TRAJAN

Annual Report 2021

Science that benefits people

Through our values and actions, we aim to impact human well-being in a meaningful way.

Respect

Integrity

Discipline

Empowerment

Contents

FY21 Highlights

$76.57m
Revenue[1]

$9.95m
Proforma EBITDA[2]

↑16.0%
Revenue growth[3]

↑3.3 points
GP % margin point expansion[1]

↑Sales to 18 of our top 20 customers grew[3]

↑89.0%
Proforma EBITDA growth[2]

(1) Metrics are based on statutory results.

(2) Comparing proforma results FY2020 to FY2021.

(3) On a constant currency basis.

Chairman's Message

10 years old or one month old?

For many of you the Trajan journey has just begun. For others, like Stephen and Angela and a few others within the Trajan team, the story began 10 years ago. Even longer when you consider the origins of some of Trajan's early acquisitions such as Grale Scientific, LEAP Technologies or SGE Analytical Science.

While each of our histories with Trajan vary, our future is shared and that future has been further enabled by our successful listing on the ASX in June and with this, our first Annual Report as a publicly traded entity.

Trajan's introduction to public life is a significant transition for our business and our people. In any transition, some things will necessarily change, and others will stay constant. While the business mix and diversification of Trajan will inevitably evolve, I am determined that a few aspects remain true to our origins and continue to inform our future as much as they have already written our history.

The penny dropped for me about Trajan's potential when I understood the intersection of four key aspects of our business: our purpose, our culture of innovation, why our business is critical to the increasing demand for precision scientific measurement, and the significant and growing societal trends that we service.

The first of those is Trajan's purpose; to work with science that benefits people. This is well covered in Stephen's CEO letter, however it's important for us as a Board to endorse that our purpose is a guiding force for all levels of our business.

The second of those factors is Trajan's culture of innovation. Culture is at the heart of any business and is embedded by the behaviours, systems, and symbolism within the organisation. The most important question you must answer about culture is, does your organisation have a culture by design or by default. In my experience, the best organisations have a culture by design. They determine the culture they need, to encourage specific behaviours, which will deliver the desired outcomes.

In Trajan's case, we want to ensure that important and deliberate aspects of our culture, like, our drive to be innovative, our openness to forge meaningful collaborations with educational institutions and our customers, and our relentless focus on creating world leading practices and products, continue to be fostered and enhanced rather than stifled in the new public company environment we have entered.

Thirdly, Trajan has built its reputation on designing and manufacturing precision componentry and products that enhance the validity of analytical data by protecting the integrity of the sample as that sample moves within the analytical and life sciences workflows. The sample that is analysed may be a biological sample such as blood, an environmental sample such as water, or a food sample. Through the quality and uniqueness of Trajan's products, that sample is protected and passed through its journey from collection, to preparation, and through analysis so that precise, untarnished, and therefore, more meaningful data is delivered.

The final component in comprehending the future of Trajan is to understand that our purpose, our culture of innovation, and the essential role we play within the process of scientific measurement, position us strongly within a huge and growing market.

Peter Farrell, the founder of Resmed, once explained that he was most excited about the potential of Resmed, as they were very early entrants into a massive market.

Trajan is also well-positioned for long-term growth into big markets as our business plays to some pre-dominant and enduring, not just popular, global trends such as, the drive towards decentralised health care, aging global populations and personalised medicine. Each of these trends, and others, will continue to rely more keenly on the precision measurement to which Trajan is a critical player.

Over the next few years and beyond, Trajan will continue to capitalise on these trends and grow through a combination of:

- Organic growth within our current portfolio of products and workflows,
- Further innovation within these traditional portfolios,
- R&D and innovation relevant to our purpose but adjacent to our current portfolio, and
- Strategic acquisitions.

As a board and management team we are motivated by the potential of our future and will continue to focus on all that we can control while we prepare for those unknowns, like COVID-19, that we can only anticipate. Unapologetically, just as has driven Stephen and Angela's focus over the last 10 years, our goal is to maximise shareholder value and returns over decades and not over reporting periods. While we will make the tough decisions as needed, we will also seek to make the right decisions, for we are confident that if we continue to prioritise our purpose, our culture, and our business practices we will continue to serve your long-term interests as shareholders of Trajan.

Thank you for your support. We look forward to building on the foundations of your first month as a shareholder and creating an enjoyable and mutually rewarding journey over the next ten years and beyond.

John Eales
Chairman

CEO's Report

Welcome to Trajan Scientific and Medical inaugural Annual Report.

Resilience

As the sole shareholders of Trajan for almost ten years Angela and I asked ourselves every day; what could go wrong? What is the worst-case scenario? Organisations can have risk registers and risk mitigation plans but there is something more visceral when it's your livelihood that's on the line, *the skin in the game*.

Then came 2020. As the year progressed and the impact of wide-spread economic shutdowns grew so did our worst fears. We planned for many scenarios: what if the business dropped 10%? 20%? 50%? Where were the threats to our revenue? Our supply chain? The continuity of operations? And most importantly our staff?

And while it was a bumpy ride, by the time the end of 2020 arrived, we reflected and noticed that yet again, like every other year since 2011, Trajan grew.

The underlying resilience of the Trajan business, built on products deployed every day for essential measurements protecting the environment, food safety and human health, remained, even during a global economic shut down triggered by the spread of COVID-19.

It's that same engine that over many years funded the building of the business platform we took to IPO in June 2021. The three pillars of that platform are:

1. **The people**
   An incredibly talented senior and technical team including more than 80 scientists and engineers, capable of leading a business of grander scale;
2. **Global physical infrastructure**
   Significant modern product and distribution sites in place around the world; and
3. **A deep technology pipeline**
   It's ripe for commercialisation, the result of many years of research and development leveraging in house talent, academic collaborations, and government funding.

Our decision to go public wasn't about funding the platform. That work has been done. Rather, the Trajan IPO is about unlocking the next stages of growth. Trajan is ready for Chapter II. For Angela and me it isn't an exit. Having taken the company through its beginnings and adolescence we're reinvesting, alongside our new investment partners, to see Trajan achieve its potential on a new scale. To our new investment partners; welcome to Trajan!

Our business ethos is driven by delivering impact and customer value in ways that support our purpose; science that benefits people.

The Power of Purpose

At the heart of the Trajan culture is a sense of purpose. The work we do is meaningful and benefits human health in many ways every day around the globe. Our business ethos is driven by delivering impact and customer value in ways that support our purpose; science that benefits people. Our decision making too is led by the "so what?" factor. When presented with an opportunity, the primary influence in determining our course of action is to ask, "so what?" Who benefits? How do they benefit? What problem are we solving? We don't start with the numbers. We start with the impact. This is ingrained in our business, links directly to our purpose.

Our history has demonstrated the power of a persistent focus on impact delivery. The examples are numerous where we have redesigned, innovated or collaborated to bring new or improved, impactful, products to the world and financial success and value have followed. Those examples are many and include simple things such as precision tubing that impacts the quality and consistency of analytical data. Or microscope slides used in breast cancer diagnosis that provide the pathologist with an improved specimen presentation. Through to complex Automation systems like our unique "HDX" that provides scientists with greater insight into the behaviour of proteins, an important tool in the development of treatments and vaccines for viral infections. Something that brings us great pride and joy is to know that if not for Trajan some of these impactful technologies would not be in place today.

Operating with Trajan Values

Our values – respect, integrity, discipline, and empowerment – are core to Trajan. They aren't just words on a wall but the guiding light in our decision making. These values aren't conditionally applied, their relevance to our business is universal and continuous.

Being true to values can sometimes be hard. It can mean advising a customer when we are not capable of meeting their requirements or expectations. It means we share both the good news and the bad news always with a tone of respect. Respect for our staff, our customers, suppliers, our competitors, our shareholders, and all others that we encounter must be embedded in our way of working.

Our values also guide us as to who should and who shouldn't be part of the Trajan team.

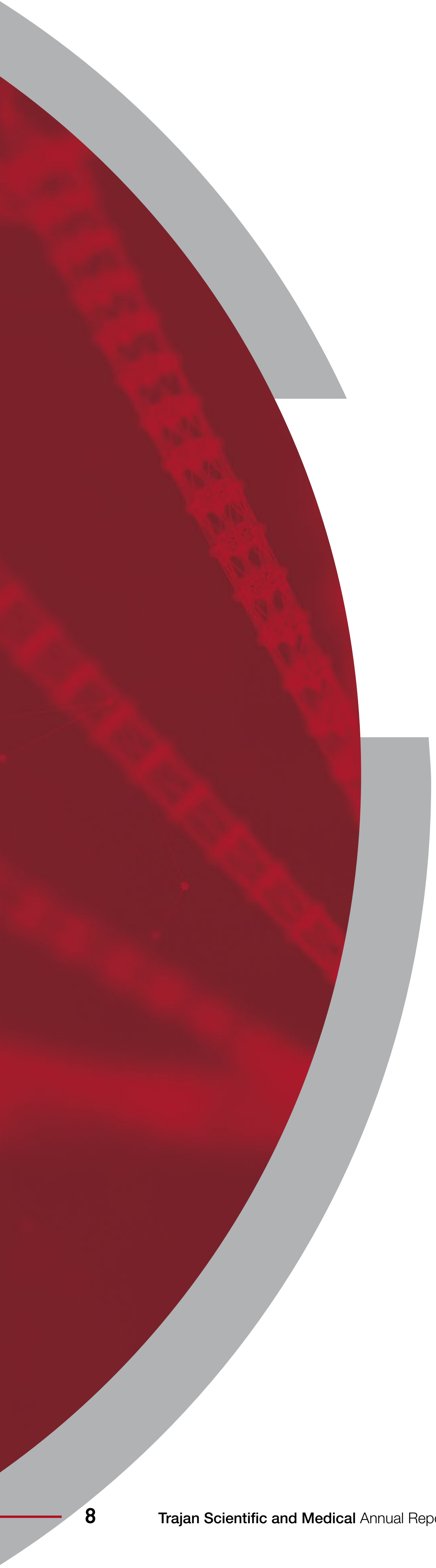
Post COVID-19 and Return to Normality?

Perhaps this is the most asked question today, when will things get back to normal?

Like many organisations COVID-19 has presented Trajan with new challenges but the pandemic has not materially impacted our performance. Around the world we are considered an essential service and as such have maintained operations consistently throughout FY21 with strong COVID-19 safe controls in place in each of our facilities.

We witnessed some volatility and suppression in demand in parts of our portfolio over the last 18 months, but the consistent revenue trends across multiple product lines are heading back towards the longer-term growth rates that we experienced pre-COVID-19. We are planning for that to continue throughout FY22 as represented in the IPO Prospectus forecast.

Travel restrictions and limited site access have proven to be the greatest challenges for our Automation business in FY21 especially in North America. These factors too are slowly heading back towards "normal" and we expect that to be the ongoing trend in FY22.



CEO's Report

Continued

The Road Ahead

FY21 finished very much in line with the forecasts prepared in early calendar 2021 and published in the IPO Prospectus. The Prospectus also included an FY22 forecast on a business-as-usual basis. That forecast did not contemplate the deployment and benefit of the funds raised at IPO.

Post-IPO our attention has shifted now to ensure the funds raised are effectively deployed into our M&A program, production automation and acceleration of technology commercialisation.

Meanwhile our past actions are already returning value and the examples are numerous.

A driver for the acquisition of LEAP Technologies in 2016 was to enable laboratory adoption of new disruptive technologies under development. In June, the first automated Lab-In-A-Syringe system was installed in an environmental laboratory in Florida, USA. Once commercialised this technology will enable more cost-effective detection of organic pollutants in water.

Adoption of our constant bore Emitter Tip technology for Mass Spectrometry, made possible by our investments in capillary glass tubing manufacturing, is growing strongly. This technology is enabling broader adoption of mass spectrometry with reduced technical intervention.

A major OEM (original equipment manufacturer) customer made the ultimate compliment of our new PEEK tubing manufacturing capability with the feedback: "we did not think this level of dimensional control was possible in polymer tubing". A technology that will enable improved analytical systems especially in liquid chromatography in applications such as proteomics (the study of proteins).

There are more examples today and even more to come tomorrow.

Thank You

As Trajan enters a new chapter as a listed company Angela and I say thank you. Thank you to our staff, our customers, our suppliers and now our new investors. There is so much ahead for us to achieve as we continue to have impact in the world, delivering science that benefits people.

Yours sincerely,

Stephen Tomisich
Chief Executive Officer

Being part of

TRAJAN

Suzie Read

Customer Service Supervisor
Europe, Middle East, Africa and India

3.5 years at Trajan / Location: Milton Keynes
Business Unit: Supply Chain

"Apart from manufacturing our products, the Trajan Customer Service team is involved in every step of the supply chain. I feel proud of the way our team adapted to support our customers through the pandemic and **I am excited to see how we will continue to make a difference in the years to come.**"

Brett Forgeon

Site Leader
Precision Fluidics Solutions

5 years at Trajan / Location: North America
Business Unit: Precision Fluidic Solutions

"Our goal to **enrich human well-being through science** is deeply integrated into our business model and I feel fortunate to be a spoke in the Trajan wheel. It's a very exciting time for us and to now be part owner of Trajan adds even more incentive to continue learning, improving and innovating."

Science
Innovation
Delivering
Impact
Technology
Well-being

hemaPEN® – a versatile technology capable of monitoring post-vaccine antibody response

From being used in metabolic studies to support injury recovery in athletes, to detecting antibody response to understanding safety and efficacy of vaccines, the utility for Trajan's hemaPEN® is vast.

hemaPEN® is an FDA and CE certified microsampling tool that enables the collection of fixed and precise samples of blood for quantitative analysis of biomarkers. The tool is non-invasive and allows anyone to collect a microsample with the accuracy and integrity of what a scientist would aspire to achieve at a pathology collection centre, but remotely.

One example of hemaPEN®'s utility is its use in our partnership with specialist biomarker services provider, Synexa Life Sciences, to develop a patient-centric SARS-CoV-2 serology testing kit that allows laboratories to assess the levels of neutralising antibodies in COVID-19 vaccinated patients.

This data is key to guiding vaccine roll-out programs, including understanding how well a vaccine performs over time and whether a booster shot may be needed, ultimately providing the information required to effectively protect populations from illness.

hemaPEN® has also been used to facilitate other frequent monitoring and testing of vulnerable and remote patients, including the study with PTA Lab for therapeutic drug monitoring of psychiatric patients treated with antidepressant drugs.

Less invasive than a usual blood test, hemaPEN® improves patient experience and achieves significant time and cost savings for healthcare providers by eliminating the need for collection centres, transportation, and storage of samples.

"hemaPEN® has high potential for future implementation in self – and home-sampling procedures, paving the way toward patient-centric precision medicine and therapy personalisation…"

– **Dr Michele Protti**, Pharmaco-Toxicological Analysis (PTA Lab) Researcher

Removing barriers to monitoring people's health is at the core of Trajan's commitment to the decentralisation of healthcare technology.

Now, our vision is to establish partnerships with organisations around the world to use hemaPEN® as a platform technology for precise, remote sample collection, anywhere. It is just one part of our growing capability in supporting pathologists to address their workflow challenges; from removing barriers to sample collection, right through to how data is generated and translated into science that benefits people.

Being part of TRAJAN

Aarifkhan Pathan

Quality Engineer
Metrology

14 years at Trajan / Location: Melbourne
Business Unit: Quality and CI

"It is a pleasure to work for an organisation that is led by a great leadership team with the noble vision of **delivering science that benefits people**. My proudest moment has been seeing hemaPEN® in the news, as some of the components in that device are measured by me."

Apolline Rajasegaran

HR Manager

4.5 years at Trajan / Location: Penang
Business Unit: Human Resources

"**Making an impact on human well-being** – it's a beautiful sentiment that reminds us how each one of us has the power to make a difference in someone's life. I am truly proud to work for an essential industry that brings change, healing and happiness to everyone, every day and everywhere."

HDX: Making highly technical processes accessible for laboratories globally through automation

Faster analysis

At Trajan, we are committed to developing technology that makes it easier for laboratories to deliver science that benefits people. Our market leading capability in coupling Hydrogen Deuterium Exchange (HDX) to Mass Spectrometry – which we began to develop following the acquisition of LEAP Technologies Inc. in 2016 – aligns with this ambition.

Understanding proteins and their minute interactions under different conditions is the gateway to uncovering effective therapeutics that benefit people's health. HDX is a technique that allows researchers to do this faster and, in more detail, than any other method, supporting the acceleration of pharmaceutical development.

Efficient drug development means therapies can be produced more economically, be brought to market sooner, and made more accessible to patients who need it.

"As a key customer explains that using traditional protein observation methods is akin to being given a few still frames from a movie; you might be able to work out the vague plot, but you wouldn't know how events occurred, or come to understand the relationships between the characters. Then, when you watch the film in its entirety, you see the full picture – this is what HDX gives researchers. Faster than any other method, HDX helps find the answers about protein structures that are needed to develop effective therapeutics that benefit people's health."

– **Glenn Clivaz**, CEO Trajan Automation

For example, Trajan's HDX platform was used by structural biologists from Maynard Lab at The University of Texas to identify an unrealised therapeutic target located on the coronavirus spike protein. This presents new opportunities to develop antibody therapies and diagnostic tests, which could lead to broad spectrum treatments that protect people against not only COVID-19, but all highly pathogenic human coronaviruses, such as SARS and MERS.

Trajan's HDX platform opens the door for structural biologists to conduct experiments that uncover treatments for illnesses impacting human well-being. We look forward to developing this capability further as we continue to deliver science that benefits people.

Our Journey so Far

2011

Our purpose of 'Science that benefits people' is born

Aligning their passion, purpose and experience, Angela and Stephen Tomisich create Trajan Scientific and Medical, a name inspired by daughter Danielle. Trajan, a Roman emperor, used his success to do good.

IMPACT *"Our work highlighted an opportunity to enable individuals to understand their health and well-being better though data; delivering science that could truly benefit people."*

2011

A pathway to the customer and patient

Acquisition of established pathology business, Grale, provides immediate connection to the healthcare system along with existing recurring revenue from consumable products. Later supported by the acquisition of HD Scientific in June 2013.

IMPACT *"Trajan's pathology portfolio supports healthcare professionals to get results to patients more efficiently."*

2013

Enabling global impact

Acquisition of SGE increases our business footprint beyond Australia, to the UK, US and Japan.

IMPACT *"Trajan delivers more sensitive, selective and affordable analysis solutions for biological, food and environmental samples."*

Starting the journey towards personalised, data-based healthcare

Following the acquisitions of Grale, SGE and HD Scientific, Trajan sets its sights on becoming a global leader in niche scientific markets.

2014

Innovating in product design, development, and manufacturing techniques

Australian Government commits A$2.1M to Trajan and The University of Tasmania to support a new Australian Research Council Industrial Transformation Training Centre for Portable Analytical Separation Technologies (ASTech).

IMPACT *Numerous technologies resulted from this initiative. Some are still to be commercialised and others like hemaPEN® Trajan's µLLE and Hummingbird, will enable scientists and researchers globally to ensure integrity and accurate analysis of food, environmental and biological samples.*

2015

Meeting the needs of scientific markets

First Trajan branded product launched to address unmet need of the pathology market for high performing adhesive microscope slides.

IMPACT *Today, these slides are used globally to provide efficient and reliable analysis of samples, such as breast cancer tissue, to inform patient treatments.*

2015–2016

Reducing analytical variation with new technology

A $756K grant awarded from the Federal and State Governments as part of the Next Generation Manufacturing Investment Programme, supports development of precision glass tubing products, including Trajan's Emitter tips and HPLC hardware.

Acquisition of Epic Extrusion in 2016 expands Trajan's capabilities in polymer tubing.

IMPACT *Now, laboratories can work with smaller particles and more precision, for drug discovery, environmental and food safety testing.*

2016

Improving laboratory workflows globally

Acquisition of engineering automation group LEAP enables laboratories to easily adopt new disruptive chemistry and microsampling technologies.

IMPACT *Resulting work in HDX is now used by major global companies in protein research including important drug discovery and development work.*

2017

Smart expansion for global impact

Opening of Penang, Malaysia, facility builds capacity for quick, cost-effective response when customer demand increases.

IMPACT *A growing presence in Southeast Asia connects Trajan closer to its customers and offers best in class manufacturing.*

Enabling greater patient impact

Expanding our delivery of science that benefits people by modernising processes, improving manufacturing equipment and making science more accessible to laboratories globally.

2021

Building point of care and in the home testing capability

Acquisition of personalised blood testing business MyHealthTest strengthens Trajan's move into data-based preventative healthcare.

IMPACT *Trajan's Analytical Services will offer wellness monitoring to promote accessible health.*

2021

Deploying new capital to deliver on our purpose of 'Science that benefits people'

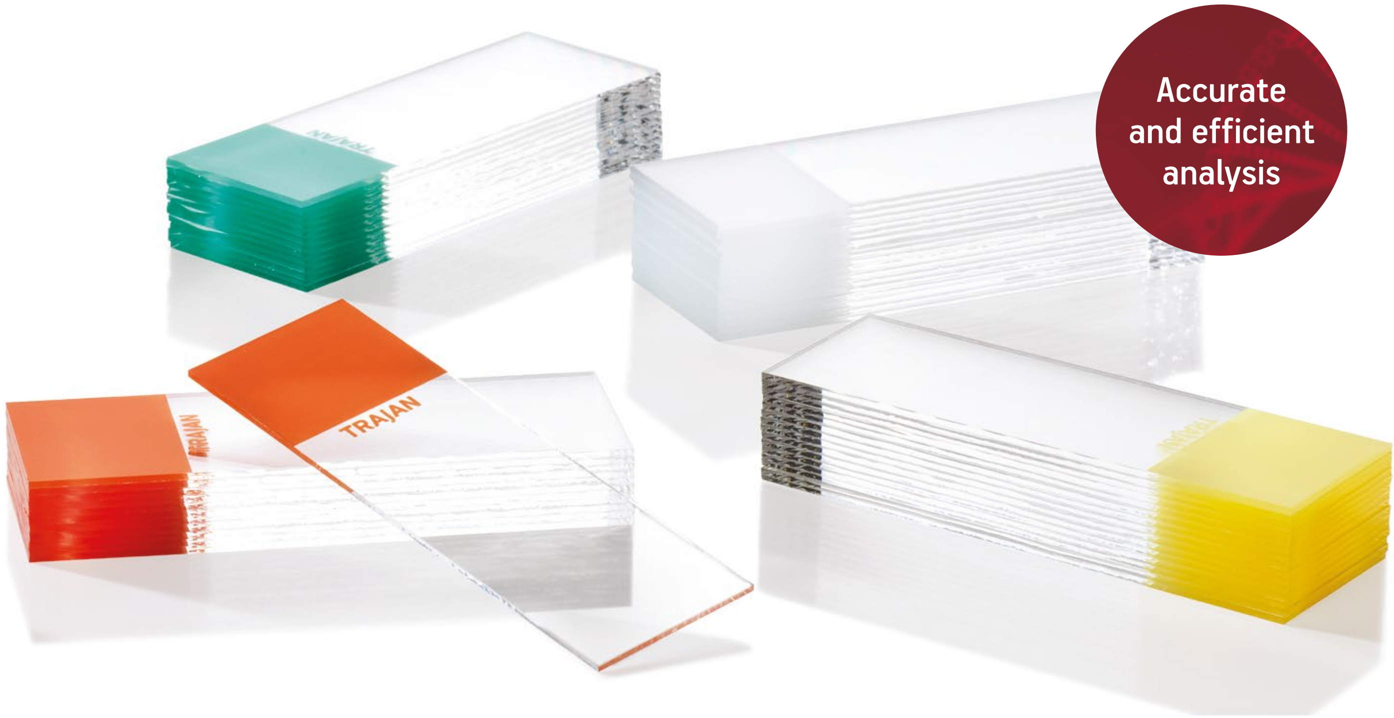
Listing on ASX.

IMPACT *"Having established a world class team, products and manufacturing facilities, we were ready to welcome a new group of owners to support our aspirations of having a positive impact on health and well-being and delivering science that benefits people."*

Quality standards remaining a focus

ISO 9001:2015 re-accreditation.

IMPACT *Continuous improvement is a strong part of the Trajan culture across its global locations.*



Trajan microscope slides getting patients on the path to treatment sooner

Across our diverse product portfolio, scientists worldwide recognise Trajan as a partner that provides high-quality and reliable technology that allows laboratories to delivery results to patients.

One example of this is Trajan's contribution to delivering faster and more accurate results for tissue biopsies that inform cancer diagnoses.

Pathologists historically face two key issues when analysing patient's tissue biopsies: tissue doesn't easily adhere to traditional microscope slides; and background staining can reduce the quality of the image of the tissue.

Through collaboration with our customers and other commercial businesses, Trajan introduced microscope slides with highly innovative, material coating, that allows pathologists to deliver reliable results that get patients on the path to treatment sooner.

Today, Trajan's microscope slides are used by pathologists in Asia, Europe, North America and here in Australia where Trajan began.

"Today in Australia, all new breast cancer diagnoses are performed using tissue biopsies, and due to the wide use of our technology, we estimate that most Australians who have had a breast tissue biopsy have been examined by a pathologist using a Trajan microscope slide. We are proud to know that pathologists are seeing the best image possible because of our technology, and most of the population have no idea that our microscope slides are behind it."

– **Stephen Tomisich**, Trajan Group CEO & Managing Director

Outside of Australia, Trajan's microscope slides have also been used by hospitals in the UK. The New Cross Hospital was facing problems with bone marrow trephine biopsy sections lifting off the surface of microscope slides during processing, resulting in specimen loss. A switch to Trajan's microscope slides prevented this, resulting in minimal failure or repeat rates due to tissue loss, and ensuring biopsy results were available to patients within 48-72 hours.

Trajan's dedication to quality and technology helps laboratories globally provide reliable results so that patients can receive diagnosis and treatment sooner. It's just one example of how Trajan delivers science to benefit people through innovation.

Trajan Financial Performance (Pro Forma)

The Pro Forma forecast financial information for Trajan for the financial year ended 30 June 2021 (F2021F) is published in Section 4.1 in the prospectus. The Pro Forma financial information has been derived from the Statutory Financial Information of Trajan and adjusted for the effects of certain Pro Forma adjustments.

Pro Forma Actual results and Prospectus Pro Forma Forecast as summarised below:

$ thousands	Notes	Forecast FY2021F	Actual FY2021
Revenue	1	74,648	76,568
Cost of sales^		(44,665)	(45,781)
Gross Profit		**29,983**	**30,787**
Other income	2	1,271	990
Employee expenses G&AM R&D		(17,913)	(17,613)
Occupancy expenses		(564)	(495)
General Admin and Marketing		(1,985)	(2,382)
LTIP		–	–
One-off IPO expenses		–	–
Ongoing Listed costs	3	(1,335)	(1,335)
Total operating expenses		(20,526)	(20,834)
EBITDA		**9,457**	**9,953**
Depreciation and amortisation		(1,698)	(1,714)
Depreciation on Right-of-Use assets		(1,361)	(1,332)
EBIT		**6,398**	**6,907**
Finance costs		(107)	(132)
Interest on Lease Liabilities	4	(247)	(412)
Profit before income tax		**6,044**	**6,363**

^ Prospectus pro forma gross profit excludes depreciation – cost of sales and finance cost – cost of sales. For statutory information on depreciation – cost of sales and finance cost – cost of sales, please refer to Note 4e and Note 4f in the notes to the consolidated financial statements.

1. Sales above forecast across both Analytical Products and Life Science Solutions segments.
2. Other income includes realised and unrealised FX gains or losses that occur resulting from foreign exchange movements when comparing actual to forecast.
3. Ongoing listed expenses assumed same as prospectus forecast.
4. The difference in interest on lease liabilities relates to an extension of the commercial lease of the Australia manufacturing facility in Ringwood. The lease was negotiated on arm's length terms during the IPO process.

Annual Financial Report

for the year ended 30 June 2021

Corporate Information

ACN

152 617 706

Directors

John Eales AM (Chairman)
Robert Lyon
Rohit Khanna
Sara Watts
Stephen Tomisich
Tiffiny Lewin

Company Secretary

Alister Hodges
Mark Licciardo

Registered Office

7 Argent Place
Ringwood VIC 3134 Australia

Principal Place of Business

7 Argent Place
Ringwood VIC 3134 Australia

Solicitors

DLA Piper Australia
80 Collins Street
Melbourne VIC 3000 Australia

Australia Bankers

HSBC Bank Australia Limited
Level 10, 333 Collins Street
Melbourne VIC 3000 Australia

Auditors

RSM Australia Partners
Level 21, 55 Collins Street
Melbourne VIC 3000 Australia

Share register

Computershare Investor Services Pty Limited
GPO Box 2975
Melbourne VIC 3001 Australia

Stock exchange listing

Trajan Group Holding shares are listed on the Australian Securities Exchange (ASX code: TRJ)

https://www2.asx.com.au/markets/company/trj

Website

https://www.trajanscimed.com/

Corporate Governance Statement

https://investor.trajanscimed.com/corporate-governance

Directors' Report

The directors present their report, together with the financial statements, on the Group (referred to hereafter as the 'Group' or 'Trajan') consisting of Trajan Group Holdings Limited (referred to hereafter as the 'company') and the entities it controlled at the end of, or during, the year ended 30 June 2021.

Directors

The names and details of the company's directors in office during the financial year and until the date of this report are as follows. Directors were in office for the financial year unless otherwise stated.

Angela Tomisich	(resigned on 23 March 2021)
Dr Andrew Gooley	(resigned on 23 March 2021)
Dr Rohit Khanna	(appointed on 23 March 2021)
John Eales	(appointed on 23 March 2021) (Chairman since 23 March 2021)
Robert Lyon	
Sara Watts	(appointed on 23 March 2021)
Stephen Tomisich	(Chairman from 1 July 2020 to 22 March 2021)
Tiffiny Lewin	(appointed on 23 March 2021)

Company Secretary

Alister J. Hodges has held the role of Company Secretary since March 2021. He was previously the Company Secretary of Trajan Holdings Pty Ltd from May 2013. Alister became Chief Financial Officer of Trajan in 2011, after joining SGE Analytical Science in 2010 as Chief Financial Officer. He has responsibility for Trajan's global Finance and IT/MIS functions. He has more than 20 years' experience in Senior Financial roles within the biotechnology sector, in both ASX listed and non-listed environments. Alister is a Certified Practising Accountant and holds a Bachelor of Business from Victoria University and Graduate Diploma in Accounting from Monash University.

Mark Licciardo is the founder and Managing Director of Mertons Corporate Services. Mark is a Fellow of the Australian Institute of Company Directors (AICD), the Institute of Company Secretaries and Administrators and the Governance Institute of Australia. Mark is a current director of a number of public and private companies and holds a Bachelor of Business Degree (Accounting) from Victoria University and a Graduate Diploma in Company Secretarial Practice.

Principal activities and review of operations

Trajan is a global developer and manufacturer of analytical and life sciences products and devices, seeking to enrich human well-being through scientific measurement. Trajan's current portfolio of products comprises products, devices and solutions that are used in the analysis of biological, food, and environmental samples.

The company's strategic direction is driven by a view that the quality of analytical data will become increasingly important in understanding factors that impact human health. That view drives a focus on technologies that enhance the sensitivity, selectivity, reliability and integrity of the sample, the laboratory workflow and ultimately the data and information derived from the analysis.

The breadth and quality of Trajan's products, combined with global operations across the US, Europe and Asia Pacific, has allowed Trajan to establish trusted relationships with key participants in analytical science, pathology and research and development in the pharmaceutical industry.

These relationships are poised to develop further through Trajan's emerging technology pipeline which includes microsampling devices, novel sample preparation chemistries and devices and miniaturised, modular instrument systems.

The development of Trajan's existing and emerging product portfolio has been informed by Trajan's industry expertise, customer insights across the sector and partnerships with academic institutions. Trajan believes its next generation product portfolio, which thus far has been funded internally by Trajan's existing cash flows, has significant commercialisation potential.

Trajan has grown to encompass 450 (FTE: 432) staff across manufacturing sites located in Melbourne (Australia), Penang (Malaysia), Bethel (US), Raleigh (US) and Austin (US), complimented by operational sites located in Yokohama (Japan), and Milton Keynes (UK). Trajan's global footprint is scaled and strategically organised to provide capacity for growth, redundancy to ensure reliable and flexible responsiveness and to deliver proximity to key customers. The Melbourne site remains Trajan's global headquarters. Management has recently invested significantly into the Penang manufacturing site which both compliments and extends the company's existing operations in Australia and the US. The Penang manufacturing site provides Trajan with a lower cost footprint and the capacity to meet the forecast growth.

Trajan separates its business into the following two segments covering Trajan's range of product and solution categories:

- Analytical Products – includes a diverse range of analytical products that are focussed on biological, food and environmental testing applications.
- Life Science Solutions – includes a range of solutions focussed on areas directly related to human health.

See Operating Segment Note 3 for more details for the financial performance of the Group's key operations.

Trajan's customer portfolio includes large blue-chip multi-national OEMs, pharmaceutical, food and CRO laboratories and both global and regional scientific distribution companies. There is some overlap in these categories, for example, some OEM companies have significant distribution divisions and Trajan produces some OEM product for distribution customers.

While distribution partners typically resell Trajan-branded products, the nature of Trajan's relationships with its OEM partners ranges from collaborative technology developments to the design and supply of components embedded within their instrumentation through to customised consumable products to support those platforms as well as fully automated complimentary workflow solutions.

Highlights

- On 7 June 2021, Trajan completed its initial public offer and commenced trading on the Australian Stock Exchange (ASX: TRJ) with existing shareholders selling down 23.53 million shares and 29.41 million new shares being issued at $1.70 for a total raise of $90.00M (before costs). Existing shareholders retained 76.47M shares, or 59.03% of equity on issue.
- In FY21 the company achieved revenues of $76.57M, $1.92M, (2.57%) ahead of the forecast contained in the IPO prospectus.
- The business experienced strong growth in a wide range of products, including its Life Science Solutions product ranges linked to automation of workflows in the pharmaceutical industry.
- The FY21 EBITDA of $5.47M (2020:$6.61M) is inclusive of IPO related expenses of $4.39M, share-based payment expenses of $1.87M, and PPP loan forgiveness of $1.26M. As a result, the Group's underlying EBITDA margin for the year ended 30 June 2021 was 13.68%.
- Gross margin increased from 33.89% (30 June 2020) to 37.20% in the year ended 30 June 2021, predominantly due to revenue growth of 6.56%, the net transfer of labour roles from Australia to Malaysia, and the change in direct labour mix between contractors and permanent positions.
- In March 2021, Trajan extended its supply agreement with its largest customer through to 2026.
- Late in the period Trajan completed the acquisition of MyHealthTest blood testing service, which further strengthened Trajan's Analytical Service business within the Life Science Solutions segment, targeted at developing and delivering disruptive workflows related to human health.

Review of financial performance

Profit/Loss

The Group recorded a profit before tax of $1.90M (2020:$2.99M), inclusive of IPO related expenses of $4.39M, share-based payment expenses of $1.87M, and PPP loan forgiveness of $1.26M. Therefore, the Group's underlying profit before tax for the year ended 30 June 2021 was $6.90M.

Financial Position

The Group's net assets increased by $48.34M compared with the previous year. This is predominantly due to:

- Significant cash position of $51.72M, inclusive of $42.89M capital raise net of IPO-related costs, offset by payment of $3.35M dividend and payment of $1.11M for a business acquisition.
- Inventory levels have largely remained comparable with prior year, reflecting management's focus on more efficient production processes, cost control and obsolescence. The Group's production also benefited from continuous process improvement which is expected to continue to improve scrap wastage and overhead costs.
- The Group's receivables and cash flow management continues to support the strength in working capital. The Group continues to focus on receivables management and as at year end, there has been no significant change to the recovery of customer debts.
- In FY2020, Trajan received PPP support funding from the US government CARES Act, which has been recognised in the financial statements as Non-current liabilities, Interest Bearing Loans and Borrowings. On 10 June 2021, Trajan received notice from the USA Small Business Administration (SBA), confirming that the Pay-check Protection Program loan (PPP) loan of US$955,855 is forgiven in full.

Impact of COVID-19

Throughout 2020-21, Trajan carefully monitored and acted on the changing impact of the COVID-19 pandemic on its business operations. Through its membership of industry associations based in the US and Europe, and through close connections with its major customers and industry peer companies, Trajan established multiple information sources to regularly ascertain the threat to its business. The key impacts on Trajan of COVID-19 were:

- From July 2020 onwards, customer demand continued to rebuild, returning to pre-COVID-19 growth trajectory. Trajan found that laboratories quickly adapted to the COVID-19 conditions, establishing protocols to allow continuity of operations. In many cases, these laboratories perform essential services and the general feedback from customers was that while their operations reduced a backlog of samples built up which still had to be analysed.
- The Automation business, largely based in the USA, faced significant logistical difficulties. Most automation systems require installation and commissioning at the customer site. Travel arrangements and site access have been adversely impacted by the COVID-19 restrictions. In May and June 2021 installation and commissioning of a number of systems in North America became possible enabling that part of the business to post a strong close to FY21.

Trajan believes the resilient performance of its business through the COVID-19 period has been supported by Trajan's focus on 'essential' core markets which have performed strongly during this period, namely, environmental, food and biological.

Strategy and Outlook

Our goals are to:

- Remain focussed on delivering meaningful impact through best practice analytical solutions related to human well-being. That direction influences the design and development of new products and services as well as raising the performance of the existing portfolio, from consumables, components, automation solutions through to complete analytical methods.
- Accelerate the company's activities, revenue growth and scale of global footprint by leveraging the funds raised through the IPO process.
- Consistently expand EBITDA margins through cost and scale efficiencies and investment in production processes.
- Achieve new revenue streams through the commercialisation of the development technology pipeline.

Items of specific focus for FY22 include:

- Completing one or more medium scale acquisitions from the current list of strategically aligned target businesses.
- Investment in operational resource to drive the commercialisation of selected new technologies.
- Accelerate investment in manufacturing infrastructure in Melbourne (Australia), Penang (Malaysia) and Austin (US) to continue to drive productivity, quality and responsiveness gains.

In striving to meet its goals, the Group continues to refer to the risk framework that is continually monitored, managed, and responded to.

Significant changes in state of affairs

Business Acquisition of Trajan Nutrition Pty Ltd

In July 2020, Trajan Group Holdings Ltd purchased the remaining shares in Trajan Nutrition Pty Ltd.

Business Acquisition of MyHealthTest

On 31 March 2021, the Group completed the acquisition of MyHealthTest Pty Ltd for a consideration of $1.11M.

Initial Public Offer

On 9 May 2021 Trajan lodged a Prospectus with the ASX for an initial public offer of 29.41M new shares by the company ($50.00M before costs) and the sale of 23.53M of existing shares at an offer price of $1.70 per share.

Following completion of the IPO on the 7 June 2021, Trajan issued the following securities and was admitted to the official list of the Australian Securities Exchange (ASX):

- Issuance of 29,411,765 fully paid ordinary shares at a price of $1.70 per share;
- Transfer of 23,529,412 existing ordinary shares at a price of $1.70 per share; and
- Issuance of 2,256,239 unlisted options at various exercise prices and vesting dates.

No other matter or circumstance has arisen since the end of FY2021 that has significantly affected or is expected to significantly affect the operations, the results of operations or state of affairs of the Group in future years.

Information on directors

Name:	Angela Tomisich
Title:	Former Executive Director
Qualifications:	Bachelor of Applied Science from RMIT University Bachelor of Science (Biomedical Science) from Deakin University and Cornell University
Experience and expertise:	Ms Tomisich was previously the General Manager of Grale Scientific, an Australian pathology consumables company, where she led the implementation of a new ERP system, quality management processes and initiatives, and tailored supply arrangements for a stronger customer focus. Prior to this, Ms Tomisich was Senior Research Associate at Quintiles, a global clinical research organisation, which involved the monitoring of clinical trials in Australia and New Zealand for protocols that were complex and required knowledge in advanced therapeutic areas, including oncology, cardiology, and neurology. Ms Tomisich's previous roles have included Quality Control Manager for an Analytical Laboratory, Management Information Services Manager, Computer Support Analyst and Marketing Analyst, in which she gained valuable knowledge and skills in quality systems, systems development, technical support and data analysis. Ms Tomisich has also owned and operated a local retail business in Melbourne, acquiring proficiencies in sales and marketing, buying and visual merchandising, inventory control, staff recruitment and training and financial management.
Other current publicly listed company directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	Not applicable as no longer a director
Interests in options:	Not applicable as no longer a director
Contractual rights to shares:	Not applicable as no longer a director

Name:	Dr Andrew Gooley
Title:	Chief Scientific Officer at Trajan
Qualifications:	Bachelor of Science (Honours) PhD in Biotechnology from Macquarie University
Experience and expertise:	Andrew has 40 years of experience in R&D and leads a multidisciplinary team of scientists and engineers on a diverse range of projects from medical device development, separation science instrumentation prototyping, through to consumables for the global analytical science community. Andrew has been responsible for the execution of a range of collaborative programs with the Australian academic and medical research community focused on the translation of research outcomes into new product development. Prior to his time at Trajan and SGE Analytical Science, Andrew was the Chief Science Officer at Proteome Systems.
Other current publicly listed company directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	Not applicable as no longer a director
Interests in options:	Not applicable as no longer a director
Contractual rights to shares:	Not applicable as no longer a director

Directors’ Report

continued

Name:	Dr Rohit Khanna
Title:	Non-Executive Director
Qualifications:	Bachelor of Science (Chemical Engineering) from Purdue University Doctorate in chemical engineering from California Institute of Technology National Science Foundation Fellow of California Institute of Technology
Experience and expertise:	Dr Khanna has nearly 40 years of experience in analytical science, business leadership and laboratory application software. In 1981, Dr Khanna co-founded Dynamic Solutions, a software-engineering firm dedicated to providing computing solutions to the scientific and engineering community. The company’s data management software became a leader in transitioning the analytical instrument industry to automated system control and data analysis, before being acquired by Waters Corporation in 1986. Dr Khanna went on to hold various senior management roles at Waters Corporation, including Vice-President and General Manager of the Data Products Group. In 2002, Dr Khanna was appointed Vice-President, Worldwide Marketing, and most recently Dr Khanna was Senior Vice President of several key Waters Corporation businesses including Informatics, Service, and Chemistry – along with being a member of the Corporate Executive Committee. Dr Khanna retired from Waters Corporation at the end of 2017 but remains closely connected to the industry, participating on several Boards and providing strategic advisory services.
Other current publicly listed company directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Member of the Audit Risk Committee Member of the Remuneration and Nomination Committee
Interests in shares:	117,647 ordinary shares
Interests in options:	88,235 share options
Contractual rights to shares:	None

Name:	John Eales AM
Title:	Non-Executive Chairman
Qualifications:	Bachelor of Arts (Psychology) from the University of Queensland Graduate of the Australian Institute of Company Directors
Experience and expertise:	John has served as an executive, adviser, director and investor in a number of listed public companies and unlisted private organisations. John co-founded the Mettle Group in 2003 – a corporate consultancy which was acquired by Chandler Macleod in 2007. John has been a regular columnist in both the Australian Financial Review and The Australian over the last 20 years and is the author of two books, Learning from Legends Sport and Learning from Legends Business. He is the Chair of the World Rugby Hall of Fame Selection Panel and on the Rugby Australia Bid Advisory Board for the Rugby World Cup 2027. He was made a Member of the Order of Australia in 1999 for services to the community and rugby and is a Patron of the Melanoma Foundation, Hearts in Union and the Champagnat Trust.
Other current publicly listed company directorships:	Non-Executive Director of Flight Centre Travel Group, Magellan Financial Group
Former directorships (last 3 years):	None
Special responsibilities:	Chair of Trajan Group Holdings Limited Chair of the Remuneration and Nomination Committee Member of the Audit and Risk Committee
Interests in shares:	894,117 ordinary shares
Interests in options:	191,178 share options
Contractual rights to shares:	None

Name:	Robert Lyon
Title:	Head of Corporate Development and General Counsel at Trajan Executive Director
Qualifications:	Bachelor of Arts and Bachelor of Laws MBA from the University of Tasmania Graduate of the Australian Institute of Company Directors
Experience and expertise:	Robert joined Trajan in 2013. Robert has global responsibility for the strategic growth of Trajan's business through mergers and acquisitions, licensing arrangements, and commercial relationships with Trajan's industry, academic, government and research partners in the scientific and medical sectors globally. As Trajan's General Counsel he also has responsibility for the negotiation and execution of Trajan's investments and transactions, as well as for its broader legal requirements. Prior to joining Trajan, Robert had a 15-year career in law including as a partner at Page Seager Lawyers before spending six years with KPMG Corporate Finance.
Other current publicly listed company directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	252,940 ordinary shares
Interests in options:	439,250 share options
Contractual rights to shares:	None

Name:	Sara Watts
Title:	Non-Executive Director
Qualifications:	Bachelor of Science from the University of Sydney MBA from Macquarie Graduate School of Management Certified Practicing Accountant and Fellow of CPA Australia Fellow of the Australian Institute of Company Directors
Experience and expertise:	Sara is an experienced Non-Executive Director with financial and operational experience across more than 20 years in a range of industries including technology, education, NFP and resources. Sara's previous executive positions include Chief Financial Officer of IBM Australia/New Zealand, Head of Internal Audit for IBM Asia Pacific and Vice-Principal (Operations) at the University of Sydney.
Other current publicly listed company directorships:	Non-Executive Director and Chair of Audit and Risk Committee of Syrah Resources Ltd
Former directorships (last 3 years):	None
Special responsibilities:	Chair of the Audit and Risk Committee Member of the Remuneration and Nomination Committee
Interests in shares:	None
Interests in options:	88,235 share options
Contractual rights to shares:	None

Name:	Stephen Tomisich
Title:	Group Chief Executive Officer and Managing Director
Qualifications:	Bachelor of Applied Science from RMIT University
Experience and expertise:	Stephen co-founded Trajan in 2011. Stephen is responsible for the design and implementation of Trajan's strategic business plan and has led the negotiations of key customer and distribution agreements, the completion of Trajan's acquisitions and the establishment of Trajan's technological pipeline.
Other current publicly listed company directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	76,470,588 ordinary shares
Interests in options:	None
Contractual rights to shares:	None

Name:	Tiffiny Lewin
Title:	Non-Executive Director
Qualifications:	Bachelor of Arts from Sydney University Graduate of the Australian Institute of Company Directors
Experience and expertise:	Tiffiny brings operational, risk and strategy expertise gained over a 30-year career spanning consumer goods, manufacturing, professional services and the finance sectors. Tiffiny is currently a senior leader at Westpac Group where she has served since 2015. Prior to Westpac, Tiffiny held senior leadership, operational and strategy roles across Australia and Asia for global organisations including Nestle Australia, Nestle Japan, SCA Hygiene, Mondelez International and Procter & Gamble where she successfully delivered organisational transformation, performance turnaround and market growth across business and consumer sectors. Previously acted as a board advisor to Trajan.
Other current publicly listed company directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Member of the Audit Risk Committee Member of the Remuneration and Nomination Committee
Interests in shares:	58,823 ordinary shares
Interests in options:	88,235 share options
Contractual rights to shares:	None

Meeting of directors

The number of meetings of the company's Board of Directors ("the Board") and of each Board committee held during the financial year ended 30 June 2021 and the number of meetings attended by each director were:

	Full board		Remuneration and Nomination Committee		Audit and Risk Committee	
	Attended	Held	Attended	Held	Attended	Held
Executive Directors						
Angela Tomisich	9	10	–	–	–	–
Dr Andrew Gooley	9	10	–	–	–	–
Robert Lyon	16	16	1	1	1	1
Stephen Tomisich	16	16	1	1	1	1
Non-Executive Directors						
Dr Rohit Khanna	9	9	1	1	1	1
John Eales AM	9	9	1	1	1	1
Sara Watts	9	9	1	1	1	1
Tiffiny Lewin	9	9	1	1	1	1

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the Group, in accordance with the requirements of the *Corporations Act 2001* and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage/alignment of executive compensation
- transparency

The Remuneration and Nomination Committee is responsible to assist the Board in fulfilling its responsibilities by reviewing and making recommendations with respect to the remuneration of executive directors, and the Group's senior executives (together Executives), the remuneration of Non-Executive directors, the remuneration of employees generally, executive and employee performance evaluation, the nomination and appointment of directors and policies to promote diversity of representation and contribution to the Group, professional development and personnel management.

The Remuneration and Nomination Committee has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the Group.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:

- having economic profit as a core component of plan design
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- attracting and retaining high calibre executives

Additionally, the reward framework should seek to enhance executives' interests by:

- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth
- providing a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of Non-Executive director and executive director remuneration is separate.

Non-Executive directors' remuneration

Fees and payments to Non-Executive directors reflect the demands and responsibilities of their role. Non-Executive directors' fees and payments are reviewed annually by the Remuneration and Nomination Committee. The Remuneration and Nomination Committee may, from time to time, receive advice from independent remuneration consultants to ensure Non-Executive directors' fees and payments are appropriate and in line with the market. The chairman's fees are determined independently to the fees of other Non-Executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration.

ASX listing rules require the aggregate Non-Executive directors' remuneration be determined periodically by a general meeting. The most recent determination was at the Board meeting held on 13 May 2021, where the Board approved a maximum annual aggregate remuneration of $450,000.

Executive remuneration

The Group aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework have four components:

- fixed annual remuneration
- short-term incentives
- long-term incentives
- other remuneration such as post-employment benefits and long service leave

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, post-employment benefits and non-monetary benefits, are reviewed annually by the Remuneration and Nomination Committee based on individual and business unit performance, the overall performance of the Group and comparable market remunerations. Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the Group and provides additional value to the executive.

The short-term incentives ('STI') program is designed to align the targets of the business with the performance hurdles of executives. STI payments are granted to executives based on specific annual targets and key performance indicators ('KPI's') being achieved. KPI's include profit contribution and sales contribution.

The Group has established a long-term incentive plan (LTIP) to assist in the motivation, retention and reward of eligible employees. The LTIP is designed to align the interests of employees with the interests of Shareholders by providing an opportunity for employees to receive an equity interest in the Group. The LTIP provides flexibility for the Group to grant options to acquire Shares and/or rights to acquire Shares as incentives (Awards), subject to the terms of individual offers.

A summary of the key terms of the 2021 LTIP are detailed as follows

Term	Description for LTIP – KMP option offer	Description for LTIP – Employee option offer
Eligibility	The KMP Option Offers were made to Alister Hodges, Andrew Gooley, Nigel Gilligan and Sam Evans.	The Employee Option Offer was made to certain employees of Trajan. These persons received a separate offer and acceptance letter in relation to their personal offers of Options.
Security	Refer Remuneration Report: Share based compensation and Director's report: Shares under options for further information on options awarded	
Grant date	On or around completion of the IPO (7 June 2021)	
Acquisition price	Options to be granted under the KMP Option Offers will be issued at no cost.	Options to be granted under the Employee Option Offer will be issued at no cost.
Exercise	Options granted under the KMP Option Offers may be exercised from the date on which they vest until the Expiry Date (being the date which is five years after the date on which such Options are granted).	Options granted under the Employee Option Offer may be exercised from the date on which they vest until the Expiry Date (being the date which is five years after the date on which such Options are granted).

<table>
<tr><th>Term</th><th>Description for LTIP – KMP option offer</th><th>Description for LTIP – Employee option offer</th></tr>
<tr><td>Shares as an Award or on vesting of an Award</td><td colspan="2">Shares issued or transferred on the exercise of Awards will rank equally in all respects, and carry the same rights and entitlements, as other issued Shares, including dividend and voting rights.

Depending on the terms of an Award, Shares may be subject to disposal restrictions, which means that they may not be disposed of or dealt with for a period of time.</td></tr>
<tr><td>Vesting and exercise of Awards</td><td colspan="2">Awards which have not lapsed under the LTIP will vest if and when any applicable Vesting Conditions have been satisfied or waived by the Board. However, vested options or rights will not become exercisable until any applicable Exercise Conditions have been satisfied or waived by the Board.

Following the valid exercise of an Award, the company will issue or arrange the transfer of such number of Shares to the participant that relate to the option or right being exercised. Alternatively, the Board may determine to make a cash payment in lieu of the issue or transfer of Shares.</td></tr>
<tr><td>Expiry of options and rights</td><td colspan="2">Options or rights which have not been exercised by the date 15 years from the date of grant of the options or rights, or such other date determined by the Board and specified in the offer (Expiry Date), will lapse unless the Board determines otherwise.</td></tr>
<tr><td>Forfeiture/lapse of Awards</td><td colspan="2">Unless otherwise determined by the Board, an Award will lapse in certain circumstances including:
• where the Board determines that any Vesting Condition or Exercise Condition applicable to the Award cannot be satisfied;
• the applicable Expiry Date;
• in certain circumstances if the participant's employment is terminated (see 'Cessation of employment' below);
• if the Board determines that the Award is liable to clawback (see 'Clawback' below);
• if the Board determines that the Award will be forfeited or lapse in the event of a change of control in respect of the company; and
• where the participant has dealt with an Award in breach of any rule of the LTIP.</td></tr>
<tr><td>Dividend and voting entitlements</td><td colspan="2">Awards do not entitle their holders to dividend or voting rights.</td></tr>
<tr><td>Participation rights of Awards</td><td colspan="2">Awards do not confer the right to participate in new issues of Shares or other securities in the company.

However, subject to the ASX Listing Rules, the LTIP provides for adjustments to be made to the number of Shares to which a participant would be entitled on the exercise of an Award or the exercise price (if any) of the Award in the event of a bonus issue or pro-rata issue to existing holders of Shares (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) or a reorganisation of capital.</td></tr>
<tr><td>Restrictions on dealing</td><td>Each Option granted under the KMP Option Offers and which vests on the Listing Date will be subject to a condition that any Share issued on exercise of that Option will be subject to a disposal restriction preventing the holder from disposing of the Share on or before the date falling six months after the Listing Date.

Participants will otherwise be free to deal with the Shares issued to them on the exercise of vested Options the subject of the KMP Option Offers, subject to the requirements of the company's Securities Trading Policy.</td><td>Each Option granted under the Employee Option Offer and which vests on the Listing Date will be subject to a condition that any Share issued on exercise of that Option will be subject to a disposal restriction preventing the holder from disposing of the Share on or before the date falling six months after the Listing Date.

Participants will otherwise be free to deal with the Shares issued to them on the exercise of vested Options the subject of the Employee Option Offer, subject to the requirements of the company's Securities Trading Policy.</td></tr>
<tr><td>Quotation</td><td colspan="2">Awards will not be quoted on the ASX. The company will apply for official quotation of any Shares issued under the LTIP, in accordance with the ASX Listing Rules.</td></tr>
</table>

Term	Description for LTIP – KMP option offer	Description for LTIP – Employee option offer
Cessation of employment	The Board has discretion to determine, subject to compliance with applicable law, the treatment of an Award if a participant ceases to be employed by a Group company prior to the vesting or exercise of an Award, or an Award ceasing to be subject to any disposal restrictions as a term of the invitation or at the time of cessation.	
Clawback	The LTIP provides the Board with broad clawback powers. If, for example, the Board becomes aware that a participant has committed an act of fraud, negligence or gross misconduct or failed to comply in a material respect with any restrictive covenant or that some other event has occurred which, as a result, means that a participant's Award should be reduced or extinguished, or should not vest, then the Board may clawback or adjust any such Award at its discretion to ensure no unfair benefit is derived by the participant.	
Change of control	If a change of control event occurs with respect to the company, the Board may determine, in its discretion, the manner in which all unvested Awards will be dealt with.	

The Remuneration and Nomination Committee reviewed the long-term equity-linked performance incentives specifically for executives during the year ended 30 June 2021.

Group performance and link to remuneration

Remuneration for certain individuals is directly linked to the performance of the Group. Cash bonus are dependent on defined profitability and growth target. Refer to the section 'Additional information' below for details of the profit for the last five years.

Details of remuneration

Amounts of remuneration

Details of the remuneration of key management personnel of the Group are set out in the following tables.

The key management personnel of the Group consisted of the following directors of Trajan Group Holdings Limited

- Angela Tomisich, Executive Director (resigned on 23 March 2021);
- Dr Rohit Khanna, Non-Executive Director (appointed on 23 March 2021);
- John Eales AM, Independent Non-Executive Chair (appointed on 23 March 2021);
- Robert Lyon, Executive Director and Head of Corporate Development and General Counsel;
- Sara Watts, Non-Executive Director (appointed on 23 March 2021);
- Stephen Tomisich, Chief Executive Officer and Managing Director; and
- Tiffiny Lewin, Non-Executive Director (appointed on 23 March 2021).

And the following persons:

- Alister Hodges, Chief Financial Officer (CFO);
- Dr Andrew Gooley; Chief Scientific Officer (resigned as an Executive Director on 23 March 2021);
- Nigel Gilligan, Chief Operations Officer; and
- Sam Evans, Senior Vice President Business Development.

Changes since the end of the reporting date

None

2021	Short-term benefits: Salary and fees $	Short-term benefits: Bonus $	Short-term benefits: Non-monetary $	Post-employment benefits $	Long-term benefits $	Share-based payments: Equity-settled shares $	Share-based payments: Equity-settled options $	Total $
Non-Executive Directors:								
Dr Rohit Khanna [1]	10,769	–	–	–	–	–	5,506	16,275
John Eales AM	4,028	–	–	383	–	–	108,259	112,670
Sara Watts	14,987	–	–	1,424	–	–	5,506	21,917
Tiffiny Lewin	9,812	–	–	957	–	–	5,506	16,275
Executive Directors:								
Robert Lyon	266,231	–	–	21,694	22,399	–	593,721	904,045
Stephen Tomisich	430,000	53,975	–	25,000	11,459	–	–	520,434
Angela Tomisich	–	–	–	–	–	–	–	–
Other Key Management Personnel:								
Alister Hodges	234,068	50,712	–	21,694	6,694	–	348,634	661,802
Dr Andrew Gooley	230,353	23,769	–	21,694	8,425	–	212,447	496,688
Nigel Gilligan	315,120	21,471	–	21,694	3,492	–	16,453	378,230
Sam Evans [1]	308,697	21,034	27,844	6,743	–	–	4,485	368,803
Total	**1,824,065**	**170,961**	**27,844**	**121,283**	**52,469**	**–**	**1,300,517**	**3,497,139**

(1) Remunerations are paid in US dollar, and the transactions are translated at average exchange rates as at the reporting dates.

	Short-term benefits					Share-based payments		
2020	Salary and fees $	Bonus $	Non-monetary $	Post-employment benefits $	Long-term benefits $	Equity-settled shares $	Equity-settled options $	Total $
Non-Executive Directors:	–	–	–	–	–	–	–	–
Executive Directors:								
Robert Lyon	251,220	–	–	21,003	9,003	–	–	281,226
Stephen Tomisich	430,000	–	–	25,000	7,617	–	–	462,617
Angela Tomisich	154,347	–	–	11,486	–	–	–	165,833
Dr Andrew Gooley	268,352	–	–	21,003	4,941	–	–	294,296
Other Key Management Personnel:								
Alister Hodges	217,917	–	–	21,003	4,430	–	–	243,350
Nigel Gilligan	312,000	–	–	21,003	2,383	–	–	335,386
Sam Evans [(1)]	310,664	–	2,097	9,837	–	–	–	322,598
Total	**1,944,500**	**–**	**2,097**	**130,335**	**28,374**	**–**	**–**	**2,105,306**

(1) Remunerations are paid in US dollar, and the transactions are translated at average exchange rates as at the reporting dates.

The proportion of remuneration linked to performance and the fixed proportion are as follows

Name	Fixed remuneration 2021 %	Fixed remuneration 2020 %	Short-term incentive [1] 2021 %	Short-term incentive [1] 2020 %	Long-term incentive 2021 %	Long-term incentive 2020 %
Non-Executive Directors:						
Dr Rohit Khanna	66%	NA	–	NA	34%	NA
John Eales AM	4%	NA	–	NA	96%	NA
Sara Watts	75%	NA	–	NA	25%	NA
Tiffiny Lewin	66%	NA	–	NA	34%	NA
Executive Directors:						
Robert Lyon	34%	100%	–	–	66%	–
Stephen Tomisich	90%	100%	10%	–	–	–
Angela Tomisich	–	100%	–	–	–	–
Other Key Management Personnel						
Alister Hodges	39%	100%	8%	–	53%	–
Dr Andrew Gooley	52%	100%	5%	–	43%	–
Nigel Gilligan	90%	100%	6%	–	4%	–
Sam Evans	93%	100%	6%	–	1%	–

(1) The short-term incentives (cash bonus) are dependent on sales and profitability targets being met for the financial year.

Contractual arrangements with executive key management personnel (KMP)

Remuneration and other conditions of employment are set out in each executive's employment contract. The key elements of these employment contracts are summarised below:

Name:	Stephen Tomisich
Title:	Chief Executive Officer
Contract duration:	Ongoing
Notice by individual/company:	1 year
Details:	Annual fixed remuneration of $400,000 (exclusive of superannuation and other allowances). Annual performance-based cash bonus (STI) on achieving growth target and profit target. Eligible to participate in the LTIP. Employment contract contains non-solicitation and non-compete clauses.
Termination of employment (without cause):	All payments on termination will be subject to the termination benefits cap under the legislation.
Termination of employment (with cause):	No entitlement to termination payments in the event of removal for misconduct.

Name:	Robert Lyon
Title:	Head of Corporate Development and General Counsel
Contract duration:	Ongoing
Notice by individual/company:	3 months
Details:	Annual fixed remuneration of $306,240 (exclusive of superannuation). Grant of 439,250 options during the year. Employment contract contains non-solicitation and non-compete clauses.
Termination of employment (without cause):	All payments on termination will be subject to the termination benefits cap under the legislation.
Termination of employment (with cause):	No entitlement to termination payments in the event of removal for misconduct.

Name:	Alister Hodges
Title:	Chief Financial Officer and Company Secretary
Contract duration:	Ongoing
Notice by individual/company:	3 months
Details:	Annual fixed remuneration of $236,385 (exclusive of superannuation). Annual performance-based cash bonus (STI) on achieving growth target and profit target. Grant of 255,085 options during the year. Employment contract contains non-solicitation and non-compete clauses.
Termination of employment (without cause):	All payments on termination will be subject to the termination benefits cap under the legislation.
Termination of employment (with cause):	No entitlement to termination payments in the event of removal for misconduct.

Name:	Andrew Gooley
Title:	Chief Scientific Officer
Contract duration:	Ongoing
Notice by individual/company:	3 months
Details:	Annual fixed remuneration of $264,219 (exclusive of superannuation). Annual performance-based cash bonus (STI) on achieving growth target and profit target. Grant of 210,002 options during the year. Employment contract contains non-solicitation and non-compete clauses.
Termination of employment (without cause):	All payments on termination will be subject to the termination benefits cap under the legislation.
Termination of employment (with cause):	No entitlement to termination payments in the event of removal for misconduct.

Name:	Nigel Gilligan
Title:	Chief Operations Officer
Contract duration:	Ongoing
Notice by individual/company:	3 months
Details:	Annual fixed remuneration of $318,240 (exclusive of superannuation). Annual performance-based cash bonus (STI) on achieving growth target and profit target. Grant of 77,296 options during the year. Employment contract contains non-solicitation and non-compete clauses.
Termination of employment (without cause):	All payments on termination will be subject to the termination benefits cap under the legislation.
Termination of employment (with cause):	No entitlement to termination payments in the event of removal for misconduct.

Name:	Sam Evans
Title:	Senior Vice President Business Development
Contract duration:	Ongoing
Notice by individual/company:	3 months
Details:	Annual fixed remuneration of USD232,943 (exclusive of superannuation). Annual performance-based cash bonus (STI) on achieving growth target and profit target. Grant of 47,060 options during the year. Employment contract contains non-solicitation and non-compete clauses.
Termination of employment (without cause):	All payments on termination will be subject to the termination benefits cap under the legislation.
Termination of employment (with cause):	No entitlement to termination payments in the event of removal for misconduct.

The maximum aggregate amount or value of Non-Executive directors' remuneration for the purposes of the ASX Listing Rules and the Constitution is $450,000 per annum of which $434,775 is currently utilised. This amount includes the value of options to be issued to the Non-Executive directors which are to vest on 1 July 2022, 1 July 2023 and 1 July 2024.

The annual fees provided to the Non-Executive directors, are shown below:

	2021 $	2020 $
Board fees		
Chairman	60,000	–
Other Non-Executive Directors	40,000	–
Committee fees		
Audit and Risk Committee – chair	20,000	–
Remuneration and Nomination Committee – chair	10,000	

Directors will not receive any additional fees for being a member of a Board committee.

All directors' fees include superannuation payments required to be made by law.

Share-based compensation

There is no issuance of shares as a form of share-based compensation for the year ended 30 June 2021 (2020: nil).

Options

The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows.

All options were granted over unissued fully paid ordinary shares in the company. Options are exercisable by the holder as from the vesting date. There has not been any alteration to the terms or conditions of the grant since the grant date. There are no amounts paid or payable by the recipient in relation to the granting of such options other than on their potential exercise.

Name	Number of options granted	Number of options vested	Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
Non-Executive Directors							
John Eales	58,824	58,824	7 June 2021	7 June 2021	7 June 2026	–	$1.70
John Eales	44,074	–	7 June 2021	1 July 2022	7 June 2026	–	$1.70
John Eales	44,074	–	7 June 2021	1 July 2023	7 June 2026	–	$1.70
John Eales	44,206	–	7 June 2021	1 July 2024	7 June 2026	–	$1.70
Tiffiny Lewin	29,382	–	7 June 2021	1 July 2022	7 June 2026	–	$1.70
Tiffiny Lewin	29,382	–	7 June 2021	1 July 2023	7 June 2026	–	$1.70
Tiffiny Lewin	29,471	–	7 June 2021	1 July 2024	7 June 2026	–	$1.70
Rohit Khanna	29,382	–	7 June 2021	1 July 2022	7 June 2026	–	$1.70
Rohit Khanna	29,382	–	7 June 2021	1 July 2023	7 June 2026	–	$1.70
Rohit Khanna	29,471	–	7 June 2021	1 July 2024	7 June 2026	–	$1.70
Sara Watts	29,382	–	7 June 2021	1 July 2022	7 June 2026	–	$1.70
Sara Watts	29,382	–	7 June 2021	1 July 2023	7 June 2026	–	$1.70
Sara Watts	29,471	–	7 June 2021	1 July 2024	7 June 2026	–	$1.70

Name	Number of options granted	Number of options vested	Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
Executive Directors							
Robert Lyon	294,118	294,118	7 June 2021	7 June 2021	7 June 2026	$ –	$1.70
Robert Lyon	60,471	60,471	7 June 2021	7 June 2021	7 June 2026	$1.24	$0.78
Robert Lyon	30,236	30,236	7 June 2021	7 June 2021	7 June 2026	$1.68	$0.59
Robert Lyon	30,236	30,236	7 June 2021	7 June 2021	7 June 2026	$1.59	$0.63
Robert Lyon	15,965	15,965	7 June 2021	7 June 2021	7 June 2026	$1.70	$0.58
Robert Lyon	8,224	–	7 June 2021	1 July 2022	7 June 2026	$1.70	$0.58

Name	Number of options granted	Number of options vested	Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
Other Key Management Personnel							
Alister Hodges	36,283	36,283	7 June 2021	7 June 2021	7 June 2026	$1.24	$0.78
Alister Hodges	18,142	18,142	7 June 2021	7 June 2021	7 June 2026	$1.68	$0.59
Alister Hodges	15,965	15,965	7 June 2021	7 June 2021	7 June 2026	$1.70	$0.58
Alister Hodges	8,224	–	7 June 2021	1 July 2022	7 June 2026	$1.70	$0.58
Alister Hodges	176,471	176,471	7 June 2021	7 June 2021	7 June 2026	$ –	$1.70
Dr Andrew Gooley	120,942	120,942	7 June 2021	7 June 2021	7 June 2026	$1.24	$0.78
Dr Andrew Gooley	30,236	30,236	7 June 2021	7 June 2021	7 June 2026	$1.67	$0.60
Dr Andrew Gooley	58,824	58,824	7 June 2021	7 June 2021	7 June 2026	$ –	$1.70
Nigel Gilligan	19,956	19,956	7 June 2021	7 June 2021	7 June 2026	$1.70	$0.58
Nigel Gilligan	10,280	–	7 June 2021	1 July 2022	7 June 2026	$1.70	$0.58
Nigel Gilligan	15,718	–	7 June 2021	1 July 2022	7 June 2026	$1.70	$0.58
Nigel Gilligan	15,671	–	7 June 2021	1 July 2023	7 June 2026	$1.70	$0.58
Nigel Gilligan	15,671	–	7 June 2021	1 July 2024	7 June 2026	$1.70	$0.58
Sam Evans	15,718	–	7 June 2021	1 July 2022	7 June 2026	$1.70	$0.58
Sam Evans	15,671	–	7 June 2021	1 July 2023	7 June 2026	$1.70	$0.58
Sam Evans	15,671	–	7 June 2021	1 July 2024	7 June 2026	$1.70	$0.58

Values of options over ordinary shares granted, exercised and lapsed for directors and other key management personnel as part of compensation during the year ended 30 June 2021 are set out below:

	Value of options granted during the year $	Value of options exercised during the year $	Value of options lapsed during the year $	Remuneration consisting of option of the year %
Directors				
Dr Rohit Khanna	5,506	–	–	34%
John Eales AM	108,259	–	–	96%
Sara Watts	5,506	–	–	25%
Tiffiny Lewin	5,506	–	–	34%
Robert Lyon	593,721	–	–	66%
Other Key Management Personnel				
Alister Hodges	348,634	–	–	53%
Dr Andrew Gooley	212,446	–	–	43%
Nigel Gilligan	16,453	–	–	4%
Sam Evans	4,485	–	–	1%

Additional disclosures relating to key management personnel

The financial performance of the Group for the five years to 30 June 2021 are summarised below:

	2021 $000	2020 $000	2019 $000	2018 $000	2017 $000
EBITDA	5,473 (1)	6,614	4,932	2,867	2,021
Profit after income tax	1,880 (1)	2,608	2,142	1,448	691

(1) Inclusive of IPO related cost expenses of $4.39M, share-based payment expenses of $1.87M, and PPP loan forgiveness of $1.26M.

Shareholding

The number of shares in the company held during the financial year by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

Ordinary shares	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
Non-Executive Directors					
Dr Rohit Khanna	–	–	117,647	–	117,647
John Eales AM	–	–	894,117	–	894,117
Tiffiny Lewin	–	–	58,823	–	58,823
Executive Directors					
Angela Tomisich (1)(2)	12	–	–	(12)	–
Robert Lyon	–	–	252,940	–	252,940
Stephen Tomisich (2)(3)	12	–	99,999,988	(23,529,412)	76,470,588
Other Key Management Personnel					
Alister Hodges	–	–	588,235	–	588,235
Dr Andrew Gooley	–	–	58,824	–	58,824
Nigel Gilligan	–	–	23,529	–	23,529

(1) Angela Tomisich resigned during the year. Amount disclosed in “Disposal/other” relates to her shareholdings at the date of her resignation.

(2) Common to each Stephen Tomisich and Angela Tomisich are 12 (2019: 12) shares held indirectly.

(3) Issuance of 99,999,988 shares at no consideration to Stephen Tomisich (through Trajan SalesCo) on 20 April 2021.

Option Holding

The number of options over ordinary shares in the company held during the financial year by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

Options over ordinary shares	Balance at the start of the year	Granted	Exercised	Expired/ forfeited other/	Balance at the end of the year
Directors					
Dr Rohit Khanna	–	88,235	–	–	88,235
John Eales AM	–	191,178	–	–	191,178
Sara Watts	–	88,235	–	–	88,235
Tiffiny Lewin	–	88,235	–	–	88,235
Robert Lyon	–	439,250	–	–	439,250

Options over ordinary shares	Balance at the start of the year	Granted	Exercised	Expired/ forfeited other/	Balance at the end of the year
Other Key Management Personnel					
Alister Hodges	–	255,085	–	–	255,085
Dr Andrew Gooley	–	210,002	–	–	210,002
Nigel Gilligan	–	77,296	–	–	77,296
Sam Evans	–	47,060	–	–	47,060
	–	1,484,576	–	–	1,484,576

Other transactions with key management personnel and their related parties

There were no other transactions conducted between the Group and Key Management Personnel or their related parties, apart from those disclosed above and below, that were conducted other than in accordance with normal employee, customer or supplier relationships on terms no more favourable than those reasonably expected under arm's length dealings with unrelated persons.

	Consolidated	
	2021 $'000	2020 $'000
Transactions with related parties		
Interest income – Bass Park Investments	(59)	(151)
Management fees – Bass Park Investments	(70)	(139)
Depreciation expense – Ringwood Facility Property Lease – Bass Park Investments	546	543
Interest expense – Ringwood Facility Property Lease – Bass Park Investments	248	137
Listing expense – Trajan SaleCo Limited	1,627	–
Legal fees – Hive Legal Pty Ltd	64	27
	2,356	**417**
Balances with related parties		
Loan to Bass Park Investments Pty Ltd	–	2,613
Trade receivables – Bass Park Investments Pty Ltd	–	173
Right-of-use assets – Ringwood Facility Property Lease – Bass Park Investments	6,311	1,900
	6,311	**4,686**
Trade payables – Hive Legal Pty Ltd	7	–
Lease liabilities – Ringwood Facility Property Lease – Bass Park Investments	6,446	2,104
	6,453	**2,104**

Bass Park Investments Pty Ltd is ultimately held by a trust of which Stephen and Angela Tomisich are the beneficiaries. Stephen Tomisich is also a director of Bass Park Investments Pty Ltd and Robert Lyon is a director of Bass Park Investments Pty Ltd. Alister Hodges resigned as the company secretary of Bass Park Investments Pty Ltd on 13 May 2021.

Trajan Group Holdings Limited entered into a lease agreement (Ringwood Facility Property Lease) with Bass Park Investments Pty Ltd. The Ringwood Facility Property Lease was negotiated on arm's length terms and in the opinion of the directors (other than Stephen Tomisich who has a material personal interest in Bass Park Investments Pty Ltd) comprises an agreement which contains provisions which are customary for commercial leases of the nature of the Ringwood Facility Property Lease.

Loan to Bass Park Investments Pty Ltd was non-trade, unsecured, interest-free and repayable on demand.

Trajan SaleCo Limited ("SaleCo") is controlled by Stephen Tomisich, CEO and director of Trajan via the Tomisich Family Trust (of which he is a joint director). Robert Lyon and John Eales are also directors of SaleCo.

Trajan Group Holdings Limited entered in a Sale Deed with SaleCo, with Trajan Group Holdings Limited agreeing to bear all costs associated with the IPO as well as indemnify SaleCo in respect of all those listing expenses.

Hive Legal Pty Ltd is partly owned by a trust of which Robert Lyon is a beneficiary. Hive Legal provides legal advisory services to Trajan. All transactions are made at arm's length terms.

Other than the above disclosures, the Group is not a party to any other material related party arrangements.

This concludes the remuneration report, which has been audited.

Shares under options

Unissued ordinary shares of Trajan Group Holdings Limited under option at the date of this report are as follows:

Grant date	Expiry date	Vested date	Exercise price	Number of options granted	Number of options vested
7 June 2021	7 June 2026	7 June 2021	$1.24	483,772	483,772
7 June 2021	7 June 2026	7 June 2021	$1.68	139,092	139,092
7 June 2021	7 June 2026	7 June 2021	$1.59	42,332	42,332
7 June 2021	7 June 2026	7 June 2021	$1.67	148,165	148,165
7 June 2021	7 June 2026	7 June 2021	$1.70	111,765	111,765
7 June 2021	7 June 2026	7 June 2021	$1.70	57,568	57,568
7 June 2021	7 June 2026	7 June 2021	$–	705,884	705,884
7 June 2021	7 June 2026	1 July 2022	$1.70	56,982	–
7 June 2021	7 June 2026	1 July 2022	$–	132,220	–
7 June 2021	7 June 2026	1 July 2023	$1.70	56,810	–
7 June 2021	7 June 2026	1 July 2023	$–	132,220	–
7 June 2021	7 June 2026	1 July 2024	$1.70	56,810	–
7 June 2021	7 June 2026	1 July 2024	$–	132,619	–

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the company.

Shares issued on exercise of options

No share issued on exercise of options for the year ended 30 June 2021 and 30 June 2020.

Dividends

Dividends paid during the financial year were as follows:

	Amount $	Franking credit $
Interim dividend for the year ended 30 June 2021 – declared and paid in May 2021	1,000,000	428,571
Final dividend for the year ended 30 June 2021– declared and paid in June 2021	2,350,000	1,007,144

As the dividend was fully franked, there are no income tax consequences for the owners of Trajan Group Holdings Limited relating to this dividend.

Indemnification and insurance of directors and officers

During or since the financial year, the Group paid $41,950 (2020: $14,411) in premiums in respect of a contract insuring all the directors of Trajan against legal costs incurred in defending proceedings for conduct other than:

(a) A wilful breach of duty;

(b) A contravention of sections 182 or 183 of the *Corporations Act 2001*, as permitted by section 199B of the *Corporations Act 2001*.

Indemnification of auditors

To the extent permitted by law, the Group has agreed to indemnify its auditors, RSM Australia Partners, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify RSM Australia Partners during or since the financial year.

Non-Audit Services

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

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

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

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants* 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 company, acting as advocate for the company or jointly sharing economic risks and rewards.

Environmental regulation and performance

The Group holds licences issued by the relevant authorities relating to the storage and use of chemicals and products associated with the manufacturing of products.

There have been no significant known breaches of any environmental regulations to which the Group is subject.

Matters Subsequent to The End of The Financial Year

The impact of the Coronavirus (COVID-19) pandemic is ongoing, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation continues to develop and is dependent on measures imposed by various governments where Trajan and/or its customers operate. Thus far our experience has seen the business remaining resilient to the changing conditions with demand for its essential product range remaining largely intact and challenges in operations and supply chains being manageable.

No matter or circumstance has arisen since the end of financial year that has 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 Future Results

Disclosure of information regarding likely developments in the operations of the Group in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the Group. Accordingly, this information has not been disclosed in this report.

Officers of the company who are former partners of RSM Australia

There are no officers of the company who are former partners of RSM Australia.

Rounding

The Group 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.

Proceedings on Behalf of the Company

No person has applied for leave of court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings. Trajan was not a party to any such proceedings during the year.

Auditor's Independence Declaration

The auditor's independence declaration as required under Section 307C of the *Corporations Act 2001* has been received and immediately follows the directors' report.

Corporate Governance

In recognising the need for the highest standards of corporate behaviour and accountability, the directors support and have adhered to principles of sound corporate governance. The Group continued to follow best practice recommendations as set out by 4th edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations. Where the Group has not followed best practice for any recommendation, explanation is given in the Corporate Governance Statement which is available on the Group's website.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

On behalf of the directors

John Eales
Chairman

Dated this 25th of August 2021

Auditor's Independence Declaration

RSM Australia Partners

Level 21, 55 Collins Street Melbourne VIC 3000
PO Box 248 Collins Street West VIC 8007

T +61 (0) 3 9286 8000
F +61 (0) 3 9286 8199

www.rsm.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Trajan Group Holdings Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

RSM AUSTRALIA PARTNERS

B Y CHAN
Partner

Dated: 25 August 2021
Melbourne, Victoria

Consolidated statement of profit or loss and other comprehensive income

for the year ended 30 June 2021

	Notes	2021 $'000	2020 $'000
Revenue			
Sale of goods	4a	76,568	71,852
Cost of sales		(48,084)	(47,500)
Gross Profit		28,484	24,352
Other income	4b	2,643	1,999
Employee and directors' benefits expenses	4c	(20,150)	(17,322)
Occupancy expenses		(556)	(532)
General Admin and Marketing expenses	4d	(6,950)	(3,862)
Finance expenses	4e	(522)	(476)
Depreciation and amortisation	4f	(1,045)	(1,167)
Profit before income tax		**1,904**	**2,992**
Income tax expense	5	(24)	(384)
Profit for the year after income tax		**1,880**	**2,608**
Other comprehensive income for the year			
Items that will not be reclassified subsequently to profit or loss		–	–
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		(230)	(563)
Total other comprehensive income for the year, net of tax		**(230)**	**(563)**
Total Comprehensive Income for the Year		**1,650**	**2,045**
Profit for the year after income tax is attributable to:			
Equity holders of the parent		1,880	2,620
Minority interests		–	(12)
		1,880	**2,608**
Comprehensive income for the year is attributable to:			
Equity holders of the parent		1,650	2,057
Minority interests		–	(12)
		1,650	**2,045**

Earnings per share for profit attributable to the owners of Trajan Group Holdings Limited

		$	$
Equity holders of the parent		0.05	217,333
Minority interests		–	(1,000)

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

Consolidated statement of financial position

as at 30 June 2021

	Notes	2021 $'000	2020 $'000
Assets			
Current Assets			
Cash and cash equivalents	6	51,717	4,786
Trade and other receivables	7	10,331	6,794
Inventories	8	13,569	14,645
Financial assets	10	750	992
Other assets	9	2,175	1,888
Total Current Assets		**78,542**	**29,105**
Non-Current assets			
Financial assets	10	1,109	2,819
Property, plant and equipment	11	5,320	4,943
Right-of-use assets	12	9,330	4,294
Goodwill and intangibles		1,095	765
Deferred tax assets	17	3,984	2,269
Total Non-Current Assets		**20,838**	**15,090**
TOTAL ASSETS		**99,380**	**44,195**
Liabilities			
Current liabilities			
Trade and other payables	13	8,896	5,567
Lease liabilities	14	1,135	1,388
Provisions	15	5,901	5,278
Income tax payable	16	884	(49)
Interest bearing loans and borrowings	18	7,293	5,940
Total Current Liabilities		**24,109**	**18,124**
Non-Current liabilities			
Lease liabilities	14	8,592	3,357
Provisions	15	597	688
Interest bearing loans and borrowings	18	–	4,286
Total Non-Current Liabilities		**9,189**	**8,331**
TOTAL LIABILITIES		**33,298**	**26,455**
NET ASSETS		**66,082**	**17,740**
Equity			
Issued capital	19	48,171	3
Retained earnings	20	15,623	17,093
Foreign currency translation reserve	20	414	644
Share-based payment reserve	20	1,874	–
TOTAL EQUITY		**66,082**	**17,740**

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

Consolidated statement of changes in equity

for the year ended 30 June 2021

2021	Note	Contributed Equity $'000	Foreign Currency Translation Reserve $'000	Share-based Payment Reserve $'000	Retained Earnings $'000	Total $'000
Balance at 1 July 2020		**3**	**644**	**–**	**17,093**	**17,740**
Profit after income tax expense for the year		–	–	–	1,880	1,880
Other comprehensive income		–	(230)	–	–	(230)
Total comprehensive income for the year		**3**	**414**	**–**	**18,973**	**19,390**
Transactions with owners in their capacity as owners						
Issue of share capital (net of tax)	19	48,168	–	–	–	48,168
Share-based payment	23	–	–	1,874	–	1,874
Dividends paid	21	–	–	–	(3,350)	(3,350)
Balance at 30 June 2021		**48,171**	**414**	**1,874**	**15,623**	**66,082**

2020	Note	Contributed Equity $'000	Foreign Currency Translation Reserve $'000	Share-based Payment Reserve $'000	Retained Earnings $'000	Total $'000
Balance at 1 July 2019		**3**	**1,207**	**–**	**14,810**	**16,020**
Adjustment for change in accounting policy		–	–	–	(325)	(325)
Balance at 1 July 2019 – restated		**3**	**1,207**	**–**	**14,485**	**15,695**
Profit after income tax expense for the year		–	–	–	2,608	2,608
Other comprehensive income		–	(563)	–	–	(563)
Total comprehensive income for the year		**3**	**644**	**–**	**17,093**	**17,740**
Transactions with owners in their capacity as owners						
Issue of share capital	19	–	–	–	–	–
Share-based payment	23	–	–	–	–	–
Dividends paid	21	–	–	–	–	–
Balance at 30 June 2020		**3**	**644**	**–**	**17,093**	**17,740**

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

Consolidated statement of cash flows

for the year ended 30 June 2021

	Notes	2021 $'000	2020 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		71,840	74,876
Payments to suppliers and employees (inclusive of GST)		(61,650)	(71,092)
Income tax (paid)/received		(279)	(1,880)
Interest income		62	179
Finance expenses		(525)	(322)
Net cash flows from/(used in) operating activities	29	**9,448**	**1,761**
Cash flows from investing activities			
Net payment of property plant and equipment		(1,106)	(797)
Proceed from Bass Park Investments Ltd		2,613	–
Purchase of business combination	34	(1,105)	–
Net cash flows from/(used in) investing activities		**402**	**(797)**
Cash flows from financing activities			
Proceeds from issue of shares		50,000	–
Payment of share issue costs		(7,112)	–
Payment of dividends		(3,350)	–
Proceeds from borrowings		–	2,666
Repayment of borrowings		(1,543)	(1,295)
Repayment of lease liabilities		(1,183)	(1,607)
Net cash flows from/(used in) financing activities		**36,812**	**(236)**
Net increase/(decrease) in cash and cash equivalents		46,662	728
Net foreign exchange difference		269	76
Cash and cash equivalents at beginning of the year		4,786	3,982
Cash and cash equivalents at end of the year	6	**51,717**	**4,786**

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

Notes to the consolidated financial statements

for the years ended 30 June 2021

1. Significant accounting policy

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

Basis of preparation

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards, Interpretations and other applicable authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001* as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

The financial statements cover the Group, being Trajan Group Holding Limited (the company) and its controlled entities as a Group. The company is a company limited by shares, incorporated and domiciled in Australia. The address of the company's registered office and principal place of business is 7 Argent Place Ringwood, Victoria, Australia. The company is a for-profit entity for the purposes of preparing the Group's financial statements.

The financial statements were authorised for issue in accordance with a resolution of the directors on 25th August 2021.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, certain classes of property, plant and equipment and derivative financial instruments.

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 2.

Parent entity information

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

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Trajan Group Holdings Ltd ('company') as at 30 June 2021 and the results of all subsidiaries for the year then ended. Trajan Group Holdings Limited and its subsidiaries together are referred to in these financial statements as the 'Group'.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group 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. Subsidiaries are fully consolidated from the date on which control is transferred to the company. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the company.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the Group. Losses incurred by the Group are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Notes to the consolidated financial statements

continued

Principles of consolidation (continued)

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Business combinations

Business combinations occur where the Group obtains control over one or more businesses and results in the consolidation of its assets and liabilities.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed are recognised (subject to certain limited exceptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured each reporting date to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combination other than those associated with the issue of a financial instrument are recognised as expenses in profit or loss when incurred.

The acquisition of a business may result in the recognition of Goodwill or a Net Purchase Consideration.

Foreign currency translation

The financial statements are presented in Australian dollars, which is Trajan Group Holdings Limited's functional and presentation currency.

Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into Australian dollars at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

Revenue recognition

The Group recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Revenue recognition

Sale of goods

Revenue from the sale of goods is recognised when the Group has transferred to the buyer the significant risks and rewards of ownership of the goods and the costs in respect of the transaction can be reliably measured. Risks and rewards are considered passed to the buyer at the time of delivery of the goods to the customer.

Provision of services

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting date and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

Interest income

Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset) to the net carrying amount of the financial asset.

Government grants

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Dividends

Revenue is recognised when Trajan's right to receive the payment is established.

Income tax

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current Income Tax

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred Tax

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses. Current and deferred income tax expense (income) is charged or credited directly to equity instead of profit or loss when the tax relates to terms that are credited or charged directly to equity.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss. Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Income tax (continued)

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement of simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where:

- a legally enforceable right of set-off exists; and
- the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liability are expected to be recovered or settled.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting date; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting date; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting date. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant rate of change in value.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Contract assets

Contract assets are recognised when the Group has transferred goods or services to the customer but where the company is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

Inventories

Raw materials, work in progress and finished goods are stated at the lower of cost and net realisable value on a 'first in first out' basis. Cost comprises of direct materials and delivery costs, direct labour, import duties and other taxes (other than those subsequently recoverable by the Group from the taxing authorities), an appropriate proportion of variable and fixed overhead expenditure based on normal operating capacity. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable.

Stock in transit is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

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.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on financial assets measured at amortised cost. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting date as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

Property, Plant and Equipment

Freehold land and buildings, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is calculated on a straight-line basis over useful life commencing from the time the asset is held ready for use as follows:

Leasehold Improvements – 5 to 30 years.
Motor Vehicles – 4 to 6 years.
Computer Software – 2 to 5 years.
Plant and equipment – 3 to 15 years.
Furniture and Fittings – 5 to 20 years.
Computer Equipment – 2 to 10 years.

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each reporting date. When no future economic benefits are expected to arise from the continued use of an item of property, plant and equipment, it is derecognised. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the statement of comprehensive income in the year the item is derecognised.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised immediately in profit or loss. When re-valued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Intangible assets

Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over Trajan's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the cash-generating unit(s) that is expected to benefit from the synergies of the combination. Trajan Australia is viewed as a single cash-generation unit.

Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its impairment testing as at 30 June each year using a value in use, discounted cash flow methodology. The calculation uses cash flow projections based on financial budgets covering a five-year period, and a pre-tax discount rate of 25.6%. Cash flows beyond that five-year period have a terminal value, calculated using a steady 3.0% growth rate.

Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates. When the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised. Impairment losses recognised for goodwill are not subsequently reversed.

Intangible assets acquired both separately and from a business combination

Intangible assets acquired separately or in a business combination are initially measured at cost. The cost of an intangible asset acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is recognised in profit or loss in the year in which the expenditure was incurred.

Intangible assets (continued)

Intangible assets acquired both separately and from a business combination (continued)

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the amortisation period or method, as appropriate, which is a change in accounting estimate. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed each reporting date to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for as a change in an accounting estimate and is thus accounted for on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the profit and loss when the asset is derecognised.

Research and development

The Group invests in research and development activities directly and partners with industry experts to help accelerate new product development. Partnering is an important priority for the Group as it significantly increases the quantum, breadth of experience and scale of resources focussed on research and development of new technologies and products for target markets globally, driving future revenue growth.

Research costs are expensed in the period in which they are incurred. Development costs are either expensed in the period in which they are incurred or capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the Group is able to use or sell the asset; the Group has sufficient resources; and intent to complete the development and its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit.

Impairment of non-financial assets other than goodwill

The Group conducts an annual review of asset values, which is used as a source of information to assess for any indicators of impairment. External factors, such as changes in expected future processes, technology and economic conditions, are also monitored to assess for indicators of impairment. If any indication of impairment exists, an estimate of the asset's recoverable amount is calculated.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating unit). Non-financial assets other than goodwill that have previously been impaired are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed.

Trade and other payables

Trade payables and other payables are carried at amortised costs and are not discounted due to their short-term nature. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are not secured and are usually paid within 30 days of recognition.

Contract liabilities

Contract liabilities represent the Group's obligation to transfer goods or services to a customer but where the Group is yet to establish an unconditional right to consideration.

Notes to the consolidated financial statements

continued

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects the current market assessments of the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

Employee leave benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within twelve months after the end of the annual reporting date in which the employees render the related service.

The liabilities are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted rates determined by reference to market yields at the end of the reporting date on government bonds that have maturity dates that approximate the terms of the obligations. Upon the re-measurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as a part of employee benefits expense.

Share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions is measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the company receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions is recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- During the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired option of the vesting period.
- From the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

Share-based payments (continued)

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the company or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the company or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Borrowings

Borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

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.

Dividends

Dividends are recognised when declared during the financial year and no longer at the discretion of the Group.

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners Trajan Group Holdings Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as part of operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Comparative figures

Comparative figures have been adjusted to conform to changes in presentation for the current financial year where required by Accounting Standards or as a result of changes in accounting policy.

Rounding of amounts

The Group 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.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2021. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

2. Critical accounting estimates and judgements

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 other various factors, including expectations of future events, 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.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Group based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Group operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

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 at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model 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 would 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. Refer to note 23 for further information.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience, historical collection rates, the impact of the Coronavirus (COVID-19) pandemic and forward-looking information that is available. The allowance for expected credit losses, as disclosed in note 7, is calculated based on the information available at the time of preparation. The actual credit losses in future years may be higher or lower.

Provision for stock obsolescence

The provision for stock obsolescence assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, the ageing of inventories and other factors that affect inventory obsolescence.

Income tax

The Group is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on the Group's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Fair value measurement hierarchy

The Group is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective. The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs. Refer to note 25 for further information.

2. Critical accounting estimates and judgements (continued)

Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the Group's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The Group reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the consolidated entity estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Business combinations

As discussed in note 1, business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the consolidated entity taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

3. Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relates to the transaction with any of the Group's other component.

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Financial Officer ('CFO'). All operating segments' results are reviewed regularly by the Group's Chief Executive Officer (Managing Director) to make decisions about resources to be allocated to the segment and to assess its performance.

The Group is organised into two operating segments based on differences in products and services provided: Analytical Products and Life Science Solutions.

The 'Corporate Service' category includes activities that do not qualify as an operating segment, as well as the activities which do not meet the disclosure requirements of a reportable segment, including shared support and administrative services across the Group and non-core activities of the Group.

Types of products and services

The principal products and services of each of these operating segments are as follows:

Analytical Products	the design, manufacture, distribution and sale of Analytical components and consumables.
Life Science Solutions	the design, manufacture, distribution and sale of pathology, automation workflow solutions, microsampling devices, testing and data analysis.

3. Operating segments (continued)

Intersegment receivables, payables and loans

There are no intersegment receivables, payables and loans.

Transfer between segments

All transactions and transfer between segments are generally determined on an arm's length basis and are included within the relevant categories of income and expense. These transactions eliminate on consolidation.

Major customers

During the year ended 30 June 2021, approximately AU$16.49M (US$12.54M) (2020: AU$17.17M (US$11.52M)) of the Group's external revenue was derived from the sales to an analytical instrumentation manufacturing company.

No other single customers contributed 10% or more to the Group's revenue for the year.

Geographical areas

The Group's geographical regions are based on the location of markets. Segment non-current assets are allocated based on where the assets are located.

The Group operates predominantly in Asia (Malaysia, Japan and ANZ), the USA and EMEA.

	Asia(2) $'000	Americas $'000	EMEA $'000
30 June 2021			
Revenue from external customers	21,373	37,215	17,980
Non-current assets (1)	12,003	3,525	217
30 June 2020			
Revenue from external customers	19,781	34,765	17,305
Non-current assets (1)	6,568	3,250	184

(1) Non – current assets other than financial instruments, deferred tax assets, post-employment benefits assets and rights arising under insurance contracts.

(2) Includes Malaysia, Japan and ANZ.

3. Operating segments (continued)

Operating segment information

30 June 2021	Analytical Products $'000	Life Science Solutions $'000	Corporate Services $'000	Total $'000
Revenue				
Sales to external customers	52,422	24,146	–	76,568
Total sales revenue	52,422	24,146	–	76,568
Other revenue	–	–	–	–
Total segment revenue	52,422	24,146	–	76,568
Intersegment eliminations				–
Unallocated revenue:				
Realised/unrealised foreign currency gains/(losses)				626
Management fee income				70
Loan forgiveness – Unsecured PPP Funding				1,263
Insurance claim recovery				25
Sundry income				659
Total other income				**2,643**
EBITDA	**18,484**	**4,167**	**(17,178)**	**5,473**
Depreciation and amortisation	(2,357)	(124)	(536)	(3,017)
Interest revenue	–	–	62	62
Interest expense	(486)	(38)	(90)	(614)
Profit before income tax expense				**1,904**
Income tax expense				(24)
Profit after income tax expense				**1,880**
Assets				
Segment assets	2,356	2,600	8,613	13,569
Intersegment eliminations				–
Unallocated assets:				
Cash and cash equivalents				51,717
Trade and other receivables				10,331
Other assets				2,175
Financial assets				1,859
Property, plant and equipment				5,320
Right-of-use assets				9,330
Goodwill and Intangibles				1,095
Deferred tax assets				3,984
Total assets				**99,380**
Liabilities				
Unallocated liabilities:				
Trade and other payables				8,896
Lease liabilities				9,727
Provisions				6,498
Tax liabilities/(asset)				884
Interest bearing loans and borrowings				7,293
Total liabilities				**33,298**

3. Operating segments (continued)

30 June 2020	Analytical Products $'000	Life Science Solutions $'000	Corporate Services $'000	Total $'000
Revenue				
Sales to external customers	52,146	19,706	–	71,852
Total sales revenue	52,146	19,706	–	71,852
Other revenue	–	–	–	–
Total segment revenue	52,146	19,706	–	71,852
Intersegment eliminations				–
Unallocated revenue:				
Realised/unrealised foreign currency gains/(losses)				638
Management fee income				139
Government grants				430
Insurance claim recovery				113
Sundry income				679
Total other income				**1,999**
EBITDA	**14,609**	**(372)**	**(7,623)**	**6,614**
Depreciation and amortisation	(1,607)	(38)	(1,536)	(3,181)
Interest revenue	7	–	172	179
Interest expense	(276)	(51)	(293)	(620)
Profit before income tax expense				**2,992**
Income tax expense				(384)
Profit after income tax expense				**2,608**
Assets				
Segment assets	3,432	3,063	8,150	14,645
Intersegment eliminations				–
Unallocated assets:				
Cash and cash equivalents				4,786
Trade and other receivables				6,794
Other assets				1,888
Financial assets				3,811
Property, plant and equipment				4,943
Right-of-use assets				4,294
Goodwill and intangibles				765
Deferred tax assets				2,269
Total assets				**44,195**
Liabilities				
Unallocated liabilities:				
Trade and other payables				5,567
Lease liabilities				4,745
Provisions				5,966
Tax liabilities/(asset)				(49)
Interest bearing loans and borrowings				10,226
Total liabilities				**26,455**

4. Revenues and expenses

a) Revenue

	2021 $'000	2020 $'000
Rendering of services (over time)	592	702
Sale of goods (at a point in time)	75,976	71,150
Total	**76,568**	**71,852**

The Group disaggregates revenue by operating segment. Refer Note 3: Operating Segments for revenue by operating segment and geographical split.

Refer Note 13 for further information on contract liabilities.

b) Other Income

	2021 $'000	2020 $'000
Realised/unrealised foreign currency gains	626	638
Management fees – Bass Park Investments Pty Ltd	70	139
Government grants	–	430
Loan forgiveness – Unsecured PPP funding	1,263	–
Insurance claim recovery	24	113
Adjustment to purchase price of business combinations	660	679
Total	**2,643**	**1,999**

c) Employee and directors' benefits expense

	2021 $'000	2020 $'000
Salaries and wages	(31,944)	(33,028)
Post-employment benefits	(2,675)	(2,869)
Provision for long-term incentive plan (1)	(1,874)	1,152
Employee share gift	(240)	–
Salaries and wages, post-employment benefits and taxes allocated to cost of sales	20,470	21,680
Taxes, insurance and amenities	(3,887)	(4,257)
Total	**(20,150)**	**(17,322)**

(1) In 2020, Trajan released an accrual relating to the termination of a pre-IPO long-term incentive plan (LTIP). In 2021, The Group established a new LTIP at the Board meeting held on 23 March 2021. Refer to note 23 for further information on share-based payments.

4. Revenues and expenses (continued)

d) General Admin and Marketing expenses

	2021 $'000	2020 $'000
Travel and entertainment expenses	(130)	(1,062)
Professional and licence fees	(1,649)	(1,670)
Listing expenses	(4,389)	–
Advertising expenses	(122)	(439)
Operational expenses	(394)	(331)
Communication expenses	(266)	(360)
Total	**(6,950)**	**(3,862)**

e) Finance expenses

	2021 $'000	2020 $'000
Interest and finance charges paid/payable on borrowings	(202)	(322)
Interest income	62	179
	(140)	(143)
Interest and finance charges paid/payable on lease liabilities	(412)	(298)
Interest expenses allocated to cost of sales	303	200
Interest expenses	(249)	(241)
Bank and sundry charges	(198)	(192)
Bad debts and impairments	3	2
Impairment of GST	(78)	(45)
Total	**(522)**	**(476)**

f) Depreciation and amortisation

	2021 $'000	2020 $'000
Depreciation	(1,685)	(1,794)
Depreciation on right-of-use assets	(1,332)	(1,388)
Minor assets expensed	(6)	(5)
	(3,023)	(3,187)
Depreciation on assets allocated to cost of sales	1,012	1,061
Depreciation on right-of-use assets allocated to cost of sales	966	959
Total	**(1,045)**	**(1,167)**

5. Income tax expense

	2021 $'000	2020 $'000
Income tax expense		
Current tax (expense)/income	(1,127)	(67)
Deferred tax (expense)/income	1,128	(314)
(Under)/Over-provision of tax in prior periods	(25)	(3)
Total income tax (expense)/income	**(24)**	**(384)**
A reconciliation between tax expense and the product of accounting profit multiplied by Australia's domestic tax rate as follows:		
Prima facie income tax payable on profit before income tax	1,904	2,992
At Australia's income tax rate of 30% (2020: 30%)	(571)	(898)
Add/(less) tax effect of;		
(Under)/Over-provision of tax in prior periods	(25)	(3)
Research and development tax benefit	295	392
Deferred tax benefit in IPO costs	160	–
Employee share options	(634)	–
Loan forgiveness – Unsecured PPP Funding	272	–
Effect of different tax rates in overseas entities	467	130
Other non-allowable items	12	(5)
Income tax expense attributable to profit	**(24)**	**(384)**

6. Current assets – cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents are comprised of the following:

	2021 $'000	2020 $'000
Cash at bank and in hand	50,968	3,940
Cash equivalents [(1)]	749	846
Total	**51,717**	**4,786**

(1) Cash equivalents are bank drafts and DENSAI receivable by Trajan Scientific Japan Inc.

7. Current assets – trade receivables

	2021 $'000	2020 $'000
Trade receivables	10,331	6,621
Trade receivables – Bass Park Investments Pty Ltd	–	173
Total	**10,331**	**6,794**

Trade receivables are non-interest bearing and are generally on 30 to 90-day terms. Due to the short-term nature of these receivables, their carrying value is assumed to approximate their fair value.

Allowance for expected credit losses

The Group has not experienced any instances of non-payment from its customers over the past 12 months and has used their repayment pattern as a basis for estimation to estimate its Expected Credit Losses (ECL) for the current year. The Group did not determine the default risk of its financial instruments as most of its trade receivables are historical clients that have no bad debt history. Hence no ECL is recognised for the year ended 30 June 2021 (2020: $nil).

During the year, the Group has considered the impact of the COVID-19 pandemic on the amount of ECLs and has determined from its assessment that there has been no significant change to the recovery of customer debts.

Ageing of trade receivables

The ageing of the trade receivables (grouped based on the age of the invoice) are as follows:

Carrying amount	2021 $'000	2020 $'000
0-30 Days	6,997	4,530
31-60 Days	2,522	1,684
61-90 Days	579	297
Over 90 Days	233	110
	10,331	**6,621**

8. Current assets – inventories

	2021 $'000	2020 $'000
Raw materials	4,664	4,979
Work in progress – Manufacturing	4,756	4,605
Work in progress – Automation	321	567
Finished goods	5,624	6,558
Provision for stock obsolescence	(2,237)	(2,064)
Stock for demonstrations	441	–
Total	**13,569**	**14,645**

9. Other assets

	2021 $'000	2020 $'000
CURRENT		
Prepayments	1,416	516
Prepaid insurance on retirement – Japan	501	745
Income tax refund	–	496
GST receivables	242	115
Deposits on purchases	16	16
Total	**2,175**	**1,888**

10. Financial assets

	2021 $'000	2020 $'000
CURRENT		
Foreign exchange contracts	**750**	**992**
NON-CURRENT		
Financial assets at fair value through profit or loss		
Unlisted ordinary shares in LBPR Pty Ltd	137	137
Unlisted ordinary shares in Healthier Delivery Pty Ltd	69	69
	206	206
Foreign exchange contracts	903	–
	1,109	206
Financial assets at amortised cost		
Loan to Bass Park Investments Pty Ltd (related party)	–	2,613
	–	2,613
Total	**1,109**	**2,819**

11. Non-current assets – property plant & equipment

2021	Plant & equipment $'000	Furniture & fittings $'000	Computer software & equipment $'000	Motor vehicles $'000	Leasehold improve-ment $'000	Capital in Progress $'000	Total $'000
Cost at 1 July 2020	**6,823**	**591**	**1,992**	**72**	**1,574**	**–**	**11,052**
Exchange rate impact	(195)	(18)	(20)	–	(50)	2	(281)
Additions	457	11	133	–	38	624	1,263
Addition from business combination (Note 34)	842	35	48	–	–	–	925
Transfers in/(out)	–	–	–	–	–	–	–
Disposals	(9)	(4)	(17)	(72)	–	–	(102)
Balance at 30 June 2021	**7,918**	**615**	**2,136**	**–**	**1,562**	**626**	**12,857**
Depreciation and impairment as at 1 July 2020	**(3,438)**	**(321)**	**(1,408)**	**(61)**	**(881)**	**–**	**(6,109)**
Exchange rate impact	107	11	15	–	32	–	165
Depreciation charge	(997)	(73)	(367)	(8)	(240)	–	(1,685)
Disposals	7	–	16	69	–	–	92
Balance at 30 June 2021	**(4,321)**	**(383)**	**(1,744)**	**–**	**(1,089)**	**–**	**(7,537)**
Cost at 30 June 2021	**7,918**	**615**	**2,136**	**–**	**1,562**	**626**	**12,857**
Accumulated depreciation and impairment	(4,321)	(383)	(1,744)	–	(1,089)	–	(7,537)
Net carrying value at 30 June 2021	**3,597**	**232**	**392**	**–**	**473**	**626**	**5,320**

11. Non-current assets – property plant & equipment (continued)

2020	Plant & equipment $'000	Furniture & fittings $'000	Computer software & equipment $'000	Motor vehicles $'000	Leasehold improve-ment $'000	Capital in progress $'000	Total $'000
Cost at 1 July 2019	**6,276**	**580**	**1,880**	**72**	**1,319**	**234**	**10,361**
Exchange rate impact	41	2	2	–	7	1	53
Additions	541	9	112	–	306	–	968
Transfers in/(out)	208	–	2	–	25	(235)	–
Disposals	(243)	–	(4)	–	(83)	–	(330)
Balance at 30 June 2020	**6,823**	**591**	**1,992**	**72**	**1,574**	**–**	**11,052**
Depreciation and impairment as at 1 July 2019	**(2,476)**	**(241)**	**(1,003)**	**(47)**	**(678)**	**–**	**(4,445)**
Exchange rate impact	(1)	–	–	–	2	–	1
Depreciation charge	(1,045)	(80)	(405)	(14)	(250)	–	(1,794)
Disposals	84	–	–	–	45	–	129
Balance at 30 June 2020	**(3,438)**	**(321)**	**(1,408)**	**(61)**	**(881)**	**–**	**(6,109)**
Cost at 30 June 2020	6,823	591	1,992	72	1,574	–	11,052
Accumulated depreciation and impairment	(3,438)	(321)	(1,408)	(61)	(881)	–	(6,109)
Net carrying value at 30 June 2020	**3,385**	**270**	**584**	**11**	**693**	**–**	**4,943**

12. Non-current assets – right-of-use assets

	2021 $'000	2020 $'000
Land and buildings – right-of-use	11,749	5,491
Less: Accumulated depreciation	(2,562)	(1,292)
	9,187	**4,199**
Plant and equipment – right-of-use	287	177
Less: Accumulated depreciation	(144)	(82)
	143	95
Total	**9,330**	**4,294**

The Group leases land and buildings for its offices and warehouses under agreements of between five to fifteen years. The Group usually has rights to renew the lease arrangement that are reasonably certain to be exercised and therefore may have long, effective lease terms. The rental payments associated with each lease varies according to the amount of space rented and the location of the lease. However, in most cases the amount of rental payments is indexed annually in line with the relevant national consumer pricing index.

The Group also leases office equipment under agreements of between three to seven years. The Group leases motor vehicle under agreements of two to three years.

12. Non-current assets – right-of-use assets (continued)

During the year, the Group has renegotiated the Ringwood (Australia) Facility Property Lease for an additional period of 12 years and the Connecticut (USA) facilities for an additional period of 3 years. As the Group was expanding the US operation, the Group also entered into a new lease (Texas (USA) Facility Lease), for a fixed period of 5 years with the option to renew the lease for an additional period of 5 years.

Leases that are either short-term or low-value have been expensed as incurred and not capitalised as right-of-use assets.

13. Current liabilities – trade and other payables

	2021 $'000	2020 $'000
Trade payables	5,107	2,077
Accruals	2,941	1,652
Contract liabilities	848	1,838
Total	**8,896**	**5,567**

The carrying amounts of trade and other payables are assumed to approximate their fair values due to their short-term nature.

14. Lease liabilities

	2021 $'000	2020 $'000
Current Liability		
Lease liability	1,135	1,388
	1,135	**1,388**
Non-Current Liability		
Lease liability	8,592	3,357
	8,592	3,357
Total	**9,727**	**4,745**

Refer to note 24 for further information on financial instruments.

15. Provisions

	2021 $'000	2020 $'000
Current liability		
Annual leave	2,751	2,234
Long service leave – Australia	3,150	3,044
	5,901	5,278
Non-current liability		
Long service leave – Australia	597	688
Total	**6,498**	**5,966**

16. Current liabilities – income tax payable

	2021 $'000	2020 $'000
Income tax payable/(receivable)	**884**	**(49)**

17. Non-current – deferred tax assets and liabilities

	2021 $'000	2020 $'000
Deferred tax assets	4,310	2,441
Deferred tax liabilities	(326)	(172)
Total net deferred tax assets/(liabilities)	**3,984**	**2,269**

a) Deferred tax assets

Deferred tax asset comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Plant and equipment	165	158
Inventory	443	378
Employee benefits	1,784	1,589
Right-of-use assets	(1,903)	(582)
Leases	1,944	643
Accrued expenses	156	85
IPO related costs	1,065	–
Others	4	170
	3,658	2,441
Amounts recognised in equity:		
Transaction costs on share issue	652	–
	652	–
	4,310	2,441
Movement		
Opening balance	2,441	2,961
Credited to profit or loss	1,282	(520)
Utilisation of prior year tax losses	(65)	–
Credited to equity	652	–
Closing balance	4,310	2,441

17. Non-current – deferred tax assets and liabilities (continued)

b) Deferred tax liabilities

	2021 $'000	2020 $'000
Deferred tax liabilities comprise temporary differences attributable to:		
Amounts recognised in profit or loss:		
Financial assets at fair value through profit or loss	(326)	(172)
	(326)	(172)
Amounts recognised in equity	–	–
	–	–
	(326)	**(172)**
Movement		
Opening balance	(172)	(378)
Credited to profit or loss	(154)	206
Credited to equity	–	–
Closing balance	(326)	(172)

18. Loans and borrowings

	2021 $'000	2020 $'000
Current Liability		
Loan HSBC – secured and interest bearing (1)	7,293	5,940
	7,293	**5,940**
Non-Current Liability		
Loan HSBC – secured and interest bearing (1)	–	2,520
Deferred Consideration (2)	–	375
Unsecured PPP funding (3)	–	1,391
		4,286
Total	**7,293**	**10,226**

Refer to note 24 for further information on financial instruments

(1) HSBC loan is a series of rolling bills within longer term funding facility and can be called for repayment by HSBC on demand. Loans are secured by a charge over business assets. At balance date all repayments are made in accordance with the loan amortisation schedule.

(2) Deferred consideration on the acquisition of the business assets of Soltec Inc on 30 November 2018.

(3) Unsecured PPP COVID support funding extended to Trajan Scientific Americas Inc from the US government CARES Act. The balance is translated at month end exchange rates at the reporting dates. On 28 April 2020, the Group received a formal advice from USA Small Business Administration (SBA) that the full balance has been forgiven.

18. Loans and borrowings (continued)

Loan facilities

	2021 $'000	2020 $'000
Amount utilised	7,292	8,460
Unused loan facility	1,462	1,873
Loan facilities	8,754	10,333

On 30 December 2020, Trajan has entered into an agreement with HSBC Bank Australian Limited which provides the Group with access to the following facilities:

- Working Capital facility of $5.80M. Interest is calculated as BBSY for AUD denominated loans or LIBOR for foreign currency loans plus a margin;
- Single Fully Drawn Advances, on Demand, of $2.80M. Interest is calculated as BBSY or LIBOR plus a margin;
- Foreign Exchange Facility, uncommitted and unadvised; and
- HSBC Corporate Credit Cards facility of $0.20M.

The above facilities are provided subject to the provision of customary financial covenants from Trajan and are otherwise provided on terms and conditions that the Group considers to be customary for financing arrangements of a similar nature. The facilities are secured by unlimited guarantees and general security agreements from Trajan Group entities.

Changes in liabilities arising from financing activities

	2021 $'000	2020 $'000
Opening balance	10,226	9,513
Net proceeds from/(repayment of) borrowings	(1,542)	713
Loan forgiveness – Unsecured PPP funding (1)	(1,391)	–
Closing balance	**7,293**	**10,226**

(1) Unsecured PPP COVID support funding extended to Trajan Scientific Americas Inc from the US government CARES Act. The balance is translated at month end exchange rates at the reporting dates. On 28 April 2020, the Group received a formal advice from USA Small Business Administration (SBA) that the full balance has been forgiven.

19. Equity – issued capital

	2021 Shares	2020 Shares	2021 $'000	2020 $'000
Ordinary shares – fully paid	129,411,765	12	48,171	3

Details	Date	Shares	Issue price	$'000
Balance	1 July 2019	12	$250.00	3
Balance	1 July 2020	12	$250.00	3
Issue of shares		99,999,988		–
Issue of shares		29,411,765	$1.70	50,000
Share issue transaction cost, net of tax		–		(1,832)
Issue of shares (Employee share gift)		141,120		–
Balance		129,522,885		48,171

19. Equity – issued capital (continued)

As at 7 June 2021, a voluntary escrow arrangement pursuant to a voluntary escrow deed between the Tomisich Family Trust, the company and Stephen and Angela Tomisich (being the effective controllers of the Tomisich Family Trust) will come into effect. 76.50M of ordinary shares issued were placed in escrow (2020: NA).

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 fully paid ordinary shares have no par value and the company does not have a limited amount of authorised 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. (2020: none).

Capital risk management

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

In order to maintain or adjust the 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 would look to raise capital when an opportunity to invest in a business or Group was seen as value adding relative to the current share price at the time of the investment.

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

20. Equity – reserves and retained earnings

	Note	2021 $'000	2020 $'000
Foreign currency translation reserve	(a)	414	644
Share-based payment reserve	(b)	1,874	–
Retained earnings	(c)	15,623	17,093
		17,911	**17,737**

a) Foreign currency translation reserve

Movement in reserve		
Opening balance	644	1,207
Exchange differences on translation of foreign operation	(230)	(563)
Closing balance	**414**	**644**

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars.

20. Equity – reserves and retained earnings (continued)

	Note	2021 $'000	2020 $'000
b) Share-based payment reserve			
Movement in reserve			
Opening balance		–	–
Share-based payments expensed during the year	23	1,874	–
Closing balance		1,874	–

This reserve is used to record the fair value of options issued to employees as part of their remuneration.

c) Retained earnings

	Note	2021 $'000	2020 $'000
Movement in retained earnings			
Opening balance		17,093	14,810
Effect of adoption of new accounting standards		–	(325)
Dividends declared during the year	21	(3,350)	–
Net profit for the year		1,880	2,608
Closing balance		15,623	17,093

21. Equity – dividends

Dividend paid during the financial year were as follows:

	2021 $'000	2020 $'000
Interim dividend declared and paid for the year ended 30 June 2021 (2020: nil)	1,000	–
Final dividend declared and paid for the year ended 30 June 2021 (2020: nil)	2,350	–
Total dividend declared and paid	3,350	–

On May 2021, the directors declared an interim dividend for the year ended 30 June 2021 to be paid on 11 May 2021, a total distribution of $1.00M based on the number of ordinary shares on issue as at 30 April 2021. On June 2021, the directors declared a final dividend for the year ended 30 June 2021 to be paid on 4th June 2021, a total distribution of $2.35M based on the number of ordinary shares on issue as at 30 May 2021.

As the dividend was fully franked, there are no income tax consequences for the owners of Trajan Holdings Group Limited relating to this dividend.

21. Equity – dividends (continued)

Franking credits

	2021 $'000	2020 $'000
Franking credits available for subsequent financial years based on a tax rate of 30%	85	1,931

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:

- franking credits that will arise from the payment of the amount of the provision for income tax at the reporting date;
- franking debits that will arise from the payment of dividends recognised as a liability at the reporting date;
- franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date.

22. Earnings per share

	2021 $'000	2020 $'000
Earnings per share for profit		
Profit after income tax attributable to Trajan Group Holdings Limited	1,880	2,608

	$	$
Basic earnings per share	0.05	217,333
Diluted earnings per share	0.05	217,333

	Number	Number
Weighted average number of ordinary shares		
Weighted average number of ordinary shares used in calculating earnings per share	39,670,463	12
Adjustment for calculation of diluted earnings per share:		
Options over ordinary shares	102,776	–
Weighted average number of ordinary shares used in calculating diluted earnings per share	39,773,239	12

23. Share-based payments

A share option plan has been established by the Group and approved by shareholders at a general meeting, whereby the Group may, at the discretion of the Remuneration and Nomination Committee, grant options over ordinary shares in the company to certain key management personnel of the Group. The options are issued for nil consideration and are granted in accordance with performance guidelines established by the Remuneration and Nomination Committee.

23. Share-based payments (continued)

Set out below are summaries of options granted under the plan:

30 June 2021

Tranche	Grant date	Expiry date	Exercise price $	Opening balance	Granted	Exercised	Expired/ forfeited/ other	Closing balance
1	7 June 2021	7 June 2026	$1.24	–	$377,826	–	–	$377,826
2	7 June 2021	7 June 2026	$1.68	–	$82,203	–	–	$82,203
3	7 June 2021	7 June 2026	$1.59	–	$26,669	–	–	$26,669
4	7 June 2021	7 June 2026	$1.67	–	$88,158	–	–	$88,158
5	7 June 2021	7 June 2026	$1.70	–	$65,047	–	–	$65,047
5a	7 June 2021	7 June 2026	$1.70	–	$33,505	–	–	$33,505
5b	7 June 2021	7 June 2026	$–	–	$1,200,003	–	–	$1,200,003
6	7 June 2021	7 June 2026	$1.70	–	$33,164	–	–	$33,164
6a	7 June 2021	7 June 2026	$–	–	$224,774	–	–	$224,774
7	7 June 2021	7 June 2026	$1.70	–	$33,063	–	–	$33,063
7a	7 June 2021	7 June 2026	$–	–	$224,774	–	–	$224,774
8	7 June 2021	7 June 2026	$1.70	–	$33,063	–	–	$33,063
8a	7 June 2021	7 June 2026	$–	–	$225,452	–	–	$225,452
				–	$2,647,701	–	–	$2,647,701
	Weighted average exercise price			–	$1.17	–	–	$1.17

There is no share option being issued in financial year ended 30 June 2020.

Set out below are the options exercisable at the end of the financial year:

Tranche	Grant date	Expiry date	2021 Number	2020 Number
1	7 June 2021	7 June 2026	483,772	–
2	7 June 2021	7 June 2026	139,092	–
3	7 June 2021	7 June 2026	42,332	–
4	7 June 2021	7 June 2026	148,165	–
5	7 June 2021	7 June 2026	111,765	–
5b	7 June 2021	7 June 2026	705,884	–
			1,631,010	–

The weighted average share price during the financial year was $1.71 (2020: NA). The weighted average remaining contractual life of options outstanding at the end of the financial year was 4.91 years (2020: NA).

23. Share-based payments (continued)

Key valuation assumption made at grant dates are summarised below

	Option granted
Share price	$1.70
Expected volatility	40%
Weighted average risk-free interest rate	0.25%
Dividend yield	–

24. Financial instruments

Financial risk management objectives

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk. The Board has adopted a risk management policy appropriate for its business. This policy highlights the risks relevant to the Group's operations and the Group's commitment to designing and implementing systems and methods appropriate to minimise and control its risks.

The Board is responsible for overseeing and approving risk management strategy and policies, monitoring risk management, and establishing procedures which seek to provide assurance that major business risks are identified, consistently assessed and appropriately addressed. The Board may delegate these functions to the Audit and Risk Committee or a separate risk committee in the future. The Board will regularly undertake reviews of its risk management procedures to ensure that it complies with its legal obligations.

The Board has in place a system whereby management is required to report as to its adherence to policies and guidelines approved by the Board for the management of risks.

Market risk

Foreign currency risk

While Trajan incurs labour, input and other production costs in various currencies due to its global operations, a majority of Corporate Services costs are incurred in AUD. However, the majority of Trajan's revenue is received in USD and other currencies. Accordingly, Trajan is exposed to foreign exchange movements generally and, in particular, movements in the USD: AUD exchange rate.

Trajan uses Foreign Exchange Contracts to protect against the fluctuation of the USD against the AUD. Trajan's hedging strategy is to hold contracts 3-18 months out, depending on given economic circumstances. Trajan currently holds contracts to exchange USD which settle evenly between February 2022 and December 2022.

If the foreign currency exchange rate for Trajan's primary foreign currencies were to move by 2.50%, with all other variables held constant, the impact to Earnings before Income Tax Depreciation and Amortisation (EBITDA) is as follows:

	2021 AUD $'000 EBITDA	2020 AUD $'000 EBITDA	2021 AUD $'000 NPAT	2020 AUD $'000 NPAT
+2.50%	(366)	(400)	(350)	(378)
–2.50%	366	400	350	378

The impact on changes to the variables presented has been considered in isolation from changes in other variables. In practice, a change to one variable is likely to have a flow on impact to other variables and may also impact the decision making of management. Management has operational options it can exercise to adapt to changes in currency rates. These include shifting greater production volumes to different geographies.

24. Financial instruments (continued)

Market risk (continued)

Interest rate risk

The Group's main interest rate risk arises from HSBC loans. HSBC loans obtained at variable rates expose the Group to interest rate risk.

The Group's HSBC loans outstanding, totalling $7.29M (2020: $8.46M), are principal and interest payment loans. Monthly cash outlays of approximately $13,055 (2020: $25,000) are required to service the interest payments. The minimum monthly principal repayments of $66,620 (2020: $80,630) are made for the year ended 30 June 2021. An official increase/decrease in interest rates of 100 (2020: 100) basis points would have an adverse/favourable effect on profit before tax of $72,920 (2020: $84,600) per annum. The percentage change is based on the interest rate volatility in historical perspective.

Credit risk

The Group's maximum exposure to credit risk at balance date is the carrying amount of financial assets, net of any provisions for impairment and excluding the value of any collateral or other security.

Receivables are managed on an ongoing basis. The Group does not have any material credit risk exposure to any single debtor or group of debtors. Ageing analysis and ongoing collectability reviews are performed and, where appropriate, an expected credit loss provision is raised. Historically, the Group has not had any significant write-offs in our trade receivables.

The Group minimises concentrations of credit risk in relation to trade receivables by undertaking transactions with a large number of customers. Credit quality of a customer is assessed based on a variety of factors, including their credit ratings and financial position.

The gross trade receivables balance as at 30 June 2021 was $10.33M (2020: $6.79M). The ageing analysis of trade and other receivables is provided in Note 7. As the Group undertakes transactions with a large number of customers and regularly monitors payment in accordance with credit terms, the financial assets that are past due but not impaired are expected to be received.

Liquidity risk

Vigilant 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's approach is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group reviews its minimum levels of cash and cash equivalents on an ongoing basis, and closely monitors rolling cash flow forecasts based on its view on the nature and timing of expected receipts and payments. The Group has historically been able to generate and retain strong positive cash flows. Additionally, multi-currency borrowing facilities have been arranged with the Group's financiers to provide increased capacity for strategic growth objectives.

The table below categorises the Group's financial liabilities into their relevant contractual maturities. Amounts included represent undiscounted cash flows.

Note 18 provides additional details on the Group's borrowing arrangements.

2021	1 year or less $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Total $'000
Trade payables	5,107	–	–	–	5,107
Other payables – Accruals	2,941	–	–	–	2,941
Interest bearing loans and borrowings	7,292	–	–	–	7,292
Lease liabilities	1,135	1,071	3,363	4,158	9,727
Total non-derivatives	**16,475**	**1,071**	**3,363**	**4,158**	**25,067**
Total	**16,475**	**1,071**	**3,363**	**4,158**	**25,067**

24. Financial instruments (continued)

Liquidity risk (continued)

2020	1 year or less $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Total $'000
Trade payables	2,077	–	–	–	2,077
Other payables – Accruals	1,652	–	–	–	1,652
Interest bearing loans and borrowings	5,940	4,286	–	–	10,226
Lease liabilities	1,388	1,191	2,029	138	4,745
Total non-derivatives	**11,057**	**5,477**	**2,029**	**138**	**18,700**
Total	**11,057**	**5,477**	**2,029**	**138**	**18,700**

25. Fair value measurement

Fair value hierarchy

The following tables detail the Group's assets and liabilities, measured or disclosed at fair value, using a three-level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

2021	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets				
Forward foreign exchange contract	–	1,653	–	1,653

2020	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets				
Forward foreign exchange contract	–	992	–	992

Valuation techniques for fair value measurements categorised within level 2 and level 3.

Derivative financial instruments have been valued using quoted market rates. This valuation technique maximises the use of observable market data where it is available and relies as little as possible on Group's specific estimates.

Due to their short-term nature, the fair value of all other receivables and payables approximates their carrying amounts as disclosed in the consolidated statement of financial position and notes to the consolidated financial statements.

26. Key management personnel disclosures

Compensation

The aggregate compensation made to directors and other members of key management personnel of the Group is set out below:

	2021 $'000	2020 $'000
Short-term employee benefits	2,023	1,947
Post-employment benefits	121	130
Long-term benefits	52	28
Share-based payments	1,301	–
	3,497	**2,105**

27. Related party transactions

Parent entity

Trajan Group Holdings Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 31.

Key management personnel

Disclosures relating to key management personnel are set out in note 26 and the remuneration report included in the directors' report.

Transactions with related parties

The following transactions occurred with related parties:

	2021 $'000	2020 $'000
Transactions with related parties		
Interest income – Bass Park Investments	(59)	(151)
Management fees – Bass Park Investments	(70)	(139)
Depreciation expense – Ringwood Facility Property Lease – Bass Park Investments	546	543
Interest expense – Ringwood Facility Property Lease – Bass Park Investments	248	137
Listing expense – Trajan SaleCo Limited	1,627	–
Legal fees – Hive Legal Pty Ltd	64	27
	2,356	**417**

27. Related party transactions (continued)

Receivable from and payable to related parties

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	2021 $'000	2020 $'000
Assets		
Loan to Bass Park Investments Pty Ltd	–	2,613
Trade receivables – Bass Park Investments Pty Ltd	–	173
Right-of-use assets – Ringwood Facility Property Lease – Bass Park Investments	6,311	1,900
	6,311	**4,686**
Liabilities		
Trade payables – Hive Legal Pty Ltd	7	–
Lease liabilities – Ringwood Facility Property Lease – Bass Park Investments	6,446	2,104
	6,453	**2,104**

Loans to/from related parties

	2021 $'000	2020 $'000
Receivables		
Loan to Bass Park Investments Pty Ltd	–	2,613
	–	**2,613**

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

28. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by RSM Australia Partners, the auditor of the Group.

	2021 $'000	2020 $'000
Audit Services – RSM Australia		
Audit or review of the financial statements	73	54
Audit or review of the financial statements – Trajan Malaysia	7	8
Other services – RSM Australia		
Tax services	90	1
Compliance review	–	4
Investigation accounting services	111	–
	281	**67**

Notes to the consolidated financial statements

continued

28. Remuneration of auditors (continued)

	2021 $'000	2020 $'000
Audit Services – RSM network firms		
Audit or review of the financial statements	123	155
Other services –RSM network firms		
Tax services	65	120
Others	–	3
	188	**278**
Total	**469**	**345**

29. Cash flow information

(a) Reconciliation of cashflow from operations, with profit after income tax.

	2021 $'000	2020 $'000
Profit after income tax	**1,880**	**2,608**
Adjustments for:		
– Depreciation and amortisation	1,685	1,794
– Net loss on disposal of assets	32	52
– Foreign exchange contracts	(661)	(992)
– Loan forgiveness – Unsecured PPP funding	(1,263)	–
– Share issue cost	7,112	–
Net (increase)/decrease in operating assets		
– Trade and other receivables	(3,537)	2,265
– Inventory	1,177	(95)
– Deferred tax assets	(1,715)	315
– Other assets	(306)	(94)
Net increase/(decrease) in operating liabilities		
– Trade and other payables	4,569	(2,277)
– Provisions	532	(951)
– Contract liabilities	(990)	493
– Income tax payable	933	(1,357)
Net cash provided by/(used in) operating activities	**9,448**	**1,761**

30. Non-cash investing and financing activities

	2021 $'000	2020 $'000
Additions to the right-of-use assets	6,525	–
Employee share gift	240	
Shares issued under employee share plan	1,874	–
	8,639	**–**

31. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policies described in Note 1:

		Ownership interest	
Name	**Principal place of business/ country of incorporation**	**2021 %**	**2020 %**
Grale Scientific Pty Ltd	Australia	100%	100%
Scientific Glass Manufacturing (UK) Ltd	United Kingdom	100%	100%
Trajan Accelerator Pty Ltd	Australia	100%	100%
Trajan Group Holdings Limited	Australia	100%	100%
Trajan Nutrition Pty Ltd [1]	Australia	100%	50%
Trajan Scientific Americas Inc	United States	100%	100%
Trajan Scientific and Medical Pty Ltd	Australia	100%	100%
Trajan Scientific Australia Pty Ltd	Australia	100%	100%
Trajan Scientific Europe Ltd [2]	United Kingdom	100%	100%
Trajan Scientific Germany GmbH	Germany	100%	100%
Trajan Scientific Japan Inc	Japan	100%	100%
Trajan Scientific Malaysia Sdn Bhd	Malaysia	100%	100%
Trajan Scientific Switzerland Sarl	Switzerland	100%	100%

(1) Trajan Nutrition Pty Ltd was incorporated on 3rd November 2017. Trajan Group Holdings Limited has effective control over Trajan Nutrition Pty Ltd due to its control of the board and management. Trajan directors hold the key positions of Chairman and CEO which indicates the capacity to determine the outcome of decisions. Trajan Group Holdings Limited purchased the remaining shares in Trajan Nutrition Pty Ltd on 1 July 2020.

(2) Trajan Scientific Europe Ltd includes a branch in France, Trajan Scientific France.

32. Parent entity information

The following information has been extracted from the books and records of the parent and has been prepared in accordance with Accounting Standards.

	2021 $'000	2020 $'000
Statement of financial position		
Assets		
Current assets	50,702	496
Non-current assets	2,000	2,055
Total assets	**52,702**	**2,551**
Liabilities		
Current liabilities	520	411
Non-current liabilities	2,000	2,000
Total liabilities	**2,520**	**2,411**
Equity		
Share capital	48,168	–
Retained earnings	140	140
Capital reserve	1,874	–
Total equity	**50,182**	**140**
Statement of profit or loss and other comprehensive income		
Total comprehensive income for the year	–	–

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2021 and 30 June 2020.

Capital commitments – Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2021 and 30 June 2020.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 1, except for investments in subsidiaries, that are accounted for at cost, less any impairment, in the parent entity.

33. Commitments

	2021 $'000	2020 $'000
Capital commitments committed at the reporting date but not recognised as liabilities:		
Not later than 12 months	56	–
Between 12 months and 5 years	–	–
Later than 5 years	–	–
Total capital commitments	56	–
Lease commitments committed at the reporting date but not recognised as lease liabilities:		
Not later than 12 months	95	–
Between 12 months and 5 years	18	–
Later than 5 years	–	–
Total lease commitments	113	–
Total commitments	**169**	**–**

34. Business combination

On 31 March 2021, the Group acquired the business assets of MyHealthTest Pty Ltd, which further strengthened Trajan's Analytical Service business within the Life Science Solutions segment. Details of the purchase consideration, reporting the net assets acquired are as follows:

	2021 $'000	2020 $'000
Inventory	100	–
Property, plant and equipment	925	–
Make good provision	(250)	
Net assets acquired	**1,025**	**–**
Goodwill	330	–
Total cash consideration paid	**1,105**	**–**

35. Contingent assets and contingent liabilities

The directors of the Group are not aware of contingent liabilities which require disclosure in the financial year ended 30 June 2021 (2020: nil).

36. Events after the reporting date

The impact of the Coronavirus (COVID-19) pandemic is ongoing, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation continues to develop and is dependent on measures imposed by various governments where Trajan and/or its customers operate. Thus far our experience has seen the business remaining resilient to the changing conditions with demand for its essential product range remaining largely intact and challenges in operations and supply chains being manageable.

No matter or circumstance has arisen since the end of financial year that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Directors' Declaration

In the opinion of the directors:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2021 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- at the date of this declaration, there are reasonable grounds to believe that the members of the Trajan Group Holdings Limited will be able to meet any obligations or liabilities to which they are, or may become.

The directors have been given the declarations required by section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

On behalf of the directors

John Eales
Chairman

Melbourne
25th August 2021

Independent Auditor's Report

RSM Australia Partners

Level 21, 55 Collins Street Melbourne VIC 3000
PO Box 248 Collins Street West VIC 8007

T +61 (0) 3 9286 8000
F +61 (0) 3 9286 8199

www.rsm.com.au

INDEPENDENT AUDITOR'S REPORT
To the Members of Trajan Group Holdings Limited

Opinion

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

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

(i) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Key Audit Matters

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

Key Audit Matter	How our audit addressed this matter
Recognition of Revenue Refer to Note 4 in the financial statements	
Revenue for the year ended 30 June 2021 was $76.6 million. • Revenue recognition was considered a key audit matter due to the materiality and significance of the balance.	Our audit procedures in relation to the recognition of revenue included: • Assessing whether the Group's revenue recognition policies were in compliance with Australian Accounting Standards; • Evaluating and testing the operating effectiveness of management's controls related to revenue recognition; • Performing tests of detail on a sample basis to test the accuracy of revenue, including the inspection of sales contracts and delivery documentation; • Performing specific targeted cut-off testing over transactions recorded either side of the period end, to ensure that revenues were recorded in the appropriate period; and • Assessing the appropriateness of the disclosures in the financial report.
Valuation of Inventory Refer to Note 8 in the financial statements	
The Group has inventory with a carrying value of $13.6 million as at 30 June 2021. The existence and valuation of inventory is considered a key audit matter, due to the materiality of the balance, and the significant judgments involved in: • Valuing finished goods, including assumptions about the conversion costs of direct labour, overheads, utilities, raw materials and other variable costs; • Assessing the net realisable value of inventories; and • The determination of a provision for obsolescence.	Our audit procedures included: • Performing analytical procedures on Inventory including inventory turnover; • Testing inventory costing by verifying the key inputs in the costing calculations against supporting documentation and evaluating the reasonableness of management's estimates; • Verifying that inventories are being held at the lower of cost and net realisable value; • Assessing the appropriateness of the Group's Inventory for determining the provision for obsolescence and its application; and • Evaluating management assumptions and estimates applied to the provision for obsolescence through analysis of historical sales levels by inventory product.

Other Information

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

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

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

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

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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 on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Trajan Group Holdings Limited., for the year ended 30 June 2021, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

RSM AUSTRALIA PARTNERS

B Y CHAN
Partner

Dated: 25 August 2021
Melbourne, Victoria

Shareholder information

The shareholder information set out below was applicable as at 18 August 2021.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

Distribution of Fully Paid Ordinary Shares

	No. of shareholders	No. of shares	% of shares issued
1 to 1,000	556	317,910	0.25
1,001 to 5,000	493	1,440,831	1.11
5,001 to 10,000	350	2,662,421	2.06
10,001 to 100,000	447	11,895,337	9.18
100,001 and over	37	113,236,386	87.40
	1,883	**129,552,885**	**100.00**

	Minimum parcel size	Total holders	Units
Holding less than a marketable parcel (Minimum $500.00 parcel at $3.11 per unit)	161	11	653

Distribution of Unlisted Options over Ordinary Shares

Unlisted Options with various vesting dates and exercise prices, expiring on 7 June 2026:

	No. of option holders	No. of options	%
1 to 1,000	0	0	0.00
1,001 to 5,000	0	0	0.00
5,001 to 10,000	25	165,825	7.35
10,001 to 100,000	18	665,602	29.50
100,001 and over	7	1,424,812	63.15
	50	**2,256,239**	**100.00**

Shareholder information

continued

Ordinary Shareholders

Twenty largest quoted equity security holders

		Units	% Units
1	TOMISICH FAMILY PTY LTD <TOMISICH FAMILY A/C>	76,470,588	59.03
2	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	12,355,571	9.54
3	NATIONAL NOMINEES LIMITED	8,933,866	6.90
4	CITICORP NOMINEES PTY LIMITED	2,566,060	1.98
5	TRUEBELL CAPITAL PTY LTD <TRUEBELL INVESTMENT FUND>	1,460,428	1.13
6	BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING DRP A/C>	1,262,486	0.97
7	UBS NOMINEES PTY LTD	965,346	0.75
8	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	960,263	0.74
9	RUCK & MAUL PTY LTD <THE JOHN EALES FAMILY A/C>	882,353	0.68
10	BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD <DRP A/C>	588,343	0.45
11	MR ALISTER JOHN HODGES	588,235	0.45
12	MS DANIELLE MARIE TOMISICH	588,235	0.45
13	BNP PARIBAS NOMS(NZ) LTD<DRP>	585,268	0.45
14	INVESTMENT HOLDINGS PTY LTD <INVESTMENT HOLDINGS UNIT A/C>	500,000	0.39
15	BNP PARIBAS NOMS PTY LTD <DRP>	436,662	0.34
16	TELUNAPA PTY LTD <TELUNAPA CAPITAL A/C>	394,118	0.30
17	MJC PTY LIMITED <THE MICHAEL CROUCH FAM A/C>	390,936	0.30
18	NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	367,080	0.28
19	ZEN VENTURES PTY LTD <ZEN VENTURES A/C>	264,705	0.20
20	BNP PARIBAS NOMINEES PTY LTD <IOOF INSMT MGMT LTD DRP>	250,000	0.19
Total: Top 20 holders of ORDINARY FULLY PAID SHARES		**110,810,543**	**85.53**
Total Remaining Holders Balance		**18,742,342**	**14.47**

Substantial Holders

The following have disclosed a substantial shareholder notice in the period to 18 August 2021:

	Units	% of voting power	Date of interest notice
TRAJAN GROUP HOLDINGS LIMITED*	76,470,588	59.03	07/06/2021
TOMISICH FAMILY PTY LTD <TOMISICH FAMILY A/C>	76,470,588	59.03	07/06/2021
AUSTRALIANSUPER PTY LTD	8,341,177	6.44	07/06/2021

* Interest held under section 608(8) of the Corporations Act through voluntary escrow deed on behalf of Tomisich Family Pty Ltd <Tomisich Family A/C>.

Voting rights

Ordinary shares

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.

Unlisted Options

Options do not entitle the holders to vote in respect of that equity instrument, nor participate in dividends, if declared, until such time as the options are exercised and subsequently registered as ordinary shares.

There are no other classes of equity securities.

Restricted securities

Class	Expiry date	No. of shares
Employee 3 Year Restricted Ordinary shares	7 June 2024	141,120
		141,120

Securities subject to voluntary escrow

Security holder	Class	Expiry date	No. of shares
Tomisich Family Pty Ltd <Tomisich Family Trust>	Ordinary shares voluntarily escrowed until the next trading day after the date on which the Company releases to the ASX its preliminary final report (Appendix 4E) for the financial year ending 30 June 2022	2022	19,117,647
Tomisich Family Pty Ltd <Tomisich Family Trust>	Ordinary shares voluntarily escrowed until the next trading day after the date on which the Company releases to the ASX its preliminary final report (Appendix 4E) for the financial year ending 30 June 2023	2023	57,352,941
			76,470,588

On market buy-back

There is currently no on-market buy-back.

Other ASX required information

The Company has used the cash and assets in a form readily convertible to cash, that it had at the time of admission to the ASX, in a way consistent with its business objectives. This statement is made pursuant to ASX Listing Rule 4.10.19.

This page has been left blank intentionally.

TRAJAN