

JOHNS LYNG GROUP LIMITED (ASX: JLG)

ASX & Media Release

16 November 2022

Johns Lyng Group consolidates CAT and strata businesses with three bolt-on acquisitions

Johns Lyng Group (ASX: **JLG**) is pleased to announce three bolt-on acquisitions across its catastrophe response (CAT) and strata management businesses.

Johns Lyng Disaster Management has acquired a 60% equity interest in A1 Estimates Pty Ltd (A1). A1 is a Byron Bay-based insurance repairs estimating business that has worked as a key sub-contractor for the Group's Flood Property Assessment Program in Northern NSW.

Total potential consideration for the 60% equity interest is a maximum of \$2.341m, with \$1.515m cash at Completion, deferred consideration of \$0.550m payable in JLG Ltd shares, and an earn-out of up to \$0.276m payable in JLG Ltd shares. The acquisition completed on 4 November 2022 with an Effective Date of 1 November 2022.

Nick Wiesener, Head of Johns Lyng Disaster Recovery and Resilience said: "The acquisition of A1 Estimates is an important step as we continue to build out the service offering of our Disaster Recovery and Resilience services. Most importantly Tom Jordan, the Founder and CEO of A1, will join the Johns Lyng team and he will make a substantial contribution to our Northern Rivers program and our broader offering in the future."

Johns Lyng has also acquired two Queensland-based strata management companies. The first being an 80% equity interest in North Shore Strata (NSS) based on the Sunshine Coast. NSS currently manages 1,751 lots across 250 schemes and has been in operation since 1996. North Shore was acquired by Johns Lyng's strata management subsidiary Bright & Duggan, with a 20% equity interest retained by current Principal Cathy Pashley.

Total potential consideration for the 80% equity interest in North Shore is a maximum of \$2.379m, with \$1.933m cash at Completion, and an earn-out of up to \$0.446m payable in cash. The acquisition completed on 10 November 2022 with an Effective Date of 1 November 2022.

The second strata acquisition is a 100% equity interest in Adpen Strata (Adpen) based in Brisbane. Adpen currently manages 372 lots across 40 schemes and has been in operation since 2013. Adpen was acquired by Bright & Duggan's subsidiary Capitol Strata, with Adpen's current strata portfolio to be managed by current Capitol Strata Managing Director Ian D'Arcy.

Total consideration for Adpen was \$0.322m paid in cash at Completion. The acquisition completed on 11 November 2022 with an Effective Date of 1 November 2022.

Chris Duggan, Managing Director of Bright and Duggan said: "The acquisition of North Shore Strata and Adpen Strata is consistent with our strategy of acquiring bolt-on, earnings accretive strata portfolios. Johns Lyng sees great upside in participating in the consolidation of this sector. Strata is a people business, and we are delighted to welcome Cathy Pashley to our team."

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Nick Carnell, JLG CEO Australia, said: “These bolt-on acquisitions demonstrate our commitment to building out our Disaster Recovery and Resilience services and scaling our Strata Management Portfolio. Importantly, Johns Lyng will only make acquisitions where there is a consistent and complementary cultural fit of personnel.”

All three acquisitions were funded from cash reserves and are expected to be immediately earnings accretive.

ENDS

This announcement was authorised by the Disclosure Committee of the Board of Johns Lyng Group Limited.

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About Johns Lyng Group Limited

Johns Lyng Group Limited (JLG) is an integrated building services group delivering building and restoration services across Australia and the US. JLG’s core business is built on its ability to rebuild and restore a variety of properties and contents after damage by insured events including impact, weather and fire events. Beginning in 1953, JLG has grown into an international business with over 2,000 employees servicing a diversified client base comprising major insurance companies, commercial enterprises, local and state governments, body corporates/owners’ corporations and retail customers. JLG defines itself by delivering exceptional customer service outcomes every time.

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