,595)
– Capital raising costs and other blackhole (transaction) expenditure	1,748	1,113
– Right-of-use assets	(6,346)	(7,362)
– Right-of-use lease liabilities	6,918	7,994
	6,588	5,150
Deferred tax liability		
– Intangibles	(10,150)	(8,074)
	(10,150)	(8,074)
Net deferred tax asset/(liability)	(3,562)	(2,924)
Movements:		
Opening at 1 July	(2,924)	(2,105)
Income tax expense	(299)	(375)
Income tax credited directly to equity	642	–
Assumed on business acquisition	(976)	(353)
Foreign exchange movements	(5)	(91)
Closing at 30 June (net)	**(3,562)**	**(2,924)**

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	
	2024 $'000	2023 $'000
Cash on hand	26	24
Cash at bank	73,611	129,828
Cash on deposit	182	182
	73,819	**130,034**

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 in the consolidated statement of financial position.

NOTE 9. TRADE AND OTHER RECEIVABLES

	Consolidated	
	2024 $'000	2023 $'000
Current		
Trade receivables	164,863	179,664
Trade retentions	14,700	19,231
Other debtors	5,538	3,215
	20,238	22,446
Related parties	913	913
Non-controlling interests[1]	11,857	8,148
	12,770	9,061
Total	**197,871**	**211,171**
Non-current		
Other receivables[1]	16,442	32,770
Other assets	8,519	–
Total	**24,961**	**32,770**

[1] Includes receivables from non-controlling interests arising from their acquisition of paid up capital.

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.

NOTE 9. TRADE AND OTHER RECEIVABLES (continued)

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, owners' corporations, homeowners' 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. This takes into consideration management's assessment of the likely level of bad debts (based on historical experience, nature of debtors and forward-looking information) as well as any known 'at risk' receivables. The Group is not exposed to material credit risk and no provision is recognised during the year or in the comparative period.

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	
	2024 $'000	2023 $'000
Raw materials	4,502	3,828

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	
	2024 $'000	2023 $'000
Accrued income	49,480	48,926

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 2023 accrued income within the 2024 year and expects the 2024 balance to be settled within 12 months.

NOTE 12. OTHER CURRENT ASSETS

	Consolidated	
	2024 $'000	2023 $'000
Prepayments	6,741	5,659
Total other current assets	**6,741**	**5,659**

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	
	2024 $'000	2023 $'000
Freehold land – at cost	1,389	1,388
Buildings – at cost	377	378
Less: accumulated depreciation	(54)	(42)
	323	336
Leasehold improvements – at cost	4,895	4,660
Less: accumulated depreciation	(2,400)	(1,715)
	2,495	2,945
Plant and equipment – at cost	26,786	26,144
Less: accumulated depreciation	(14,017)	(8,185)
	12,769	17,959
Motor vehicles – at cost	37,705	30,184
Less: accumulated depreciation	(15,823)	(12,543)
	21,882	17,641
Computer equipment – at cost	1,917	1,709
Less: accumulated depreciation	(1,633)	(1,600)
	284	109
Total property, plant and equipment	**39,142**	**40,378**

NOTE 13. PROPERTY, PLANT AND EQUIPMENT (continued)

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 2022	1,335	335	1,971	10,719	11,449	174	25,983
Additions	–	–	1,552	12,979	10,420	37	24,988
Disposals	–	–	–	(298)	(530)	(16)	(844)
Depreciation expense	–	(12)	(600)	(4,609)	(4,673)	(86)	(9,980)
Foreign exchange movements	53	13	22	53	90	–	231
Reclassification	–	–	–	(885)	885	–	–
Balance at 30 June 2023	1,388	336	2,945	17,959	17,641	109	40,378
Additions	–	–	302	5,852	11,189	251	17,594
Additions through business acquisitions	–	–	–	–	820	–	820
Disposals	–	–	–	(2,482)	(1,536)	(1)	(4,019)
Depreciation expense	–	(13)	(755)	(8,559)	(6,149)	(73)	(15,549)
Foreign exchange movements	1	–	3	(1)	(83)	(2)	(82)
Balance at 30 June 2024	**1,389**	**323**	**2,495**	**12,769**	**21,882**	**284**	**39,142**

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 2024 is $18,742,000 (2023: $16,490,000).

The corresponding hire purchase liability of $18,609,000 (2023: $16,795,000) 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 for which the depreciation basis is diminishing value) over their expected useful lives as set out below:

Land is not depreciated.

Class of fixed asset	Depreciation rate	Depreciation basis
Buildings at cost	2%-4%	Straight-line
Leasehold improvements at cost	10%-25%	Straight-line
Plant and equipment at cost	20%-33%	Straight-line
Motor vehicles at cost	27%	Diminishing value
Computer equipment at cost	25%-50%	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 the unexpired period of the lease or the estimated useful life of the improvement.

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 in profit or loss.

NOTE 14. INTANGIBLES

	Consolidated 2024 $'000	2023 $'000
Goodwill	318,496	248,129
Trademarks	14,704	12,184
Customer contracts	34,121	26,024
Less: accumulated amortisation	(9,951)	(5,925)
	24,170	20,099
Software	5,233	2,600
Less: accumulated amortisation	(828)	(17)
	4,405	2,583
Total intangibles	**361,775**	**282,995**

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 2022	234,373	11,808	21,540	1,724	269,445
Additions	–	–	–	1,067	1,067
Additions through business acquisitions	6,740	–	1,313	–	8,053
Foreign exchange movements	7,016	376	107	–	7,499
Amortisation expense	–	–	(2,861)	(208)	(3,069)
Balance at 30 June 2023	248,129	12,184	20,099	2,583	282,995
Additions	–	–	–	1,732	1,732
Additions through business acquisitions	70,123	2,512	8,093	904	81,632
Adjustments	76	–	–	–	76
Foreign exchange movements	168	8	18	(3)	191
Amortisation expense	–	–	(4,040)	(811)	(4,851)
Balance at 30 June 2024	**318,496**	**14,704**	**24,170**	**4,405**	**361,775**

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.

NOTE 14. INTANGIBLES (continued)

Trademarks

Trademarks, including brand names acquired through business combinations, 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 acquired through business combinations are initially measured at their fair value at the date of acquisition or recognised at cost. 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%-33%	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 are terminal value growth rate, discount rate and EBITDA growth rates. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

- Trump Floorcoverings – a terminal value growth rate of 2.5% (2023: 2.5%) and a discount rate of 8.76% (2023: 8.5%).
- Novari Collective – a terminal value growth rate of 2.5% (2023: 2.5%) and a discount rate of 8.76% (2023: 8.5%).
- Steamatic USA – a terminal value growth rate of 2.5% (2023: 2.5%) and a discount rate of 8.76% (2023: 8.5%).
- Bright & Duggan – a terminal value growth rate of 2.5% (2023: 2.5%) and a discount rate of 8.76% (2023: 8.5%).
- Air Control Australia – a terminal value growth rate of 2.5% (2023: 2.5%) and a discount rate of 8.76% (2023: 8.5%).
- Unitech Building Services – a terminal value growth rate of 2.5% (2023: 2.5%) and a discount rate of 8.76% (2023: 8.5%).
- Steamatic Australia – a terminal value growth rate of 2.5% (2023: 2.5%) and a discount rate of 8.76% (2023: 8.5%).
- Reconstruction Experts – a terminal value growth rate of 2.5% (2023: 2.5%) and a discount rate of 8.76% (2023: 8.5%).
- A1 Services – a terminal value growth rate of 2.5% (2023: 2.5%) and a discount rate of 8.76% (2023: 8.5%).
- Smoke Alarms Australia – a terminal value growth rate of 2.5% (2023: n/a) and a discount rate of 8.76% (2023: n/a).
- Linkfire – a terminal value growth rate of 2.5% (2023: n/a) and a discount rate of 8.76% (2023: n/a).

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

	Consolidated	
	2024 $'000	**2023 $'000**
Goodwill:		
Trump Floorcoverings	1,571	1,571
Dynamic Construction	100	100
Novari Collective	5,217	5,217
Steamatic USA	848	847
Bright & Duggan	39,808	33,515
Air Control Australia	2,716	2,716
Steamatic Australia	14,282	14,282
Unitech Building Services	2,006	2,006
Reconstruction Experts	185,977	185,810
A1 Services	2,065	2,065
Smoke Alarms Australia	47,518	–
Linkfire	16,388	–
	318,496	**248,129**
Trademarks:		
Steamatic USA	3,327	3,325
Bright & Duggan	2,179	2,179
Reconstruction Experts	6,683	6,677
Smoke Alarms Australia	1,583	–
Linkfire	929	–
Other	3	3
	14,704	**12,184**

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	
	2024 $'000	2023 $'000
Right-of-use assets		
Buildings under lease arrangements at cost	47,446	45,800
Accumulated depreciation	(26,254)	(21,229)
Total carrying amount of right-of-use assets	**21,192**	**24,571**

Reconciliation of carrying amount of right-of-use assets	Buildings	Total
Carrying amount at 1 July 2022	18,563	18,563
Additions	14,226	14,226
Additions through business acquisitions	68	68
Depreciation	(8,130)	(8,130)
Foreign exchange movements	187	187
Lease terminations	(343)	(343)
Carrying amount at 30 June 2023	24,571	24,571
Carrying amount at 1 July 2023	24,571	24,571
Additions	6,463	6,463
Additions through business acquisitions	577	577
Depreciation	(9,911)	(9,911)
Foreign exchange movements	45	45
Lease terminations	(553)	(553)
Carrying amount at 30 June 2024	**21,192**	**21,192**

	2024 $'000	2023 $'000
Right-of-use lease liabilities		
Current right-of-use lease liabilities	8,222	8,988
	8,222	**8,988**
Non-current right-of-use lease liabilities	14,839	17,657
	14,839	**17,657**
Right-of-use lease expense and 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)	(454)	(305)
Total cash outflow in relation to leases	(11,716)	(9,469)

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

Right-of-use 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 right-of-use 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	
	2024 $'000	**2023 $'000**
Trade creditors	133,165	158,645
Sundry creditors and accruals	40,605	41,936
	173,770	**200,581**

Accounting policy for trade and other payables

Trade and other payables are stated at amortised cost.

NOTE 17. BORROWINGS

	Consolidated	
	2024 $'000	2023 $'000
Current borrowings		
Secured:		
Insurance premium funding	4,827	3,434
Hire purchase	9,985	7,664
Bank loans	384	2,237
	15,196	**13,335**
Non-current borrowings		
Secured:		
Hire purchase	8,624	9,131
Bank loans	29,065	35,699
	37,689	**44,830**

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	
	2024 $'000	2023 $'000
Current		
Employee benefits	11,528	10,254
Non-current		
Employee benefits	1,315	1,167

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 currencies that match, as closely as possible, the estimated future cash outflows.

NOTE 19. NON-CONTROLLING INTEREST LIABILITIES

	Consolidated	
	2024 $'000	2023 $'000
Non-controlling interest liabilities	3,743	3,265

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	
	2024 $'000	2023 $'000
Income in advance	41,332	69,781

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			
	2024 Shares	2023 Shares	2024 $'000	2023 $'000
Ordinary Shares – fully paid	278,215,154	262,297,796	398,524	317,534

Movements in issued capital

Details	Date	Shares	$'000
Opening balance	1 July 2022	259,195,074	297,544
Issue of shares – vesting of Performance Rights	1 July 2022	113,092	189
Issue of shares – vesting of Performance Rights	1 July 2022	75,984	193
Issue of shares – vesting of Performance Rights	1 July 2022	40,274	269
Issue of shares – business acquisition	30 August 2022	1,349,765	10,240
Issue of shares – Executive Incentive Plan	30 August 2022	22,138	120
Issue of shares – vesting of Performance Rights	7 September 2022	84,105	–
Issue of shares – business acquisition (earn-out)	17 October 2022	281,292	1,796
Issue of shares – vesting of Performance Rights	24 November 2022	47,680	359
Issue of shares – exercise of call options	21 March 2023	403,015	2,621
Issue of shares – business acquisition (earn-out)	14 April 2023	52,284	320
Issue of shares – Executive Incentive Plan	4 May 2023	7,610	50
Issue of shares – business acquisition (earn-out)	4 May 2023	42,000	274
Issue of shares – exercise of call options	4 May 2023	583,483	3,559
Balance	**30 June 2023**	**262,297,796**	**317,534**
Issue of shares – Institutional Placement	11 July 2023	12,621,360	65,001
Share issue transaction expenses net of tax	11 July 2023	–	(1,496)
Issue of shares – vesting of Performance Rights	12 July 2023	425,508	1,332
Issue of shares – Share Purchase Plan	2 August 2023	970,873	5,001
Issue of shares – Loan Funded Shares	24 November 2023	15,625	–
Issue of shares – business acquisition (deferred consideration)	24 November 2023	100,721	550
Issue of shares – business acquisition (earn-out)	24 November 2023	276,097	1,796
Issue of shares – exercise of call options	24 November 2023	1,049,666	5,995
Issue of shares – vesting of Performance Rights	27 November 2023	116,143	628
Issue of shares – exercise of call options	1 May 2024	341,365	2,183
Balance	**30 June 2024**	**278,215,154**	**398,524**

Ordinary Shares

Ordinary Shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The Company does not have a limited amount of authorised share capital.

On a show of hands, every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

There is no current on-market share buy-back.

Accounting policy for issued capital

Ordinary Shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Loan Funded Shares

15,625 Loan Funded Shares were issued during the financial year (FY23: nil). 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	
	2024 $'000	2023 $'000
Foreign currency translation reserve	17,967	18,036
Options reserve	6,973	5,244
Changes in subsidiary interests reserve	(54,554)	(41,640)
	(29,614)	**(18,360)**

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 share based incentives (Performance Rights) issued under the Employee and 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 2022	8,403	3,779	(22,319)	(10,137)
Transactions with non-controlling interests	–	–	(19,321)	(19,321)
Foreign currency translation	9,633	–	–	9,633
Share based payments	–	2,475	–	2,475
Issue of shares on vesting of Performance Rights[1]	–	(1,010)	–	(1,010)
Balance at 30 June 2023	**18,036**	**5,244**	**(41,640)**	**(18,360)**
Balance at 1 July 2023	18,036	5,244	(41,640)	(18,360)
Transactions with non-controlling interests	–	–	(12,914)	(12,914)
Foreign currency translation	(69)	–	–	(69)
Share based payments	–	3,689	–	3,689
Issue of shares on vesting of Performance Rights[1]	–	(1,960)	–	(1,960)
Balance at 30 June 2024	**17,967**	**6,973**	**(54,554)**	**(29,614)**

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

NOTE 23. RETAINED EARNINGS

	Consolidated	
	2024 $'000	2023 $'000
Retained earnings at the beginning of the financial year	59,572	32,305
Profit after income tax for the year	48,012	46,846
Dividends paid	(25,495)	(19,579)
Retained earnings at the end of the financial year	**82,089**	**59,572**

NOTE 24. NON-CONTROLLING INTERESTS

	Consolidated	
	2024 $'000	2023 $'000
Non-controlling interests – paid up capital in subsidiaries	9,102	33,561
Non-controlling interests – share of retained earnings/(accumulated losses)	(5,012)	(3,150)
Non-controlling interests – share of acquisition date net intangible assets recognised on consolidation[1]	5,187	5,018
	9,277	**35,429**

Non-controlling interests – paid up capital in subsidiaries		
Opening balance	33,561	3,953
Transactions with the Group	(28,796)	29,443
Issue of shares to non-controlling interests	4,337	165
Closing balance	**9,102**	**33,561**

Non-controlling interests – share of retained earnings/(accumulated losses)		
Opening balance	(3,150)	1,773
Share of profit after income tax	15,723	16,292
Share of dividends	(8,141)	(5,924)
Share of distributions	(9,219)	(11,425)
Transactions with the Group	–	(3,978)
Retained earnings (net of fair value adjustments) acquired through business acquisitions	(225)	112
Closing balance	**(5,012)**	**(3,150)**

Non-controlling interests – share of acquisition date net intangible assets recognised on consolidation[1]		
Opening balance	5,018	7,384
Reserves acquired through business acquisition[1]	1,030	135
Transactions with the Group	(409)	(2,173)
Share of profit after income tax	(452)	(328)
Closing balance	**5,187**	**5,018**

[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	
	2024 $'000	2023 $'000
Dividends paid		
Dividends paid at $0.092 per share (FY23: $0.075) fully franked at 30%	25,495	19,579
Dividends declared after the reporting period and not recognised		
Since the end of the reporting period, the Directors have recommended/declared a dividend at $0.047 per share (FY23: $0.045) fully franked at 30%	13,090	12,434
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	50,204	38,068

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 currencies 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 may 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.

The Group's New Zealand-based operations trade and settle transactions in NZ dollars.

As at 30 June 2024 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 2024, 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.

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 – 2024						
Payables	173,770	–	–	–	173,770	173,770
Borrowings	10,867	5,409	38,214	–	54,490	52,885
Right-of-use lease liabilities	4,831	4,471	15,126	1,114	25,542	23,061
Total non-derivatives	189,468	9,880	53,340	1,114	253,802	249,716
Consolidated – 2023						
Payables	200,581	–	–	–	200,581	200,581
Borrowings	9,350	5,034	45,415	–	59,799	58,165
Right-of-use lease liabilities	5,154	4,729	17,190	1,169	28,242	26,645
Total non-derivatives	215,085	9,763	62,605	1,169	288,622	285,391

The carrying amounts and estimated fair values of the Group's financial instruments recognised in the financial statements are materially the same. Contingent consideration discounted to present value is payable within a year and hence not material.

NOTE 27. DIRECTORS' AND EXECUTIVES' COMPENSATION

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

Compensation by category

	Consolidated	
	2024 $	2023 $
Short-term employee benefits	5,453,897	6,451,456
Post-employment benefits	109,915	151,731
Long-term employee benefits	30,227	47,700
Share based payments	2,482,453	1,687,151
Total Directors' and Executives' compensation	**8,076,492**	**8,338,038**

NOTE 28. REMUNERATION OF AUDITORS

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

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

	Consolidated	
	2024 $	2023 $
Audit services		
Audit or review of the financial statements[1]	842,862	589,000
Other audit services	90,000	144,000
	932,862	733,000
Other services		
Accounting and taxation compliance	–	392,775
Other advisory services	–	140,115
Corporate finance	–	235,000
Corporate secretarial	–	118,731
Other	–	10,334
	–	896,955
Amounts paid and payable to network firms of the auditor[2]:		
Accounting and taxation compliance	–	4,351
Other audit services	–	321,344
Other advisory services	–	45,258
	–	370,953
Total remuneration for audit and other services	**932,862**	**2,000,908**

[1] The Group transitioned auditor from Pitcher Partners to KPMG for FY24.
[2] 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	
	2024 $'000	2023 $'000
Estimate of the maximum amount of contingent liabilities that may become payable:		
Bank guarantees	**18,240**	**26,248**

NOTE 30. COMMITMENTS

	Consolidated	
	2024 $'000	2023 $'000
Expenditure commitments contracted for:		
Contracted construction commitments		
Within one year	**136,898**	**136,353**

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 FY24 Curt Mudd (Non-executive Director) received consultancy fees from the Group in the amount of $57,026 (GST: nil) (FY23: $61,297 (GST: nil)). These amounts have been included in salary and fees within the Remuneration Report.

During FY24 Alex Silver (Non-executive Director) received consultancy fees (in respect of his membership of Johns Lyng USA's Advisory Board) from the Group in the amount of $21,001 (GST: nil) (FY23: nil (GST: nil)). These amounts have been included in salary and fees within the Remuneration Report.

During FY24 the Group paid $67,127 (plus GST) (FY23: $539,601 (plus GST)) to Hamilton Locke Pty Ltd (Hamilton Locke) for legal services (including due diligence, contract drafting and transaction advice) and $83,245 (plus GST) (FY23: $60,630 (plus GST)) to Source Governance Pty Ltd (Source) for company secretarial services. Peter Dixon is a director and shareholder of HPX Group Pty Ltd, the parent company of Hamilton Locke and Source. These services were provided on an arm's length basis and on commercial terms. As a result of changes to the Group's Related Party Transaction Policy, alternative legal service providers are now being utilised.

During FY24 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 fit-out services at a number of retail stores in Australia and New Zealand. The ultimate owners of RPO include KMP[1] and other unitholders. Effective 2 April 2024, RPO was sold to a third-party and hence transactions between the Group and RPO are no longer related party transactions. Between 1 July 2023 and 2 April 2024, the amount invoiced totalled $4,751,667 (plus GST) (FY23: $3,289,359 (plus GST)). The arrangement is on an arm's length basis and on commercial terms.

[1] KMP include: Scott Didier AM, Nick Carnell, Matthew Lunn, Adrian Gleeson and Curt Mudd.

NOTE 31. RELATED PARTY TRANSACTIONS (continued)

Leases

The Group has entered into a number of leases for office and warehouse space throughout Australia. The table below lists the names of the related party landlords and their relationship with the Group. The lease agreements with the landlords noted below have been entered into on an arm's length basis and on commercial terms.

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.	FY24: $180,585 (plus GST) FY23: $165,544 (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).	FY24: $135,792 (plus GST) FY23: $116,846 (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. KMP[1] and other unitholders own the units in Johns Lyng Investments Unit Trust.	FY24: $429,600 (plus GST) FY23: $429,600 (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	KMP[1] and other unitholders own the units in Is My Software Unit Trust.	FY24: $62,093 (plus GST) FY23: $46,352 (plus GST)

[1] KMP include: Scott Didier AM, Nick Carnell, Matthew Lunn, Adrian Gleeson and Curt Mudd.

Related party receivables/(payables)

	Consolidated	
	2024	2023
NSC Collective Pty Ltd ATF Carnell Family Trust[1]	913,495	913,495

[1] 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 2024.

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	
	2024 $'000	**2023 $'000**
Profit after income tax	53,477	44,106
Total comprehensive income	53,477	44,106
Statement of financial position		
Total current assets	169,897	200,885
Total assets	509,973	415,794
Total current liabilities	6,883	12,406
Total liabilities	16,883	33,406
Net assets	**493,090**	**382,388**
Equity		
Issued capital	398,524	317,534
Options reserve	6,973	5,244
Retained earnings	87,593	59,610
Total equity	**493,090**	**382,388**

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 2024:

- 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 limited guarantee to Johns Lyng USA LLC and its controlled entities, whereby the Parent Entity has agreed to provide financial support and security to meet its obligations to Argonaut Insurance Company from time-to-time (if any) in respect of Surety Bonds issued in respect of certain construction projects in the ordinary course of business. The maximum aggregate liability of the Parent Entity is limited to the lesser of: (a) 110% of the total bonded exposure from time-to-time and (b) US$35m. The maximum liability of the Parent Entity in respect of any single Surety Bond is US$15m.

Contingent liabilities

The Parent Entity had no contingent liabilities as at 30 June 2024 (2023: nil).

Capital commitments

The Parent Entity had no capital commitments as at 30 June 2024 (2023: nil).

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

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. The Group operates in Australia, New Zealand and the United States with tax rates of 30%, 25% and 21% respectively; noting some differing tax rates in the United States depending on the State of operation.

				Ownership interest	
	Name	Body corporate, partnership or trust	Principal place of business / country of incorporation / jurisdiction for tax residence	2024 %	2023 %
1	Johns Lyng Unit Trust	Trust	Australia	100.00%	100.00%
2	Johns Lyng Victoria Unit Trust	Trust	Australia	95.50%	93.00%
3	Johns Lyng Insurance Builders (Vic) Unit Trust (Dormant)	Trust	Australia	95.50%	93.00%
4	Johns Lyng Makesafe Emergency Builders (Victoria) Unit Trust	Trust	Australia	88.58%	87.65%
5	Johns Lyng Aztech Unit Trust	Trust	Australia	79.72%	87.65%
6	One Touch Services Unit Trust	Trust	Australia	88.58%	87.65%
7	Global Home Response Unit Trust	Trust	Australia	88.58%	87.65%
8	Global Trade Unit Trust	Trust	Australia	88.58%	87.65%
9	Johns Lyng Makesafe Victoria Insurance Services Unit Trust	Trust	Australia	79.72%	83.27%
10	Johns Lyng Project Solutions Unit Trust	Trust	Australia	88.58%	87.65%
11	Johns Lyng Express Claims (VIC) Unit Trust	Trust	Australia	90.73%	88.35%
12	Johns Lyng Insurance Building Solutions (Victoria) Unit Trust	Trust	Australia	90.73%	83.70%
13	JLG SC Victoria Unit Trust	Trust	Australia	86.19%	83.70%
14	Restorx (VIC) Unit Trust	Trust	Australia	90.25%	85.10%
15	Restorx (VIC) Insurance Services Unit Trust	Trust	Australia	85.74%	85.10%
16	Restorx (VIC) Major Loss Unit Trust	Trust	Australia	85.74%	80.84%
17	Restorx (VIC) Delivery Unit Trust	Trust	Australia	90.25%	85.10%
18	Restorx (VIC) Biohazard Services Unit Trust	Trust	Australia	90.25%	85.10%
19	Johns Lyng (VIC) Regional Unit Trust	Trust	Australia	88.82%	86.49%
20	Johns Lyng (VIC) Gippsland Unit Trust	Trust	Australia	84.37%	82.17%
21	Johns Lyng (VIC) Geelong Unit Trust	Trust	Australia	88.82%	82.17%
22	Johns Lyng (VIC) North Unit Trust	Trust	Australia	84.37%	82.17%
23	JL VIC North Holdco Pty Ltd (Dormant)	Body Corporate	Australia	88.82%	86.49%
24	Johns Lyng Insurance Building Solutions (Tasmania) Unit Trust	Trust	Australia	95.50%	93.00%
25	Johns Lyng Group Disaster Management (Victoria) Unit Trust	Trust	Australia	96.50%	93.00%
26	Disaster Management Australia Pty Ltd	Body Corporate	Australia	96.50%	-

				Ownership interest	
	Name	Body corporate, partnership or trust	Principal place of business / country of incorporation / jurisdiction for tax residence	2024 %	2023 %
27	Johns Lyng Group Disaster Management (QLD) Co Pty Ltd (Formerly Johns Lyng Disaster Management Australia Pty Ltd)	Body Corporate	Australia	96.50%	93.00%
28	A1 Services Co Pty Ltd (Formerly A1 Estimates Pty Ltd)	Body Corporate	Australia	57.90%	55.80%
29	Johns Lyng Energy Unit Trust	Trust	Australia	77.20%	74.40%
30	Johns Lyng Hire Unit Trust	Trust	Australia	96.50%	93.00%
31	Johns Lyng Group Disaster Management (Queensland) Pty Ltd	Body Corporate	Australia	96.50%	-
32	Johns Lyng NSW Unit Trust	Trust	Australia	88.50%	90.00%
33	Johns Lyng Makesafe Emergency Builders (NSW) Unit Trust	Trust	Australia	88.50%	90.00%
34	Johns Lyng Express Building Solutions (NSW) Unit Trust	Trust	Australia	88.50%	90.00%
35	Johns Lyng Insurance Building Solutions (NSW) Unit Trust	Trust	Australia	84.08%	90.00%
36	JLG SC NSW Unit Trust	Trust	Australia	84.08%	81.00%
37	Restorx NSW Unit Trust	Trust	Australia	79.65%	81.00%
38	Restorx (NSW) Major Loss Unit Trust	Trust	Australia	71.69%	76.95%
39	Restorx Newcastle Unit Trust	Trust	Australia	79.65%	81.00%
40	Restorx NSW Regional South Unit Trust	Trust	Australia	79.65%	81.00%
41	Restorx NSW Delivery Unit Trust	Trust	Australia	79.65%	-
42	Johns Lyng (NSW) Regional Unit Trust	Trust	Australia	82.61%	84.38%
43	Johns Lyng Regional Makesafe NSW Unit Trust	Trust	Australia	78.48%	80.16%
44	Johns Lyng (ACT) Unit Trust	Trust	Australia	82.61%	84.38%
45	Johns Lyng Regional ACT - South Coast Unit Trust	Trust	Australia	82.61%	80.16%
46	Johns Lyng Regional ACT - Riverina Unit Trust	Trust	Australia	82.61%	80.16%
47	Johns Lyng Central NSW Unit Trust	Trust	Australia	74.35%	80.16%
48	Johns Lyng Newcastle Unit Trust	Trust	Australia	82.61%	75.94%
49	Johns Lyng Queensland Unit Trust	Trust	Australia	92.30%	92.80%
50	Johns Lyng Northern Territory Unit Trust	Trust	Australia	83.07%	88.16%
51	Johns Lyng Makesafe Emergency Builders (QLD) Unit Trust	Trust	Australia	92.30%	88.16%
52	Johns Lyng Express Building Solutions (QLD) Unit Trust	Trust	Australia	83.07%	88.16%
53	Johns Lyng Insurance Building Solutions (Brisbane) Unit Trust	Trust	Australia	87.69%	83.52%
54	JLG SC Queensland Unit Trust	Trust	Australia	92.30%	88.16%
55	Johns Lyng (QLD) Regional Unit Trust	Trust	Australia	87.69%	92.80%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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NOTE 33. INTERESTS IN SUBSIDIARIES (continued)

				Ownership interest	
	Name	Body corporate, partnership or trust	Principal place of business / country of incorporation / jurisdiction for tax residence	2024 %	2023 %
56	Johns Lyng (QLD) Gold Coast Unit Trust	Trust	Australia	87.69%	88.16%
57	Johns Lyng (QLD) Central Unit Trust	Trust	Australia	83.30%	88.16%
58	Johns Lyng (QLD) North Unit Trust	Trust	Australia	78.92%	88.16%
59	Trump Ceramic and Timber Unit Trust	Trust	Australia	92.30%	92.80%
60	Restorx Services QLD Unit Trust	Trust	Australia	83.07%	83.52%
61	Restorx Queensland Insurance Services Unit Trust	Trust	Australia	78.92%	79.34%
62	Restorx Queensland Major Loss Unit Trust	Trust	Australia	78.92%	79.34%
63	Johns Lyng Large Loss Queensland Unit Trust	Trust	Australia	83.07%	83.52%
64	Johns Lyng Insurance Building Solutions (QLD) Unit Trust (Dormant)	Trust	Australia	92.30%	92.80%
65	Johns Lyng Insurance Building Solutions (WA) Unit Trust	Trust	Australia	86.00%	87.50%
66	Restorx (WA) Unit Trust	Trust	Australia	81.70%	83.13%
67	JLG SC Western Australia Unit Trust	Trust	Australia	86.00%	87.50%
68	Johns Lyng WA Express Unit Trust	Trust	Australia	81.70%	83.13%
69	Johns Lyng WA Makesafe Unit Trust	Trust	Australia	81.70%	-
70	Johns Lyng (SA) StateCo Unit Trust	Trust	Australia	98.50%	100.00%
71	Johns Lyng (SA) HoldCo Unit Trust	Trust	Australia	88.65%	90.00%
72	Unitech Building Services Pty Ltd	Body Corporate	Australia	88.65%	54.00%
73	Johns Lyng Insurance Building Solutions (SA) Unit Trust	Trust	Australia	88.65%	54.00%
74	Johns Lyng Steamatic Australia Pty Ltd	Body Corporate	Australia	98.50%	100.00%
75	Steamatic Restoration and Recovery Pty Ltd	Body Corporate	Australia	59.10%	60.00%
76	Fischer's Cleaning Pty Ltd	Body Corporate	Australia	59.10%	60.00%
77	Johns Lyng Keystone Holdings Pty Ltd	Body Corporate	Australia	100.00%	-
78	Johns Lyng Keystone Pty Ltd	Body Corporate	Australia	100.00%	-
79	Johns Lyng NZ Limited (formerly Global Home Response NZ Limited)	Body Corporate	New Zealand	100.00%	100.00%
80	A1 Estimates (NZ) Limited	Body Corporate	New Zealand	60.00%	60.00%
81	Steamatic (NZ) Limited	Body Corporate	New Zealand	60.00%	60.00%
82	Johns Lyng NZ Holdings Limited	Body Corporate	New Zealand	88.50%	90.00%
83	Mainland Building Services (NZ) Limited	Body Corporate	New Zealand	70.80%	72.00%
84	Restorx (NZ) Limited	Body Corporate	New Zealand	88.50%	-
85	Strategic Investment Holdings No.1 Pty Ltd	Body Corporate	Australia	100.00%	-
86	Johns Lyng USA, LLC	Body Corporate	USA	100.00%	100.00%
87	Johns Lyng Intermediary Holdings, LLC	Body Corporate	USA	92.00%	86.00%

				Ownership interest	
	Name	Body corporate, partnership or trust	Principal place of business / country of incorporation / jurisdiction for tax residence	2024 %	2023 %
88	Steamatic Property, LLC	Body Corporate	USA	92.00%	86.00%
89	Steamatic of Nashville Real Property Holdings, LLC	Body Corporate	USA	92.00%	86.00%
90	Steamatic Holdings, LLC (formerly Johns Lyng Florida, LLC)	Body Corporate	USA	92.00%	86.00%
91	Steamatic (Operating) Holdings, LLC	Body Corporate	USA	92.00%	86.00%
92	Steamatic, LLC	Body Corporate	USA	85.10%	81.70%
93	Johns Lyng Customer Connect, LLC	Body Corporate	USA	76.59%	81.70%
94	Reconstruction Holdings, Inc	Body Corporate	USA	92.00%	86.00%
95	Reconstruction, Inc	Body Corporate	USA	92.00%	86.00%
96	Reconstruction Experts, Inc	Body Corporate	USA	92.00%	86.00%
97	Johns Lyng Texas, LLC	Body Corporate	USA	82.80%	77.40%
98	Advanced Roofing & Sheetmetal Texas, LLC	Body Corporate	USA	78.66%	-
99	Reconstruction Experts Texas, LLC	Body Corporate	USA	82.80%	-
100	Steamatic North Texas, LLC	Body Corporate	USA	82.80%	77.40%
101	Johns Lyng Express Dallas, LLC	Body Corporate	USA	82.80%	-
102	Steamatic of Northwest Houston, LLC	Body Corporate	USA	82.80%	-
103	Johns Lyng Florida, LLC	Body Corporate	USA	82.80%	77.40%
104	Reconstruction Experts Florida, LLC	Body Corporate	USA	78.66%	-
105	Advanced Roofing & Sheetmetal SW FL, LLC	Body Corporate	USA	74.52%	-
106	Johns Lyng California, LLC	Body Corporate	USA	87.40%	81.70%
107	Johns Lyng Colorado, LLC	Body Corporate	USA	92.00%	77.40%
108	Johns Lyng Express Colorado, LLC	Body Corporate	USA	87.40%	-
109	Steamatic of Denver, LLC	Body Corporate	USA	92.00%	-
110	Advanced Roofing & Sheetmetal Colorado, LLC	Body Corporate	USA	87.40%	-
111	Reconstruction Experts Colorado, LLC	Body Corporate	USA	87.40%	-
112	Johns Lyng Project Solutions, LLC	Body Corporate	USA	87.40%	-
113	Johns Lyng Makesafe Denver, LLC	Body Corporate	USA	92.00%	-
114	Johns Lyng Tennessee, LLC	Body Corporate	USA	87.40%	86.00%
115	Johns Lyng Makesafe Nashville, LLC	Body Corporate	USA	87.40%	-
116	Johns Lyng Express Nashville, LLC	Body Corporate	USA	87.40%	-
117	Steamatic Nashville, LLC	Body Corporate	USA	83.03%	86.00%
118	Steamatic of Nashville, LLC	Body Corporate	USA	83.03%	86.00%
119	Advanced Roofing & Sheetmetal, LLC	Body Corporate	USA	92.00%	86.00%
120	Johns Lyng USA Consulting, LLC	Body Corporate	USA	82.80%	-
121	Colorado Roofing Supply, LLC	Body Corporate	USA	92.00%	86.00%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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NOTE 33. INTERESTS IN SUBSIDIARIES (continued)

				Ownership interest	
	Name	Body corporate, partnership or trust	Principal place of business / country of incorporation / jurisdiction for tax residence	2024 %	2023 %
122	Johns Lyng Strata Management Pty Ltd	Body Corporate	Australia	100.00%	100.00%
123	Bright & Duggan Group Pty Ltd	Body Corporate	Australia	80.00%	80.00%
124	Bright & Duggan Property Group Pty Ltd	Body Corporate	Australia	80.00%	80.00%
125	North Shore Strata Management Pty Ltd	Body Corporate	Australia	64.00%	64.00%
126	Bright & Duggan (Hunter) Pty Ltd	Body Corporate	Australia	40.80%	40.80%
127	Bright & Duggan Pty Ltd	Body Corporate	Australia	80.00%	80.00%
128	Bright & Duggan (QLD) Pty Ltd	Body Corporate	Australia	80.00%	80.00%
129	Bright & Duggan (VIC) Pty Ltd	Body Corporate	Australia	80.00%	80.00%
130	Bright & Duggan (ACT) Pty Ltd	Body Corporate	Australia	80.00%	80.00%
131	CMS Holdings (Mirvac) Pty Ltd	Body Corporate	Australia	80.00%	80.00%
132	Cambridge Management Services Pty Ltd	Body Corporate	Australia	80.00%	80.00%
133	Cambridge Management Services (Hunter) Pty Ltd	Body Corporate	Australia	40.80%	40.80%
134	Focus Community Management Pty Ltd	Body Corporate	Australia	80.00%	80.00%
135	Capitol Strata Management (Holdings) Pty Ltd	Body Corporate	Australia	80.00%	74.00%
136	Capitol Strata Management (Brisbane) Pty Ltd	Body Corporate	Australia	80.00%	74.00%
137	Capitol Strata Management (Redcliffe) Pty Ltd	Body Corporate	Australia	80.00%	74.00%
138	Capitol Strata Management (Gold Coast) Pty Ltd	Body Corporate	Australia	80.00%	74.00%
139	Adpen Strata Pty Ltd	Body Corporate	Australia	80.00%	74.00%
140	Bright & Duggan Facilities Management Pty Ltd	Body Corporate	Australia	60.00%	60.00%
141	Structure Integrated Group Pty Ltd	Body Corporate	Australia	60.00%	60.00%
142	Structure Building Management Pty Ltd	Body Corporate	Australia	60.00%	60.00%
143	Waratah Building Management Pty Ltd	Body Corporate	Australia	60.00%	60.00%
144	Shift Facilities Management Pty Ltd	Body Corporate	Australia	60.00%	60.00%
145	Change Strata Management Pty Ltd	Body Corporate	Australia	80.00%	80.00%
146	Brisbay Pty Ltd	Body Corporate	Australia	80.00%	80.00%
147	Advanced Community Management Pty Ltd	Body Corporate	Australia	80.00%	80.00%
148	Your Local Strata (Holdings) Pty Ltd	Body Corporate	Australia	80.00%	80.00%
149	Your Local Strata Southern Pty Ltd	Body Corporate	Australia	80.00%	-
150	Your Local Strata Inner West Pty Ltd	Body Corporate	Australia	80.00%	-
151	Your Local Strata Sydney Pty Ltd	Body Corporate	Australia	80.00%	-
152	Place Portfolio Solutions Pty Ltd	Body Corporate	Australia	80.00%	-
153	AM Strata (Australia) Pty Ltd	Body Corporate	Australia	80.00%	-
154	AM Strata Pty Ltd	Body Corporate	Australia	80.00%	-
155	Johns Lyng Strata Services Unit Trust	Trust	Australia	80.00%	80.00%
156	Johns Lyng Strata Services Victoria Unit Trust	Trust	Australia	64.00%	72.00%

				Ownership interest	
	Name	Body corporate, partnership or trust	Principal place of business / country of incorporation / jurisdiction for tax residence	2024 %	2023 %
157	Johns Lyng Strata NSW Unit Trust	Trust	Australia	64.00%	80.00%
158	Johns Lyng Strata Services Queensland Unit Trust	Trust	Australia	76.00%	80.00%
159	JL Smoke Alarms Australia Holdings Pty Ltd (Formerly Smoke Alarms Australia Holdings Pty Ltd)	Body Corporate	Australia	100.00%	100.00%
160	Project Safety Holdings Pty Ltd	Body Corporate	Australia	91.60%	-
161	Smoke Alarms Australia Pty Ltd	Body Corporate	Australia	91.60%	-
162	Landlord Compliance NSW Pty Ltd	Body Corporate	Australia	91.60%	-
163	JL Linkfire Holdings Pty Ltd	Body Corporate	Australia	100.00%	100.00%
164	Link Fire Holdings Pty Ltd	Body Corporate	Australia	70.00%	-
165	Link Fire Pty. Ltd.	Body Corporate	Australia	70.00%	-
166	Connect Strata & Facility Maintenance Pty Ltd	Body Corporate	Australia	66.50%	-
167	Linkfire (Newcastle) Pty Ltd	Body Corporate	Australia	56.00%	-
168	Johns Lyng Glass Unit Trust (Dormant)	Trust	Australia	100.00%	100.00%
169	Johns Lyng Commercial Builders Unit Trust	Trust	Australia	85.00%	85.00%
170	Johns Lyng Trump Unit Trust	Trust	Australia	100.00%	100.00%
171	Trump Property Maintenance (VIC) Pty Ltd	Body Corporate	Australia	61.00%	51.00%
172	Trump Floorcoverings Victoria Unit Trust	Trust	Australia	61.00%	51.00%
173	Industry Floors Unit Trust	Trust	Australia	37.21%	51.00%
174	Floorcoverings Unit Trust	Trust	Australia	90.00%	90.00%
175	Trump Floorcoverings QLD Pty Ltd	Body Corporate	Australia	90.00%	90.00%
176	Johns Lyng Shopfit Services Unit Trust	Trust	Australia	85.00%	85.00%
177	Johns Lyng Shopfit Services NZ Pty Limited	Body Corporate	New Zealand	80.75%	-
178	Johns Lyng Rapid Retail Response Unit Trust	Trust	Australia	72.25%	80.75%
179	Johns Lyng Shopfit Queensland Unit Trust	Trust	Australia	80.75%	-
180	Global 360 Unit Trust	Trust	Australia	90.00%	85.00%
181	Huski Holding Unit Trust	Trust	Australia	100.00%	100.00%
182	Huski Home Services Unit Trust	Trust	Australia	90.00%	90.00%
183	Johns Lyng Air Control Unit Trust	Trust	Australia	100.00%	100.00%
184	Vanzis Unit Trust (trading as 'Air Control Australia')	Trust	Australia	60.00%	60.00%
185	Air Control New South Wales Unit Trust	Trust	Australia	54.00%	54.00%
186	Air Control Queensland Unit Trust	Trust	Australia	54.00%	54.00%
187	Air Control Victoria Projects Unit Trust	Trust	Australia	54.00%	54.00%
188	Air Control Victoria Services Unit Trust	Trust	Australia	57.00%	57.00%
189	Air Control Victoria Residential Unit Trust	Trust	Australia	54.00%	54.00%
190	Johns Lyng DFS Pty Ltd	Body Corporate	Australia	100.00%	100.00%

NOTE 33. INTERESTS IN SUBSIDIARIES (continued)

				Ownership interest	
	Name	Body corporate, partnership or trust	Principal place of business / country of incorporation / jurisdiction for tax residence	2024 %	2023 %
191	Dressed For Sale Australia Pty Ltd	Body Corporate	Australia	100.00%	65.00%
192	Furniture Rentals Australia Holdings Pty Ltd	Body Corporate	Australia	100.00%	65.00%
193	Dressed for Sale Melbourne Pty Ltd	Body Corporate	Australia	90.00%	52.00%
194	Dressed for Sale Adelaide Pty Ltd	Body Corporate	Australia	100.00%	65.00%
195	Johns Lyng Group International Holdings Pty Ltd (Dormant)	Body Corporate	Australia	100.00%	100.00%
196	Restorx Australia Unit Trust (Dormant)	Trust	Australia	100.00%	100.00%
197	Johns Lyng Group IP Unit Trust (Dormant)	Trust	Australia	100.00%	100.00%
198	Johns Lyng Services Unit Trust	Trust	Australia	100.00%	100.00%

NOTE 34. BUSINESS COMBINATIONS

Linkfire

On 11 July 2023 (effective 1 July 2023), Johns Lyng acquired a 70% controlling equity interest in Link Fire Holdings Pty Ltd ("Linkfire"). Linkfire is a leading provider of fire and essential safety services in Victoria and Newcastle (NSW).

The strategic rationale for the acquisition was to facilitate the Group's expansion into the "Essential Home Services" market.

Control was obtained via share purchase.

The acquisition accounting was provisional at 31 December 2023 and the below reflects the final acquisition accounting.

Details of the purchase consideration:	$'000
Cash paid	12,018
Contingent consideration	6,250
Total purchase consideration	**18,268**

A potential earn-out of up to $6,250,000 is payable based on the financial performance of Linkfire for FY24 and FY25. Accordingly, the Group has recognised a potential earn-out liability in the amount of $6,250,000 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	848
Trade and other receivables	733
Inventories	35
Other current assets	10
Intangibles – customer contracts	3,978
Intangibles – trademarks	929
Right-of-use assets	175
Trade and other payables	(1,075)
Borrowings	(582)
Current tax liability	(244)
Employee provisions	(686)
Right-of-use lease liabilities	(175)
Income in advance	(168)
Deferred tax liability	(1,093)
Net identifiable assets acquired	2,685
Add: goodwill	16,388
Less: non-controlling interests based on their proportionate interest	(805)
Total purchase consideration	**18,268**

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

Goodwill is not deductible for tax purposes.

The market value of customer contracts is measured at the present value of the net cash flows expected to be generated by the contracts.

Contractual amounts

The fair value of receivables from contracts with customers equals the contractual amounts due. The full amount was expected to be collectible at the date of acquisition.

Transaction costs

Transaction costs of $198,485 were incurred in relation to the acquisition. These costs are included in 'transaction related expenses' within profit or loss.

NOTE 34. BUSINESS COMBINATIONS (continued)

Smoke Alarms Australia (SAA)

On 11 July 2023 (effective 1 July 2023), Johns Lyng acquired a 100% equity interest in Project Safety Holdings Pty Ltd ("Smoke Alarms Australia" or "SAA"). SAA is a Sydney-based national provider of smoke alarm, electrical and gas compliance, testing and maintenance services.

The strategic rationale for the acquisition was to facilitate the Group's expansion into the "Essential Home Services" market.

Control was obtained via share purchase.

The acquisition accounting was provisional at 31 December 2023 and the below reflects the final acquisition accounting.

Details of the purchase consideration:	$'000
Cash paid	51,064
Total purchase consideration	**51,064**

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	2,316
Trade and other receivables	1,480
Inventories	1,258
Current tax asset	48
Other current assets	480
Property, plant and equipment	820
Intangibles – customer contracts	2,224
Intangibles – trademarks	1,583
Intangibles – software	904
Right-of-use assets	402
Deferred tax assets	644
Trade and other payables	(2,752)
Borrowings	(752)
Employee provisions	(857)
Right-of-use lease liabilities	(402)
Income in advance	(3,850)
Net identifiable assets acquired	3,546
Add: goodwill	47,518
Total purchase consideration	**51,064**

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

Goodwill is not deductible for tax purposes.

The market value of customer contracts is measured at the present value of the net cash flows expected to be generated by the contracts.

Contractual amounts

The fair value of receivables from contracts with customers equals the contractual amounts due. The full amount was expected to be collectible at the date of acquisition.

Transaction costs

Transaction costs of $742,161 were incurred in relation to the acquisition. These costs are included in 'transaction related expenses' within profit or loss.

Your Local Strata (provisionally accounted)

On 6 September 2023 (effective 1 September 2023), Johns Lyng's subsidiary Bright & Duggan acquired a 100% equity interest in Sydney-based Your Local Strata. Your Local Strata manages 3,077 lots across 187 buildings/strata schemes.

The strategic rationale for the acquisition 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	2,276
Contingent consideration	620
Total purchase consideration	**2,896**

A potential earn-out of $620,000 is payable based on the financial performance of Your Local Strata for FY24.

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	81
Trade and other receivables	22
Accrued income	31
Intangibles – customer contracts	962
Trade and other payables	(32)
Borrowings	(29)
Current tax liability	(131)
Employee provisions	(128)
Deferred tax liability	(248)
Net identifiable assets acquired	528
Add: goodwill	2,368
Total purchase consideration	**2,896**

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

Goodwill is not deductible for tax purposes.

The market value of customer contracts is measured at the present value of the net cash flows expected to be generated by the contracts.

Contractual amounts
The fair value of receivables from contracts with customers equals the contractual amounts due. The full amount was expected to be collectible at the date of acquisition.

Transaction costs
Transaction costs of $47,883 were incurred in relation to the acquisition. These costs are included in 'transaction related expenses' within profit or loss.

NOTE 34. BUSINESS COMBINATIONS (continued)

AM Strata (provisionally accounted)

On 23 February 2024, Johns Lyng's subsidiary Bright & Duggan acquired a 100% equity interest in Gold Coast-based AM Strata (effective 1 March 2024). AM Strata manages 3,948 lots across 136 buildings/strata schemes.

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	4,275
Deferred (non-contingent) consideration	225
Total purchase consideration	4,500

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	84
Trade and other receivables	7
Accrued income	17
Other current assets	20
Intangibles – customer contracts	929
Trade and other payables	(67)
Employee provisions	(60)
Deferred tax liability	(279)
Net identifiable assets acquired	651
Add: goodwill	3,849
Total purchase consideration	**4,500**

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

Goodwill is not deductible for tax purposes.

The market value of customer contracts is measured at the present value of the net cash flows expected to be generated by the contracts.

Contractual amounts

The fair value of receivables from contracts with customers equals the contractual amounts due. The full amount was expected to be collectible at the date of acquisition.

Transaction costs

Transaction costs of $45,998 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	
	2024 $'000	**2023 $'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	26	24
Cash at bank	73,611	129,828
At call deposits with financial institutions	182	182
	73,819	**130,034**
(b) Reconciliation of cash flow from operating activities with profit after income tax		
Profit after income tax for the year	63,283	62,810
Depreciation and amortisation	30,311	21,179
(Profit)/loss on sale of property, plant and equipment	(451)	(299)
Foreign currency translation differences	(444)	2,072
Share based payments expense	3,689	2,645
Change in operating assets and liabilities (excluding those assumed on acquisition):		
Decrease/(increase) in trade and other receivables	4,411	(32,044)
Decrease/(increase) in inventories	619	(1,044)
Decrease/(increase) in accrued income	(506)	28,342
Decrease/(increase) in other current assets	(572)	452
Decrease/(increase) in deferred tax assets/liabilities	299	375
Increase/(decrease) in trade and other payables	(32,884)	18,769
Increase/(decrease) in current tax payable	(5,666)	6,739
Increase/(decrease) in employee provisions	(309)	499
Increase/(decrease) in income in advance	(32,467)	30,183
Net cash from operating activities	**29,313**	**140,678**

(c) Reconciliation of liabilities arising from financing activities

Proceeds from borrowings during the year amounted to $23,450,000 (FY23: $32,431,000). Borrowings were repaid during the year of $30,297,000 (FY23: $16,844,000). Repayments were made in relation to hire purchase liabilities of $10,372,000 (FY23: $5,751,000) and right-of-use (principal) lease liabilities of $10,117,000 (FY23: $8,163,000).

NOTE 36. EARNINGS PER SHARE

	Consolidated	
	2024 $'000	2023 $'000
Profit after income tax	63,283	62,810
Non-controlling interests	(15,271)	(15,964)
Profit after income tax attributable to the owners of Johns Lyng Group	48,012	46,846

	Number	Number
Weighted average number of Ordinary Shares used in calculating basic earnings per share	276,865,614	261,090,311
Weighted average number of Ordinary Shares used in calculating diluted earnings per share	277,743,829	262,034,374

	Cents	Cents
Basic earnings per share	17.34	17.94
Diluted earnings per share	17.29	17.88

NOTE 37. SHARE BASED PAYMENTS

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

	Consolidated	
	2024 $'000	2023 $'000
Value of new shares issued under the Employee Share Loan Plan (Loan Funded Shares)[1]	43	10
Value of share based incentives (Performance Rights and Ordinary Shares) issued under the Employee and Executive Incentive Plan	3,646	2,635
	3,689	**2,645**

[1] 15,625 Loan Funded Shares were issued during FY24 (FY23: nil). 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. This arrangement has since been discontinued from FY25 onwards.

Loan Funded Shares

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 granted was determined by an independent expert using the Monte Carlo option pricing model with the following key inputs:

Grant date	23 Nov-23	23 Nov-23[1]	3 Dec-21	18 Nov-21	23 Nov-20	10 Dec-19	30 Nov-18	18 Oct-17
Grant date share price	$6.13	$6.13	$7.37	$7.00	$2.76	$1.78	$0.89	$1.00
Volatility	45%	45%	30%	30%	40%	40%	40%	45%
Dividend yield	1.46%	1.46%	1.25%	1.25%	1.27%	1.42%	2.29%	2.70%
Risk-free rate	4.48%	4.48%	1.32%	1.39%	0.85%	1.11%	2.59%	2.72%
Fair value	$3.36	$3.41	$2.30	$2.35	$1.65	$1.04	$0.33	$0.46

[1] No Loan Funded Shares were issued during FY23 (in respect of FY22), these Loan Funded Shares (7,978) were issued following Shareholder approval at the 2023 Annual General Meeting.

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. Refer to the Remuneration Report for more details.

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. Refer to the Remuneration Report for more details.

NOTE 38. EVENTS AFTER THE REPORTING PERIOD

On 2 August 2024, Johns Lyng announced the signing of binding Share Purchase Agreements to acquire 100% of SSKB Strata ("SSKB") and 84% of Chill-Rite HVAC ("Chill-Rite") for total upfront aggregate consideration of $57.6m.

Johns Lyng paid $28.8m in cash (funded from JLG's existing revolving credit facility), with the balance payable in JLG Ltd shares to be issued on Completion which is expected to occur in the first quarter of FY25 (effective 1 July). Additionally, there is an aggregate earn-out of up to $15.4m, which is contingent on FY25 and FY26 EBITDA.

SSKB Strata

SSKB is a leading provider of strata and strata related services focused on the east-coast of Australia, with a portfolio of over 44,000 lots across 790 strata schemes. JLG's subsidiary, Bright & Duggan, will make the acquisition, taking its total portfolio to over 145,000 lots. The acquisition further strengthens Bright & Duggan's position as a leader in the strata sector and marks a significant step in the business's strategic growth trajectory.

Chill-Rite HVAC

Chill-Rite is a leading provider of heating, ventilation and air-conditioning services in regional New South Wales. JLG's subsidiary, Air Control, will acquire an 84% controlling equity interest in Chill-Rite. The acquisition creates a strong foundation for further organic expansion into regional Queensland and Victoria and builds Air Control's capacity to service larger national contracts with blue-chip clients.

The founder and majority owner of Chill-Rite will reinvest a portion of the proceeds from the acquisition into a 10% equity interest in the combined Air Control/Chill-Rite business to ensure comprehensive alignment.

FY24 Final Dividend

On 27 August 2024, the Board declared a final dividend of 4.7 cents per share (fully franked). This final dividend is in addition to the previously announced half year (interim) dividend of 4.7 cents per share (fully franked), totalling 9.4 cents per share (fully franked) and representing approximately 54% of NPAT attributable to the owners of Johns Lyng Group for FY24.

The final dividend will be paid on 16 September 2024 with a record date of entitlement of 2 September 2024.

There are no other matters or circumstances that have arisen since 30 June 2024 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.

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

For the year ended 30 June 2024

	Name	Body corporate, partnership or trust	Place incorporated/ formed	% of share capital effectively held (directly or indirectly) by the Company in the entity	Australian or foreign tax residence	Jurisdiction for foreign tax residence
1	Johns Lyng Group Limited	Body Corporate	Australia	N/A	Australian	N/A
2	Johns Lyng Unit Trust	Trust	Australia	100.00%	Australian	N/A
3	Johns Lyng Victoria Unit Trust	Trust	Australia	95.50%	Australian	N/A
4	Johns Lyng Insurance Builders (Vic) Unit Trust (Dormant)	Trust	Australia	95.50%	Australian	N/A
5	Johns Lyng Makesafe Emergency Builders (Victoria) Unit Trust	Trust	Australia	88.58%	Australian	N/A
6	Johns Lyng Aztech Unit Trust	Trust	Australia	79.72%	Australian	N/A
7	One Touch Services Unit Trust	Trust	Australia	88.58%	Australian	N/A
8	Global Home Response Unit Trust	Trust	Australia	88.58%	Australian	N/A
9	Global Trade Unit Trust	Trust	Australia	88.58%	Australian	N/A
10	Johns Lyng Makesafe Victoria Insurance Services Unit Trust	Trust	Australia	79.72%	Australian	N/A
11	Johns Lyng Project Solutions Unit Trust	Trust	Australia	88.58%	Australian	N/A
12	Johns Lyng Express Claims (VIC) Unit Trust	Trust	Australia	90.73%	Australian	N/A
13	Johns Lyng Insurance Building Solutions (Victoria) Unit Trust	Trust	Australia	90.73%	Australian	N/A
14	JLG SC Victoria Unit Trust	Trust	Australia	86.19%	Australian	N/A
15	Restorx (VIC) Unit Trust	Trust	Australia	90.25%	Australian	N/A
16	Restorx (VIC) Insurance Services Unit Trust	Trust	Australia	85.74%	Australian	N/A
17	Restorx (VIC) Major Loss Unit Trust	Trust	Australia	85.74%	Australian	N/A
18	Restorx (VIC) Delivery Unit Trust	Trust	Australia	90.25%	Australian	N/A
19	Restorx (VIC) Biohazard Services Unit Trust	Trust	Australia	90.25%	Australian	N/A
20	Johns Lyng (VIC) Regional Unit Trust	Trust	Australia	88.82%	Australian	N/A
21	Johns Lyng (VIC) Gippsland Unit Trust	Trust	Australia	84.37%	Australian	N/A
22	Johns Lyng (VIC) Geelong Unit Trust	Trust	Australia	88.82%	Australian	N/A
23	Johns Lyng (VIC) North Unit Trust	Trust	Australia	84.37%	Australian	N/A
24	JL VIC North Holdco Pty Ltd (Dormant)	Body Corporate	Australia	88.82%	Australian	N/A
25	Johns Lyng Insurance Building Solutions (Tasmania) Unit Trust	Trust	Australia	95.50%	Australian	N/A
26	Johns Lyng Group Disaster Management (Victoria) Unit Trust	Trust	Australia	96.50%	Australian	N/A

	Name	Body corporate, partnership or trust	Place incorporated/ formed	% of share capital effectively held (directly or indirectly) by the Company in the entity	Australian or foreign tax residence	Jurisdiction for foreign tax residence
27	Disaster Management Australia Pty Ltd	Body Corporate	Australia	96.50%	Australian	N/A
28	Johns Lyng Group Disaster Management (QLD) Co Pty Ltd (Formerly Johns Lyng Disaster Management Australia Pty Ltd)	Body Corporate	Australia	96.50%	Australian	N/A
29	A1 Services Co Pty Ltd (Formerly A1 Estimates Pty Ltd)	Body Corporate	Australia	57.90%	Australian	N/A
30	Johns Lyng Energy Unit Trust	Trust	Australia	77.20%	Australian	N/A
31	Johns Lyng Hire Unit Trust	Trust	Australia	96.50%	Australian	N/A
32	Johns Lyng Group Disaster Management (Queensland) Pty Ltd	Body Corporate	Australia	96.50%	Australian	N/A
33	Johns Lyng NSW Unit Trust	Trust	Australia	88.50%	Australian	N/A
34	Johns Lyng Makesafe Emergency Builders (NSW) Unit Trust	Trust	Australia	88.50%	Australian	N/A
35	Johns Lyng Express Building Solutions (NSW) Unit Trust	Trust	Australia	88.50%	Australian	N/A
36	Johns Lyng Insurance Building Solutions (NSW) Unit Trust	Trust	Australia	84.08%	Australian	N/A
37	JLG SC NSW Unit Trust	Trust	Australia	84.08%	Australian	N/A
38	Restorx NSW Unit Trust	Trust	Australia	79.65%	Australian	N/A
39	Restorx (NSW) Major Loss Unit Trust	Trust	Australia	71.69%	Australian	N/A
40	Restorx Newcastle Unit Trust	Trust	Australia	79.65%	Australian	N/A
41	Restorx NSW Regional South Unit Trust	Trust	Australia	79.65%	Australian	N/A
42	Restorx NSW Delivery Unit Trust	Trust	Australia	79.65%	Australian	N/A
43	Johns Lyng (NSW) Regional Unit Trust	Trust	Australia	82.61%	Australian	N/A
44	Johns Lyng Regional Makesafe NSW Unit Trust	Trust	Australia	78.48%	Australian	N/A
45	Johns Lyng (ACT) Unit Trust	Trust	Australia	82.61%	Australian	N/A
46	Johns Lyng Regional ACT - South Coast Unit Trust	Trust	Australia	82.61%	Australian	N/A
47	Johns Lyng Regional ACT - Riverina Unit Trust	Trust	Australia	82.61%	Australian	N/A
48	Johns Lyng Central NSW Unit Trust	Trust	Australia	74.35%	Australian	N/A
49	Johns Lyng Newcastle Unit Trust	Trust	Australia	82.61%	Australian	N/A
50	Johns Lyng Queensland Unit Trust	Trust	Australia	92.30%	Australian	N/A
51	Johns Lyng Northern Territory Unit Trust	Trust	Australia	83.07%	Australian	N/A
52	Johns Lyng Makesafe Emergency Builders (QLD) Unit Trust	Trust	Australia	92.30%	Australian	N/A

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

For the year ended 30 June 2024

	Name	Body corporate, partnership or trust	Place incorporated/ formed	% of share capital effectively held (directly or indirectly) by the Company in the entity	Australian or foreign tax residence	Jurisdiction for foreign tax residence
53	Johns Lyng Express Building Solutions (QLD) Unit Trust	Trust	Australia	83.07%	Australian	N/A
54	Johns Lyng Insurance Building Solutions (Brisbane) Unit Trust	Trust	Australia	87.69%	Australian	N/A
55	JLG SC Queensland Unit Trust	Trust	Australia	92.30%	Australian	N/A
56	Johns Lyng (QLD) Regional Unit Trust	Trust	Australia	87.69%	Australian	N/A
57	Johns Lyng (QLD) Gold Coast Unit Trust	Trust	Australia	87.69%	Australian	N/A
58	Johns Lyng (QLD) Central Unit Trust	Trust	Australia	83.30%	Australian	N/A
59	Johns Lyng (QLD) North Unit Trust	Trust	Australia	78.92%	Australian	N/A
60	Trump Ceramic and Timber Unit Trust	Trust	Australia	92.30%	Australian	N/A
61	Restorx Services QLD Unit Trust	Trust	Australia	83.07%	Australian	N/A
62	Restorx Queensland Insurance Services Unit Trust	Trust	Australia	78.92%	Australian	N/A
63	Restorx Queensland Major Loss Unit Trust	Trust	Australia	78.92%	Australian	N/A
64	Johns Lyng Large Loss Queensland Unit Trust	Trust	Australia	83.07%	Australian	N/A
65	Johns Lyng Insurance Building Solutions (QLD) Unit Trust (Dormant)	Trust	Australia	92.30%	Australian	N/A
66	Johns Lyng Insurance Building Solutions (WA) Unit Trust	Trust	Australia	86.00%	Australian	N/A
67	Restorx (WA) Unit Trust	Trust	Australia	81.70%	Australian	N/A
68	JLG SC Western Australia Unit Trust	Trust	Australia	86.00%	Australian	N/A
69	Johns Lyng WA Express Unit Trust	Trust	Australia	81.70%	Australian	N/A
70	Johns Lyng WA Makesafe Unit Trust	Trust	Australia	81.70%	Australian	N/A
71	Johns Lyng (SA) StateCo Unit Trust	Trust	Australia	98.50%	Australian	N/A
72	Johns Lyng (SA) HoldCo Unit Trust	Trust	Australia	88.65%	Australian	N/A
73	Unitech Building Services Pty Ltd	Body Corporate	Australia	88.65%	Australian	N/A
74	Johns Lyng Insurance Building Solutions (SA) Unit Trust	Trust	Australia	88.65%	Australian	N/A
75	Johns Lyng Steamatic Australia Pty Ltd	Body Corporate	Australia	98.50%	Australian	N/A
76	Steamatic Restoration and Recovery Pty Ltd	Body Corporate	Australia	59.10%	Australian	N/A
77	Fischer's Cleaning Pty Ltd	Body Corporate	Australia	59.10%	Australian	N/A
78	Johns Lyng Keystone Holdings Pty Ltd	Body Corporate	Australia	100.00%	Australian	N/A

	Name	Body corporate, partnership or trust	Place incorporated/ formed	% of share capital effectively held (directly or indirectly) by the Company in the entity	Australian or foreign tax residence	Jurisdiction for foreign tax residence
79	Johns Lyng Keystone Pty Ltd	Body Corporate	Australia	100.00%	Australian	N/A
80	Johns Lyng NZ Limited (formerly Global Home Response NZ Limited)	Body Corporate	New Zealand	100.00%	Foreign	New Zealand
81	A1 Estimates (NZ) Limited	Body Corporate	New Zealand	60.00%	Foreign	New Zealand
82	Steamatic (NZ) Limited	Body Corporate	New Zealand	60.00%	Foreign	New Zealand
83	Johns Lyng NZ Holdings Limited	Body Corporate	New Zealand	88.50%	Foreign	New Zealand
84	Mainland Building Services (NZ) Limited	Body Corporate	New Zealand	70.80%	Foreign	New Zealand
85	Restorx (NZ) Limited	Body Corporate	New Zealand	88.50%	Foreign	New Zealand
86	Strategic Investment Holdings No.1 Pty Ltd	Body Corporate	Australia	100.00%	Australian	N/A
87	Johns Lyng USA, LLC	Body Corporate	USA	100.00%	Foreign	USA
88	Johns Lyng Intermediary Holdings, LLC	Body Corporate	USA	92.00%	Foreign	USA
89	Steamatic Property, LLC	Body Corporate	USA	92.00%	Foreign	USA
90	Steamatic of Nashville Real Property Holdings, LLC	Body Corporate	USA	92.00%	Foreign	USA
91	Steamatic Holdings, LLC (formerly Johns Lyng Florida, LLC)	Body Corporate	USA	92.00%	Foreign	USA
92	Steamatic (Operating) Holdings, LLC	Body Corporate	USA	92.00%	Foreign	USA
93	Steamatic, LLC	Body Corporate	USA	85.10%	Foreign	USA
94	Johns Lyng Customer Connect, LLC	Body Corporate	USA	76.59%	Foreign	USA
95	Reconstruction Holdings, Inc	Body Corporate	USA	92.00%	Foreign	USA
96	Reconstruction, Inc	Body Corporate	USA	92.00%	Foreign	USA
97	Reconstruction Experts, Inc	Body Corporate	USA	92.00%	Foreign	USA
98	Johns Lyng Texas, LLC	Body Corporate	USA	82.80%	Foreign	USA
99	Advanced Roofing & Sheetmetal Texas, LLC	Body Corporate	USA	78.66%	Foreign	USA
100	Reconstruction Experts Texas, LLC	Body Corporate	USA	82.80%	Foreign	USA

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

For the year ended 30 June 2024

	Name	Body corporate, partnership or trust	Place incorporated/ formed	% of share capital effectively held (directly or indirectly) by the Company in the entity	Australian or foreign tax residence	Jurisdiction for foreign tax residence
101	Steamatic North Texas, LLC	Body Corporate	USA	82.80%	Foreign	USA
102	Johns Lyng Express Dallas, LLC	Body Corporate	USA	82.80%	Foreign	USA
103	Steamatic of Northwest Houston, LLC	Body Corporate	USA	82.80%	Foreign	USA
104	Johns Lyng Florida, LLC	Body Corporate	USA	82.80%	Foreign	USA
105	Reconstruction Experts Florida, LLC	Body Corporate	USA	78.66%	Foreign	USA
106	Advanced Roofing & Sheetmetal SW FL, LLC	Body Corporate	USA	74.52%	Foreign	USA
107	Johns Lyng California, LLC	Body Corporate	USA	87.40%	Foreign	USA
108	Johns Lyng Colorado, LLC	Body Corporate	USA	92.00%	Foreign	USA
109	Johns Lyng Express Colorado, LLC	Body Corporate	USA	87.40%	Foreign	USA
110	Steamatic of Denver, LLC	Body Corporate	USA	92.00%	Foreign	USA
111	Advanced Roofing & Sheetmetal Colorado, LLC	Body Corporate	USA	87.40%	Foreign	USA
112	Reconstruction Experts Colorado, LLC	Body Corporate	USA	87.40%	Foreign	USA
113	Johns Lyng Project Solutions, LLC	Body Corporate	USA	87.40%	Foreign	USA
114	Johns Lyng Makesafe Denver, LLC	Body Corporate	USA	92.00%	Foreign	USA
115	Johns Lyng Tennessee, LLC	Body Corporate	USA	87.40%	Foreign	USA
116	Johns Lyng Makesafe Nashville, LLC	Body Corporate	USA	87.40%	Foreign	USA
117	Johns Lyng Express Nashville, LLC	Body Corporate	USA	87.40%	Foreign	USA
118	Steamatic Nashville, LLC	Body Corporate	USA	83.03%	Foreign	USA
119	Steamatic of Nashville, LLC	Body Corporate	USA	83.03%	Foreign	USA
120	Advanced Roofing & Sheetmetal, LLC	Body Corporate	USA	92.00%	Foreign	USA
121	Johns Lyng USA Consulting, LLC	Body Corporate	USA	82.80%	Foreign	USA
122	Colorado Roofing Supply, LLC	Body Corporate	USA	92.00%	Foreign	USA

	Name	Body corporate, partnership or trust	Place incorporated/ formed	% of share capital effectively held (directly or indirectly) by the Company in the entity	Australian or foreign tax residence	Jurisdiction for foreign tax residence
123	Johns Lyng Strata Management Pty Ltd	Body Corporate	Australia	100.00%	Australian	N/A
124	Bright & Duggan Group Pty Ltd	Body Corporate	Australia	80.00%	Australian	N/A
125	Bright & Duggan Property Group Pty Ltd	Body Corporate	Australia	80.00%	Australian	N/A
126	North Shore Strata Management Pty Ltd	Body Corporate	Australia	64.00%	Australian	N/A
127	Bright & Duggan (Hunter) Pty Ltd	Body Corporate	Australia	40.80%	Australian	N/A
128	Bright & Duggan Pty Ltd	Body Corporate	Australia	80.00%	Australian	N/A
129	Bright & Duggan (QLD) Pty Ltd	Body Corporate	Australia	80.00%	Australian	N/A
130	Bright & Duggan (VIC) Pty Ltd	Body Corporate	Australia	80.00%	Australian	N/A
131	Bright & Duggan (ACT) Pty Ltd	Body Corporate	Australia	80.00%	Australian	N/A
132	CMS Holdings (Mirvac) Pty Ltd	Body Corporate	Australia	80.00%	Australian	N/A
133	Cambridge Management Services Pty Ltd	Body Corporate	Australia	80.00%	Australian	N/A
134	Cambridge Management Services (Hunter) Pty Ltd	Body Corporate	Australia	40.80%	Australian	N/A
135	Focus Community Management Pty Ltd	Body Corporate	Australia	80.00%	Australian	N/A
136	Capitol Strata Management (Holdings) Pty Ltd	Body Corporate	Australia	80.00%	Australian	N/A
137	Capitol Strata Management (Brisbane) Pty Ltd	Body Corporate	Australia	80.00%	Australian	N/A
138	Capitol Strata Management (Redcliffe) Pty Ltd	Body Corporate	Australia	80.00%	Australian	N/A
139	Capitol Strata Management (Gold Coast) Pty Ltd	Body Corporate	Australia	80.00%	Australian	N/A
140	Adpen Strata Pty Ltd	Body Corporate	Australia	80.00%	Australian	N/A
141	Bright & Duggan Facilities Management Pty Ltd	Body Corporate	Australia	60.00%	Australian	N/A
142	Structure Integrated Group Pty Ltd	Body Corporate	Australia	60.00%	Australian	N/A
143	Structure Building Management Pty Ltd	Body Corporate	Australia	60.00%	Australian	N/A
144	Waratah Building Management Pty Ltd	Body Corporate	Australia	60.00%	Australian	N/A

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

For the year ended 30 June 2024

	Name	Body corporate, partnership or trust	Place incorporated/ formed	% of share capital effectively held (directly or indirectly) by the Company in the entity	Australian or foreign tax residence	Jurisdiction for foreign tax residence
145	Shift Facilities Management Pty Ltd	Body Corporate	Australia	60.00%	Australian	N/A
146	Change Strata Management Pty Ltd	Body Corporate	Australia	80.00%	Australian	N/A
147	Brisbay Pty Ltd	Body Corporate	Australia	80.00%	Australian	N/A
148	Advanced Community Management Pty Ltd	Body Corporate	Australia	80.00%	Australian	N/A
149	Your Local Strata (Holdings) Pty Ltd	Body Corporate	Australia	80.00%	Australian	N/A
150	Your Local Strata Southern Pty Ltd	Body Corporate	Australia	80.00%	Australian	N/A
151	Your Local Strata Inner West Pty Ltd	Body Corporate	Australia	80.00%	Australian	N/A
152	Your Local Strata Sydney Pty Ltd	Body Corporate	Australia	80.00%	Australian	N/A
153	Place Portfolio Solutions Pty Ltd	Body Corporate	Australia	80.00%	Australian	N/A
154	AM Strata (Australia) Pty Ltd	Body Corporate	Australia	80.00%	Australian	N/A
155	AM Strata Pty Ltd	Body Corporate	Australia	80.00%	Australian	N/A
156	Johns Lyng Strata Services Unit Trust	Trust	Australia	80.00%	Australian	N/A
157	Johns Lyng Strata Services Victoria Unit Trust	Trust	Australia	64.00%	Australian	N/A
158	Johns Lyng Strata NSW Unit Trust	Trust	Australia	64.00%	Australian	N/A
159	Johns Lyng Strata Services Queensland Unit Trust	Trust	Australia	76.00%	Australian	N/A
160	JL Smoke Alarms Australia Holdings Pty Ltd (Formerly Smoke Alarms Australia Holdings Pty Ltd)	Body Corporate	Australia	100.00%	Australian	N/A
161	Project Safety Holdings Pty Ltd	Body Corporate	Australia	91.60%	Australian	N/A
162	Smoke Alarms Australia Pty Ltd	Body Corporate	Australia	91.60%	Australian	N/A
163	Landlord Compliance NSW Pty Ltd	Body Corporate	Australia	91.60%	Australian	N/A
164	JL Linkfire Holdings Pty Ltd	Body Corporate	Australia	100.00%	Australian	N/A
165	Link Fire Holdings Pty Ltd	Body Corporate	Australia	70.00%	Australian	N/A
166	Link Fire Pty. Ltd.	Body Corporate	Australia	70.00%	Australian	N/A

	Name	Body corporate, partnership or trust	Place incorporated/ formed	% of share capital effectively held (directly or indirectly) by the Company in the entity	Australian or foreign tax residence	Jurisdiction for foreign tax residence
167	Connect Strata & Facility Maintenance Pty Ltd	Body Corporate	Australia	66.50%	Australian	N/A
168	Linkfire (Newcastle) Pty Ltd	Body Corporate	Australia	56.00%	Australian	N/A
169	Johns Lyng Glass Unit Trust (Dormant)	Trust	Australia	100.00%	Australian	N/A
170	Johns Lyng Commercial Builders Unit Trust	Trust	Australia	85.00%	Australian	N/A
171	Johns Lyng Trump Unit Trust	Trust	Australia	100.00%	Australian	N/A
172	Trump Property Maintenance (VIC) Pty Ltd	Body Corporate	Australia	61.00%	Australian	N/A
173	Trump Floorcoverings Victoria Unit Trust	Trust	Australia	61.00%	Australian	N/A
174	Industry Floors Unit Trust	Trust	Australia	37.21%	Australian	N/A
175	Floorcoverings Unit Trust	Trust	Australia	90.00%	Australian	N/A
176	Trump Floorcoverings QLD Pty Ltd	Body Corporate	Australia	90.00%	Australian	N/A
177	Johns Lyng Shopfit Services Unit Trust	Trust	Australia	85.00%	Australian	N/A
178	Johns Lyng Shopfit Services NZ Pty Limited	Body Corporate	New Zealand	80.75%	Foreign	New Zealand
179	Johns Lyng Rapid Retail Response Unit Trust	Trust	Australia	72.25%	Australian	N/A
180	Johns Lyng Shopfit Queensland Unit Trust	Trust	Australia	80.75%	Australian	N/A
181	Global 360 Unit Trust	Trust	Australia	90.00%	Australian	N/A
182	Huski Holding Unit Trust	Trust	Australia	100.00%	Australian	N/A
183	Huski Home Services Unit Trust	Trust	Australia	90.00%	Australian	N/A
184	Johns Lyng Air Control Unit Trust	Trust	Australia	100.00%	Australian	N/A
185	Vanzis Unit Trust (trading as 'Air Control Australia')	Trust	Australia	60.00%	Australian	N/A
186	Air Control New South Wales Unit Trust	Trust	Australia	54.00%	Australian	N/A
187	Air Control Queensland Unit Trust	Trust	Australia	54.00%	Australian	N/A
188	Air Control Victoria Projects Unit Trust	Trust	Australia	54.00%	Australian	N/A
189	Air Control Victoria Services Unit Trust	Trust	Australia	57.00%	Australian	N/A
190	Air Control Victoria Residential Unit Trust	Trust	Australia	54.00%	Australian	N/A
191	Johns Lyng DFS Pty Ltd	Body Corporate	Australia	100.00%	Australian	N/A

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

For the year ended 30 June 2024

	Name	Body corporate, partnership or trust	Place incorporated/ formed	% of share capital effectively held (directly or indirectly) by the Company in the entity	Australian or foreign tax residence	Jurisdiction for foreign tax residence
192	Dressed For Sale Australia Pty Ltd	Body Corporate	Australia	100.00%	Australian	N/A
193	Furniture Rentals Australia Holdings Pty Ltd	Body Corporate	Australia	100.00%	Australian	N/A
194	Dressed for Sale Melbourne Pty Ltd	Body Corporate	Australia	90.00%	Australian	N/A
195	Dressed for Sale Adelaide Pty Ltd	Body Corporate	Australia	100.00%	Australian	N/A
196	Johns Lyng Group International Holdings Pty Ltd (Dormant)	Body Corporate	Australia	100.00%	Australian	N/A
197	Restorx Australia Unit Trust (Dormant)	Trust	Australia	100.00%	Australian	N/A
198	Johns Lyng Group IP Unit Trust (Dormant)	Trust	Australia	100.00%	Australian	N/A
199	Johns Lyng Services Unit Trust	Trust	Australia	100.00%	Australian	N/A

Key assumptions and judgements

Determination of Tax Residency

Section 295(3A) of the *Corporations Act* 2001 (Cth) requires disclosure of the tax residency of each entity which is included in the Consolidated Entity Disclosure Statement (CEDS). In the context of an entity which was an Australian resident, "Australian Resident" has the meaning provided in the *Income Tax Assessment Act* 1997. The determination of tax residency involves judgment as the determination of tax residency is highly fact dependent and there are currently several different interpretations that could be adopted, which could give rise to a different conclusion on tax residency.

In determining tax residency, the Group has applied the following interpretations:

- Australian tax residency

The Group has applied current legislation and judicial precedent, including having regard to the Commissioner of Taxation's public guidance in *Tax Ruling TR 2018/5*.

- Foreign tax residency

The Group has applied current legislation and where available judicial precedent in the determination of foreign tax residency. Where necessary, the Group has used independent tax advisers in foreign jurisdictions to assist in its determination of tax residency to ensure applicable foreign tax legislation has been complied with.

Partnerships and Trusts

Australian tax law does not contain specific residency tests for partnerships and trusts. Generally, these entities are taxed on a flow-through basis so there is no need for a general residence test. There are some provisions which treat trusts as residents for certain purposes, but this does not mean the trust itself is an entity that is subject to tax.

Additional disclosures on the tax status of partnerships and trusts have been provided where relevant.

Branches (permanent establishments)

Foreign branches of Australian subsidiaries are not separate entities and therefore do not have a separate residency for Australian tax purposes. Generally, the Australian subsidiary that the branch is a part of will be the relevant tax resident, rather than the branch operations.

Additional disclosures on the tax status of Australian subsidiaries having a foreign branch with a taxable presence in that jurisdiction have been provided where relevant.

DIRECTORS' DECLARATION

30 June 2024

The Directors declare that:

1. In the Directors' opinion, the financial statements and notes thereto, as set out on pages 71 to 119, are in accordance with the *Corporations Act* 2001 (Cth), 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;
   (c) giving a true and fair view of the financial position of the Group as at 30 June 2024 and of its performance for the year ended on that date; and
   (d) The Consolidated Entity Disclosure Statement as at 30 June 2024 set out on pages 120 to 128 is true and correct.
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 (Cth) for the financial year ended 30 June 2024.

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

On behalf of the Directors

Peter Nash
Chairman

27 August 2024

Scott Didier AM
Managing Director

27 August 2024

Independent Auditor's Report

To the shareholders 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).

In our opinion, the accompanying Financial Report of the Company gives a true and fair view, including of the ***Group***'s financial position as at 30 June 2024 and of its financial performance for the year then ended, in accordance with the *Corporations Act 2001*, in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Consolidated Statement of financial position as at 30 June 2024;
- Consolidated Statement of profit or loss, Consolidated Statement of comprehensive income, Consolidated Statement of changes in equity, and Consolidated Statement of cash flows for the year then ended;
- Consolidated entity disclosure statement and accompanying basis of preparation as at 30 June 2024;
- Notes, including material accounting policies; and
- Directors' Declaration.

The ***Group*** consists of the Company and the entities it controlled at the year end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 Group in accordance with 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 fulfilled our other ethical responsibilities in accordance with these requirements.

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

KPMG

Key Audit Matters

The ***Key Audit Matters*** we identified are:

- Revenue recognition and work in progress – accrued income and income in advance; and
- Valuation of goodwill and indefinite life intangible assets.

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.

Revenue recognition ($1,159m) and work in progress - accrued income ($49m) and income in advance (A$41m)

Refer to Note 5 Revenue and Other Income, Note 11 Accrued Income and Note 20 Income in Advance to the Financial Report.

The key audit matter	How the matter was addressed in our audit

The Group performs various insurance building and restoration services, commercial building services and commercial construction contract works (projects). Each project has a different risk profile based on its individual contractual and delivery characteristics.
 	
Revenue recognition from insurance building and restoration services is a key audit matter as judgement is required to assess the timing of recognition determined by the Group. It is the Group's policy for revenue on these types of contracts to be earned over time based on costs incurred for work performed to date as a percentage of total estimated costs under the contract.
 	
Estimating forecast cost to complete during the project life requires judgement. Cost estimates include labour, materials, and project overheads. Changes to these cost estimates could give rise to variances in the amount of revenue recognised.
	Our procedures included:
	
	• Evaluating and testing key controls in relation to review and approval of revenue and cost forecasting;
	
	• Selecting a sample of work in progress projects for testing using statistical sampling techniques and data analytic routines. For the sample selected, we:
	  ◦ Read relevant contract terms and conditions to evaluate the inclusion of individual characteristics and project risks in the Group's estimates;
	  ◦ Attended the Group's year-end project review meetings and held inquiries with key project personnel. Assessed the project status, forecast costs, risks and opportunities;
	  ◦ Tested a sample of incurred costs to supplier invoices and other underlying documentation; and
	  ◦ Challenged the forecast cost to complete by comparing a sample of costs to secured contracts for construction activities, other relevant underlying sources, our understanding of the industry and committed future costs.

KPMG

Valuation of goodwill ($318m) and indefinite life intangible assets ($15m)

Refer to Note 14 Intangibles to the Financial Report

The key audit matter

A key audit matter for us was the Group's annual testing of goodwill and indefinite life intangible assets for impairment, given the size of the balance (being 41% of total assets). We focused on the significant forward-looking assumptions the Group applied in their value in use models, including:

- Forecast operating cash flows – there is uncertainty in forecasting the cashflows prepared by the Group due to estimating the future trends in the relevant industry. There is a risk of inaccurate forecasts or a wider range of possible outcomes for us to consider, leading to the possibility of goodwill and indefinite life intangible assets being impaired;
- Terminal growth rates – in addition to the uncertainties described above, the Group's models are sensitive to changes in terminal growth rates, reducing available headroom. This drives additional audit effort specific to their feasibility and consistency of application to the Group's strategy; and
- Discount rates - these are complicated in nature and vary according to the conditions and environment of each Cash Generating Unit (CGU), and the models' approach to incorporating risks into the cash flows or discount rates.

We involved our valuation specialists to supplement our senior audit team members in assessing this key audit matter.

How the matter was addressed in our audit

Working with our valuation specialists, our procedures included:

- Considered the appropriateness of the value in use method applied by the Group to perform the annual impairment test of goodwill and indefinite life intangible assets against the requirements of the accounting standards;
- Assessed the integrity of the value in use models used, including the accuracy of the underlying calculation formulas;
- We compared the forecast cash flows in the value in use models to Board approved forecasts;
- Assessed the accuracy of previous Group forecasts to actual performance to inform our evaluation of forecasts incorporated in the models;
- Considered the interdependencies of key assumptions when performing the sensitivity analysis of the models by varying key assumptions, such as forecast operating cash flows, terminal growth rates and discount rates, within a reasonably possible range. We did this to identify those CGUs at higher risk of impairment and to focus our further procedures;
- Independently developed discount rate ranges considered comparable using publicly available market data for comparable entities, adjusted by risk factors specific to the Group and the industry it operates in;
- Challenged the Group's significant forecast operating cash flows and terminal growth rate assumptions due to the uncertainty in forecasting the cash flows prepared by the Group. We compared terminal growth rates to published studies of industry trends and expectations and considered differences for the Group's operations. We used our knowledge of the Group, their past performance, business and customers, and our industry experience; and

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

KPMG

	• Assessed the disclosures in the financial report using our understanding obtained from our testing and against the requirements of the accounting standards.

Other Information

Other Information is financial and non-financial information in Johns Lyng Group Limited's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we 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.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report in accordance with the Corporations Act 2001, including giving a true and fair view of the financial position and performance of the Group, and in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*;
- implementing necessary internal control to enable the preparation of a Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and that is free from material misstatement, whether due to fraud or error; and
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- 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 *Australian Auditing Standards* will always detect a material misstatement when it exists.

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

KPMG

Misstatements can arise from fraud or error. They 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 the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf This description forms part of our Auditor's Report.

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Johns Lyng Group Limited for the year ended 30 June 2024, complies with *Section 300A* of the *Corporations Act 2001*.

Directors' 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 responsibilities

We have audited the Remuneration Report included in pages 57 to 68 of the Directors' report for the year ended 30 June 2024.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

KPMG

Tony Romeo

Partner

Melbourne

27 August 2024

SHAREHOLDER INFORMATION

30 June 2024

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 2024 (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	48,966,567	17.73%
– Trump One Pty Limited/ Scott Didier AM	Ordinary Shares	469,031	0.17%
– Yvette & Scott Investments Pty Ltd/Scott Didier AM	Ordinary Shares	11,219	–
Total – Scott Didier AM	**Ordinary Shares**	**49,446,817**	**17.90%**
Capital Research and Management Company	Ordinary Shares	17,606,087	7.85%

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	6,956

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 6,956 holders of a total of 278,519,543 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 2024

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

Holding ranges	Holders	Total Ordinary Shares	%
1 – 1,000	3,955	1,533,218	0.55%
1,001 – 5,000	2,004	4,987,756	1.79%
5,001 – 10,000	535	3,941,838	1.42%
10,001 – 100,000	397	10,188,379	3.66%
>100,000	65	257,868,352	92.58%
Total	**6,956**	**278,519,543**	**100.00%**

Number of holders

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

Class of equity securities	Number of holders
Fully paid Ordinary Shares	6,956
Loan Funded Ordinary Shares restricted until 31 December 2024	5
Fully paid Ordinary Shares restricted until 30 April 2025	1
Performance Rights (FY21 – staff bonus)[1]	1
Performance Rights (FY22 LTI – tranches 1-3)[2]	8
Performance Rights (FY23 – staff bonus)[3]	1
Performance Rights (FY23 STI – tranche 3)[4]	10
Performance Rights (FY23 LTI – tranches 1-3)[5]	6

[1] Performance Rights vest 22 November 2026.

[2] Performance Rights vest 1 July 2025.

[3] Performance Rights vest 15 December 2027.

[4] Performance Rights vest 1 July 2025.

[5] Performance Rights vest 1 July 2026.

Escrow

Class of restricted securities	Type of restriction	Number of securities	End date of escrow period
Loan Funded Ordinary Shares	Voluntary escrow	418,382	31 December 2024
Ordinary Shares	Voluntary escrow	170,682	30 April 2025
Total		**589,064**	

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
278,519,543	25,716	465	0.01%

Unquoted equity securities

Class of equity securities	Number of securities
Performance Rights (FY21 – staff bonus)[1]	203,341
Performance Rights (FY22 LTI – tranches 1-3)[2]	119,134
Performance Rights (FY23 – staff bonus)[3]	152,937
Performance Rights (FY23 STI – tranche 3)[4]	116,143
Performance Rights (FY23 LTI – tranches 1-3)[5]	110,118
Total	**701,673**

1 Performance Rights vest 22 November 2026.

2 Performance Rights vest 1 July 2025.

3 Performance Rights vest 15 December 2027.

4 Performance Rights vest 1 July 2025.

5 Performance Rights vest 1 July 2026.

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

SHAREHOLDER INFORMATION

30 June 2024

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	63,151,666	22.67%
2	J P Morgan Nominees Australia Pty Limited	57,842,845	20.77%
3	JLRX Investments Pty Ltd	48,966,567	17.58%
4	Citicorp Nominees Pty Limited	35,376,549	12.70%
5	Washington H Soul Pattinson and Company Limited	11,653,878	4.18%
6	Steadfast Group Limited	6,011,940	2.16%
7	National Nominees Limited	5,195,239	1.87%
8	BNP Paribas Noms Pty Ltd	2,460,936	0.88%
9	NSC Collective Pty Ltd	2,231,245	0.80%
10	John Mc Pty Ltd	2,174,688	0.78%
11	BNP Paribas Nominees Pty Ltd	1,737,665	0.62%
12	BNP Paribas Noms (NZ) Ltd	1,526,391	0.55%
13	First Samuel Ltd ACN 086243567	1,464,997	0.53%
14	BNP Paribas Nominees Pty Ltd	1,324,796	0.48%
15	Sandhurst Trustees Ltd	1,133,354	0.41%
16	Mr Thomas Andrew Alvin & Mrs Sally Anne Alvin	1,132,972	0.41%
17	P&T Folkard Investments P/L	1,016,974	0.37%
18	Mr Trevor Darrell Bright	842,051	0.30%
19	Two Strides Ahead Pty Ltd	800,724	0.29%
20	St Mudd Pty Ltd	728,344	0.26%
	Total number of shares of top 20 holders	**246,773,821**	**88.61%**

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 (Cth) 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.


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