TRAJAN

Annual Report | 2022

SCIENCE THAT BENEFITS PEOPLE

From the individual to the sample, from automated laboratory analysis to actionable information, **Trajan is building the capabilities to deliver its vision: personalised, preventative, data-based healthcare.**

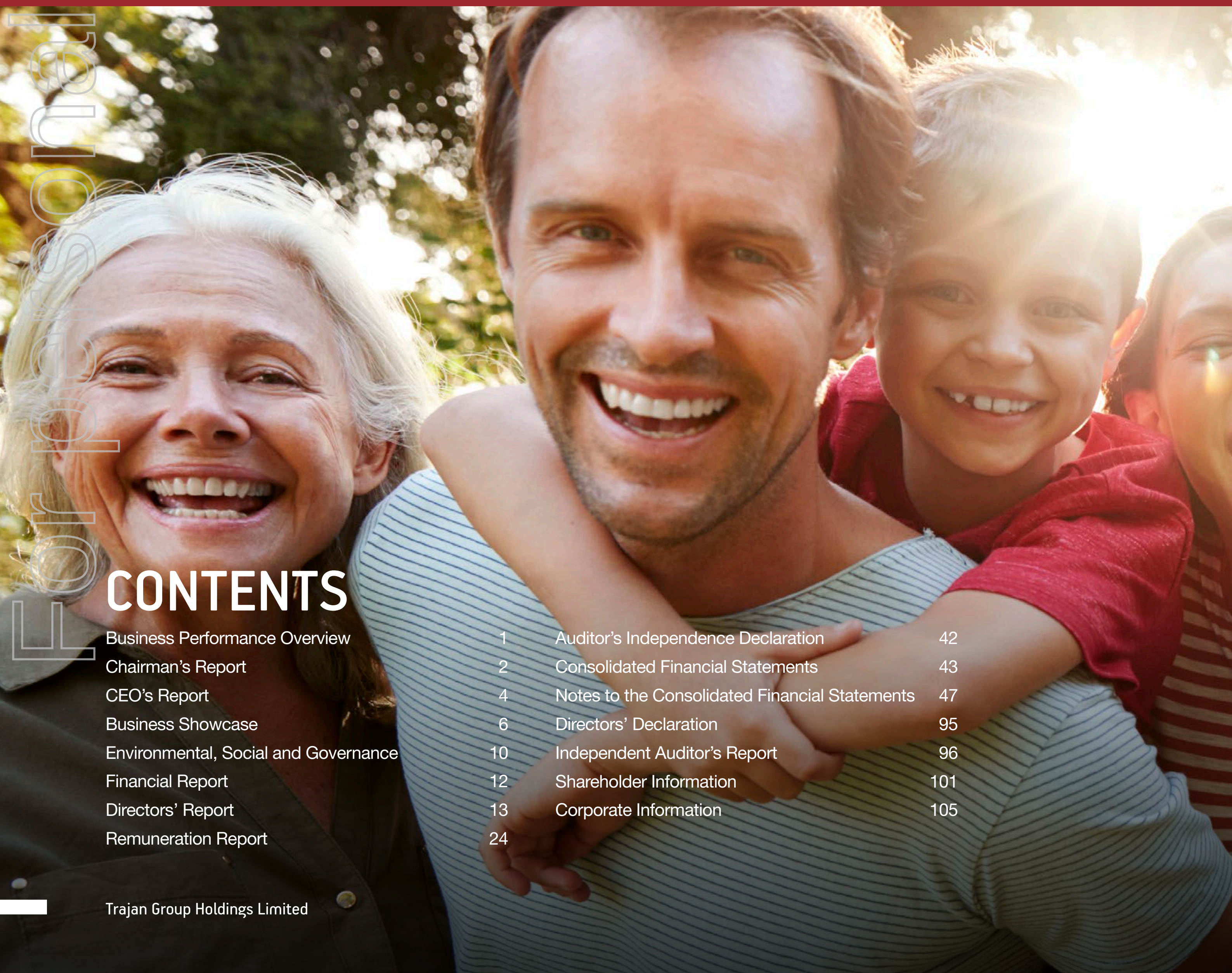
OUR VALUES

Respect

Integrity

Discipline

Empowerment



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BUSINESS PERFORMANCE OVERVIEW

$107.6M
up 40.5%
Revenue growth

$12.5M
up 26.0%
Normalised EBITDA

$22.7M
Added to revenue from new acquisitions and $2.1M added to group EBITDA

10.8%
Organic revenue growth on pcp

41.9%
Proforma Gross Margin

4
New acquisitions

CHAIRMAN'S REPORT

Progress is often measured in major milestones, but more accurately is a result of the incremental steps a business makes each year.

FY22 was an historic year for Trajan Group Holdings. During our first full year as an ASX listed company, we made four significant acquisitions across different parts of our business and in different regions of the world, expanded our infrastructure footprint, and grew our team to more than 650 people. We also confronted, and navigated positively, the macro global challenges that all businesses faced including the global pandemic, market volatility, and supply chain issues.

The concept of small steps and giant leaps is an important one as you can't have the latter without the former. We have always been clear on our purpose at Trajan, to use science to benefit people, and we support this aspiration with the execution of our strategic plan which ensures that even the smallest of achievements is building towards something bigger.

We are demonstrating that by routinely focusing on the small steps, the giant leaps follow.

Success at Trajan is about consistently striving for excellence. This lens of best in class informs our approach to business through the acquisitions we make, the products we produce, and the work processes that are supported by our teams. The beneficiaries of our work are the people who gain access to the very best medical and scientific technology with more accurate, sensitive, and consistent data informing better health and wellbeing decisions. And in a neat circle, it is also the routine of what we do that feeds the economic engine of our business.

In the early years of Trajan, under the guidance of Stephen and Angela Tomisich, we built expertise in very specific areas of components and consumables in the analytical and life sciences sectors. Today, we have continued to evolve and expand our products into other areas of expertise but have remained true to our philosophy of excellence.

Our four major acquisitions this last Financial Year, Axel Semrau, LEAP PAL Parts and Consumables (LPP), Neoteryx, and Chromatography Research Supplies (CRS), have all either built on our current areas of strength, complemented our capabilities where there have been gaps in our offering, or, in the case of Neoteryx, propelled us forward in an important business segment for the future. We also invested in Humankind Ventures, a UK private company that supports our strategy towards health technology and that interfaces directly with the consumer.

These acquisitions and investment provide a compelling combination of driving the economic, cash-generating, components of our business, while also laying strong foundations for some of the longer term innovation and growth opportunities. As we embed these acquisitions it will allow us to build on the strong underlying performance of our business to outpace many of our peers.

What is increasingly evident is that Trajan's work has become ingrained in the analytical processes and workflows of our customers, which flows directly to having a positive influence on society. The thematic driving the market opportunities for Trajan remain consistent – decentralised health care, aging global populations, and personalised medicine – and these continue to drive demand for Trajan's goods and services.

As we have taken our many small steps and a large leap over the last 12 months, we have navigated ambiguous and dynamic times. Risk and the unexpected are a mainstay of business today, however we remain confident that the strength of our leaders, our continued focus on excellence, and the commitment to our purpose of using science to benefit people, place us in a compelling position to continue to drive success.

The people who make up the Trajan team are central to the strength of our business today. We are proud of our Australian heritage but are truly a global business with more than 95 percent of our revenue generated from international markets. I'd like to extend our welcome to the teams at Neoteryx, CRS, LPP, and Axel Semrau who have embraced the opportunity to be part of the Trajan family.

Thank you to our CEO Stephen Tomisich and the entire Trajan team for your dedication and diligence over the last 12 months. I would also like to thank the Board as they have been an enormous support for me in my role as Chair.

Finally, to our shareholders, we appreciate your support, and we look forward to sharing another successful year together.

John Eales
Chairman

“What is increasingly evident is that Trajan’s work has become ingrained in the analytical processes and workflows of our customers, which flows directly to having a positive influence on society.

CEO'S REPORT

Resilience

In my report last year, I started with the same title, "resilience". The intention was to recognise the remarkable underlying strength in the Trajan business during its first nine years. It seems that the same headline is equally applicable today.

With a full year behind us as a public company we can proudly reflect on the success delivered in FY22 with significant commercial growth aligned with our forecasts and guidance. Importantly, this commercial success was directly aligned and linked with our unwavering commitment to our strategic direction and purpose – to deliver meaningful impact.

At the IPO just over a year ago we stated that most funds raised would be deployed to accelerate our M&A program. With four acquisitions completed in the last 12 months, we executed as planned, achieving valuable outcomes in each instance. These successful additions to the Trajan portfolio plus the underlying organic growth that continues at double-digit pace means, this financial year, Trajan is on track to more than double revenues compared to our IPO starting point.

The Axel Semrau business acquired in November 2021 has thrived as part of the Trajan family with its order books reaching record levels during the year.

Neoteryx, acquired in December 2021 has quickly transformed into Trajan's global centre of excellence for microsampling and the Californian based team is now leading the global commercial execution for the entire portfolio. The team achieved our goal of nearly $3M in revenue in the second half of FY22 and is well underway to post significant growth in FY23. Meanwhile, we have made great progress in relocating much of the Neoteryx product assembly functions into our Penang, Malaysia facility and the business has successfully transitioned to Trajan's global ERP system.

LEAP PAL Parts and Consumables was also acquired in late 2021 and brought with it a new North American customer set involved in automated laboratory workflows. On day four post-acquisition, the business was up and running on Trajan's ERP system and the process of cross fertilisation for revenue and supply synergies across several Trajan business units has made a great start.

Then, late in the FY22 year we acquired Chromatography Research Supplies (CRS) based in Louisville, Kentucky, representing our largest acquisition to date. That brings us back to resilience. Most of the CRS revenue is recurring, from the same diversified customer base as Trajan, serving the same essential analytical measurement laboratories. CRS adds critical mass, and enormous capabilities, to our economic engine.

Supply Chain and Cost Structures

Like many businesses Trajan experienced delays in the supply of critical materials, components and devices during the financial year and we saw numerous cost increases across our supply chain. We also had a loss of revenue, circa $0.5M due to the conflict in the Ukraine. Despite these headwinds we still managed to deliver results in line with guidance due to the ongoing strength across other parts of the business. It is that diversity of product lines, customers, markets, and geographies that underpins our resilience. We executed price adjustments to our customers in June 2021 that we expect will offset the cost imposts that have been placed upon us.

Project "Neptune"– our initiative to drive margin expansion through both production automation and process re-engineering – has continued successfully. While there have been some delays and challenges, again related to supply chain and COVID travel restrictions, we still expect to deliver on our three-year goals for the program.

Acceleration of Technology Commercialisation

Work at our newly formed analytical laboratory in Melbourne has progressed at pace. Workflows related to target areas like tracking metabolites for cardiovascular disease risk and hormone monitoring, integrated with Trajan's physical tools and devices such as microsampling products, are in development and being validated.

Compelling M&A Impact

ACQUISITION CHARACTERISTICS

Our acquisitions aren't simple "bolt on" capabilities, we focus on attributes that enhance Trajan as a whole.

- **Results from a collaborative process working with the founder on a succession plan that benefits both Trajan and the target**
- **Provides a solution within the analytical workflow**
- **Complementary to one or multiple current business segments and/or technologies, with a clear integration strategy**
- **Focuses on becoming industry best practice once integrated into the Trajan ecosystem**
- **Earnings accretive or strategic opportunity that enhances shareholder value in the short-to-medium-term and increasing in the long-term**

Our acquisition history to date

2011 & 2014	– **Entered through Grale Scientific** and then **built through HD Scientific** the foundation of today's successful pathology business
2013	– **Entered through SGE Analytical Science** into analytical products which provided the platform for today's chromatography products
2016	– **Built through Epic Extrusion** a position in analytical products enabling Trajan today to deliver polymer tubing to the analytical community
2016 & 2021	– **Entered through LEAP Technologies** and then **built through Axel Semrau and LEAP PAL Parts and Consumables** laboratory automation. Applications today include proteomics, drug discovery and food contamination testing
2018	– **Entered through Soltec** into sample containment, providing sealing septa to help preserve sample and data integrity
2021	– **Entered through MyHealthTest** into our own laboratory, and we are now establishing the resource and infrastructure to support future growth – **Entered through FORTH** into consumer portals through strategic investment with Board representation and potential partnering opportunities – **Built through Neoteryx** microsampling and today we have a strengthened position in the emerging microsampling segment
2022	– **Consolidated through Chromatography Research Supplies** our market leading position in gas chromatography sample introduction

During the year we launched the MonitorYou™ brand for personal sampling and monitoring. Several Trajan staff have participated (under ethics clearance), by providing samples as part of our "healthy heart" initiative, currently under development as we head towards medical laboratory certification. This activity is about breaking down the barriers to the commercial adoption of Trajan's suite of disruptive tools in support of our vision of personalised, preventative, data-based healthcare.

With a global team now of 650 staff, a new scale of business operations, strong underlying organic growth, new technologies gaining traction and an M&A pipeline that remains active, we enter our second year as a public company with even greater confidence of delivering on our vision at scale: science that benefits people.

Stephen Tomisich
CEO and Managing Director

BUSINESS SHOWCASE

Cathy Cordova, General Manager of Trajan Microsampling

Trajan legacy hemaPEN® microsampling tool

Neoteryx legacy Mitra® Blood Collection device

Microsampling making healthcare accessible for all

With a strong portfolio and pipeline of microsampling products, bolstered by the acquisition of Neoteryx in December 2021, Trajan is on a mission to decentralise and democratise healthcare. Cathy Cordova, General Manager of Trajan Microsampling, breaks down the technology's potential and how Trajan and Neoteryx have joined forces to drive adoption.

Microsampling is a method that can be used by anyone for capturing minute samples (as low as 2.75 microlitres with hemaPEN® and 10 microlitres with Mitra®) of blood for analysis. By comparison, a conventional blood test may draw a venous sample of up to 10 mililitres.

Microsampling has a critical role to play in the future of healthcare by:

- reducing the time and cost of drug development
- helping researchers access low-resource regions and underserved populations
- equiping patients and their healthcare providers with new options to monitor their health remotely
- enabling a proactive, personalised approach to medicine

Our microsampling technologies, hemaPEN® (Trajan legacy) and Mitra® (Neoteryx legacy) deliver these benefits, and we have established a strong customer base within the pharmaceutical industry, prominent research institutions, and clinical laboratories, globally. Growing demand, catalysed by the pandemic and maintained since, has supported us to deliver double-digit top-line growth year on year.

Trajan and Neoteryx: a match made in microsampling heaven

Neoteryx and Trajan have always had multiple synergies in the field. We had aligned goals of decentralising healthcare and our legacy products integrated seamlessly. Together, we are in a stronger position to drive global commercialisation and adoption of microsampling at scale.

"Neoteryx's integration into Trajan Microsampling provided a significant resource uplift that will create opportunities for product development and commercial expansion."

Making moves in microsampling

The market for microsampling is significant. However, the potential impact on patient outcomes is far greater. Our focus now is driving microsampling adoption in markets where it has already proven to work, including clinical trials led by multinational pharmaceutical companies Merck, Eli Lilly, and AstraZeneca.

In parallel, we have three products in development, including a microbiopsy device that could have many applications including revolutionising skin cancer checks; are building tools and connections to enable microsampling workflows; and growing industry relationships to overcome adoption hurdles. New demand from clinical labs wishing to apply the benefits of microsampling to a broader range of tests, may also see us develop devices for collecting samples of up to 0.5 milliliters.

"Ultimately, we have a vision of a world where microsampling participates in medical breakthroughs and empowers all people, no matter their location, health status or income, with the tools to lead a healthier life."

LEAP PAL Parts own-brand L-MARK® Syringe

Puzzle pieces in action

Leaping further into the direct-to-consumer market in North America.

LEAP PAL Parts and Consumables (LPP) is a specialised distributor of parts and supplies for the world's largest laboratories and pharmaceutical companies. Known to its customers as a reliable partner that offers "white glove" service, LPP has an extensive distribution network, supplying over 600 laboratories in North America.

From vials and caps used by labs to analyse samples and deliver results for patient health, to liquid and gas chromatography syringes that pharmaceutical companies use in drug discovery, LPP carries and distributes over 6,000 products. In fact, when someone in North America goes to a doctor and gets a blood test, it's likely their sample is being analysed by a lab serviced by LPP, and now Trajan.

"From ramping up our distribution in a market dealing with the pandemic, supply chain issues, and inflation, to carrying a new kind of swab for customers conducting COVID testing on kids, we anticipate our customer needs so they can focus on their science."

– **ANGELA BUCHHOLZ**
Marketing Director at LPP, Trajan Scientific and Medical

"Being part of Trajan means we can expand our high-quality customer service and capabilities to serve our customers throughout the entire life of the automated analytical workflow."

– **WILL PLYLER**
General Manager of LPP, Trajan Scientific and Medical

Prior to the acquisition, LPP operated in markets of clinical diagnostics, pharmaceuticals, and food and environmental testing that Trajan was already present and growing in. Now, the expertise of both companies has combined to offer a true end-to-end solution. For example, Trajan's capability to deliver and install specialised automation systems with software and technical expertise, paired with LPP's supply of the consumables and replacement parts that go with that automation, means Trajan can support customers right through the automation lifecycle, increasing customer retention and establishing the business as a total service provider.

"The strong relationships LPP holds with its customers in North America is a true asset. This, coupled with our acquisition of Neoteryx and the development of our direct-to-consumer wellness testing business in Ringwood, will see us grow our market presence in the next 12 months."

– **STEPHEN TOMISICH**
Trajan Group CEO and Managing Director

LEAP PAL Parts own-brand L-MARK Vials

The automation platform used by the world's leading food brands

How Trajan supports food safety globally

Everyone wants to be able to consume their favourite foods without concern they may be exposed to materials that risk their health. Thanks to Axel Semrau (now part of Trajan Automation), this is possible.

Trajan's acquisition of Axel Semrau in November 2021 brought with it an experienced team; the CHRONOS software platform, which was already the basis of all Trajan automation products, including HDX; and a market-leading automation system for food sample analysis, the CHRONECT Workstation MOSH/MOAH.

The CHRONECT Workstation MOSH/MOAH is used to test all types of food samples for the undesirable mineral oil residues, MOSH and MOAH, which can contaminate food during production. The CHRONECT Workstation MOSH/MOAH is compatible with the instruments from major analytical companies.

MOSH = Mineral Oil Saturated Hydrocarbons, which are a health concern. MOSH is known to accumulate in the liver and lymphoid system, causing inflammation.

MOAH = Mineral Oil Aromatic Hydrocarbons. MOAH migration into food must be minimised due to its carcinogenic potential.

"Originally, studies discovered the oils in dry food like rice, which were thought to have come from ink in paper that had been recycled into food packaging. Then it became apparent that MOSH/MOAH could be found in processed foods, like chocolate and edible oil. So, we developed a solution to allow companies to test the levels of MOSH/MOAH in their food products, at scale. We sold our first system in 2011 and have sold another 200 systems since to the world's leading food brands."

– DR. ANDREAS BRUCHMANN
Managing Director of Axel Semrau, Trajan Scientific and Medical

The system is unparalleled in its ability to test and analyse food samples for MOSH/MOAH simultaneously, quickly, and reliably. It works by using a combination of liquid chromatography and gas chromatography, extended by automated sample prep methods in a two-channel setup, halving the analysis time.

Today, under regulatory guidance, all companies producing food for Europe and China, including those based in North America, are required to test their products for MOSH/MOAH. 85 percent of those companies use the CHRONECT Workstation MOSH/MOAH, developed for the first time over ten years ago by Axel Semrau, and now owned by Trajan.

In 2022, we launched a world-first, fully automated workflow for testing MOSH/MOAH levels in liquid food samples. The system is patent-pending, and Trajan intends to upgrade all existing systems to provide even higher quality food analysis.

The CHRONECT Workstation MOSH/MOAH

Research partnerships creating new opportunities to drive positive health and wellbeing

Professor Peter Meikle (right) with researchers from the Baker Institute Metabolomics team Dr. Habtamu Beyene and Natalie Mellett

Trajan's global collaboration model sees it work with notable medical research institutions to translate world-class research into commercial products. One example is Trajan's partnership with one of Australia's leading research organisations, the Baker Heart and Diabetes Institute.

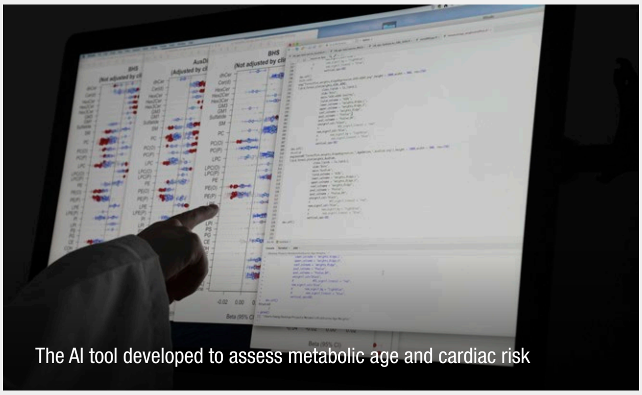
> "The partners we work with are synergistic, mutually beneficial, and align with our vision of delivering science that benefits people."
>
> – **STEPHEN TOMISICH**
> **Trajan Group CEO and Managing Director**

The beginning of 2022 saw heart health reach prominence in the Australian zeitgeist, and as the leading cause of death globally, new methods to address cardiovascular health must be explored.

Understanding the assignment, the Baker Institute and Trajan have been collaborating since 2019 on an AI-based tool that can help measure an individual's blood microsample for the risk of heart disease and guide intervention.

Led by Professor Peter Meikle, the Baker Institute developed an AI-based approach using 'omics data that can stratify groups at risk of cardiovascular disease. The level of detail delivered by the tool allows cardiologists to differentiate patients that need therapeutic intervention, from individuals that can address their risk through diet and exercise. The tool measures hundreds of biomarkers as indicators of an individual's cardiovascular health and uses this to identify their metabolic age and risk level.

> "The future of healthcare is personalised and preventative and we are in the business of ensuring individuals have the tools to accurately and regularly monitor their health and the impact of lifestyle."
>
> – **BELINDA WHITTLE**
> **General Manager of Trajan Analytical Services**



The AI tool developed to assess metabolic age and cardiac risk

Through the collaboration, and utilising Trajan's expertise in microsampling, workflow automation and clinical services, Trajan will take the technology from "research use only", to a registered in vitro diagnostic with both clinical research and direct-to-consumer applications.

In practice, cardiologists will be able to have their patients' blood microsample assessed for risk, or individuals may take a proactive role in monitoring their risk by collecting their own microsample and logging in to an online portal to see their results. Trajan plans to offer this through its MonitorYou™ service in development in Ringwood and due to launch in Q2 FY23.

> "Our collaboration model enables Trajan to work at the forefront of medical research innovation and apply technologies within our product portfolio to deliver impact. It's a fantastic way to combine the expertise of our business units, from microsampling and consumables, to workflow automation and data analytics."
>
> – **ANDREW GOOLEY**
> **Trajan Group Chief Scientific Officer**

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

At Trajan, our purpose, “Science that benefits people” sits at the core of our business operations and influences our decision making. Trajan was created to translate analytical science in tangible ways to directly benefit society, and it’s through this lens that we focus on the impact of what we do to improve the world we live in.

We conduct our business ethically and contribute to the economic, social and environmental well-being of our communities. We believe our purpose and behaving responsibly are critical to the sustainability of our company.

We are taking this strong foundation and creating an Environmental, Social and Governance (ESG) strategy that will give our shareholders, customers, and employees visibility to our many programs, initiatives, and activities. We are committed to identifying and putting in place an action plan that will address gaps and provide transparency to our journey.

This coming year, we are committing to:

- The development of an ESG statement and strategy; and
- The introduction of ESG reporting at our half year and full year results

We have pulled together a cross functional team to work closely with our global executive team around the world and our Board to ensure that our ESG program is like everything we do at Trajan, active and infused at every level of our business to create real and measurable impact.

TRAJAN

FINANCIAL REPORT

for year ended 30 June 2022

Contents

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 2022.

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.

John Eales (Chairman)

Dr Rohit Khanna

Robert Lyon

Sara Watts

Stephen Tomisich

Tiffiny Lewin

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.

Trajan'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 USA, 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, has significant commercialisation potential.

Trajan is a global organisation of more than 650 people with seven manufacturing sites across the USA, Australia, Europe, and Malaysia, and operations in Australia, the USA, Asia, and Europe. Trajan's global footprint is scaled and strategically organised to provide capacity for growth, capacity to ensure reliable and flexible responsiveness, and to deliver proximity to key customers. The Ringwood, Australia site remains Trajan's global headquarters. Trajan has invested significantly into the Penang, Malaysia manufacturing site which both compliments and extends upon the company's existing operations in Australia and USA. The Malaysia manufacturing site provides Trajan with a lower cost footprint and the capacity to meet forecast growth.

DIRECTORS' REPORT

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 Trajan's Automation solutions along with a range of products and services directly targeting human health and thus enabling the potential of personalized care.

Highlights

- Trajan recorded overall revenues for the year ended 30 June 2022 of $107.6M (2021: $76.6M), up by 40.5%.
- Since listing in June 2021, Trajan has executed a growth strategy by targeting strategic acquisitions and investing in a proprietary technology and device portfolio. Trajan achieved year ended 30 June 2022 normalised EBITDA of $12.5M (2021: $10.0M), up by 26.0%.
- Gross margin for the year ended 30 June 2022 was 39.6% (2021: 37.2%). The growth was up 2.4% points mainly driven by efficiency and scale benefits.
- In November 2021, Trajan made a strategic investment, purchasing 9.6% of issued shares for $1.3M (£0.7M) in Humankind Ventures Ltd, which provides at-home testing services for people to track and optimise their health.
- Trajan has a proven framework to identify, acquire and integrate complementary businesses into its infrastructure. Utilising this framework, Trajan has completed four successful business acquisitions for a total consideration of $130.8M in this financial year, once again demonstrating its commitment to grow a portfolio of complementary business and technologies that provides accretive and strategic opportunity to enhance shareholder value. The completed acquisitions were:
  - Laboratory automation business Axel Semrau GmbH in November 2021
  - Microsampling business Neoteryx LLC in December 2021
  - LEAP PAL Parts and Consumables in December 2021
  - Manufacturer of analytical consumables business Chromatography Research Supplies, Inc in June 2022.

Review of financial performance

Profit/Loss

The Group's revenue for the year ended 30 June 2022 was $107.6M (2021: $76.6M), up by 40.5%, delivering a normalised EBITDA for the period of $12.5M (2021: $10.0M), up by 26.0%.

This is predominantly due to:

- The Group is continuing to deliver strong sales growth in the Analytical Product segment. During the year, revenue grew by $7.9M (up by 15.0%) and gross profit grew by $3.3M (up by 16.5%). The increase in Analytical Product segment revenue of $7.9M was driven by sustained customer demand and capacity expansion, offsetting a reduction in Russian customer sales which declined by $0.5M over the prior year. Pre normalisations, the Analytical Product segment EBITDA was $2.7M up on 2021.
- The Group successfully expanded its capabilities in the capital equipment and microsampling businesses through acquisitions, which contributed to revenue reported in the Life Science Solutions segment of $47.3M, growing by $23.1M. Gross Profit in the Life Science Solutions segment grew by $10.8M in the year, up 127.5%. In 2022, the Life Science Solutions segment made a pre normalisation EBITDA of $7.2M, benefiting from the expanded market through acquisitions.
- In line with the IPO plans to drive growth through acquisitions and margin improvement, the Group incurred business acquisition expenses of $2.8M, commercialisation costs of $2.1M, restructuring and 'Project Neptune' (a margin enhancement program) related expenses of $0.5M (capitalised 'Project Neptune' expenditure of $1.1M).

DIRECTORS' REPORT

Ukraine-Russia conflict

In February 2022, military conflict broke out between Russia and the Ukraine. In response, multiple jurisdictions, including the EU, Switzerland, the UK, the US, Canada, Japan and Australia have imposed initial tranches of economic sanctions on Russia (and in certain cases Belarus).

Due to sanctions imposed, the revenue market in Russia/Belarus is no longer accessible. This had a negative impact on revenue and earnings of the Group.

In 2021, 1.7% ($1.3M) of the Group's revenue and 2.8% ($0.8M) of the Group's gross profit was generated from sales to Russia. In 2022, revenue generated was 0.8% ($0.8M) of the Group's total revenue and 1.1% ($0.5M) of the Group's gross profit.

COVID-19 Impact

The global spread of COVID-19 may continue to have an impact on the Group's operations, sales and delivery, and supply chains. Since the pandemic was declared, many countries including Australia, Malaysia and United States continued applying preventive and precautionary measures to mitigate the spread of the virus including government orders and other restrictions on the conduct of business operations. Due to these measures, the Group experienced significant and unpredictable delays in capital equipment installations works and affected the Group's ability to service customers on site. The pandemic also resulted in disruption in global supply chains, leading the Group to experience higher freight costs and unpredictable delays in shipment of the products.

To the extent COVID-19 conditions improve, the easing of the preventive measures varies by geography and by businesses. The degree and sustainability of any such improvements remain uncertain and the action the Group has taken in response to any improvement, such as return-to-office plans, also varies by geography and by businesses.

Trajan's Malaysia manufacturing site experienced a challenging operating environment in March 2022 due to a reduction in the operational workforce as a significant increase in COVID-19 cases in Penang, particularly the Omicron variant, and the mitigation measures that were implemented. This is despite high COVID-19 vaccination rates and continued use of control measures at our operating sites. In order to ensure the Group could still deliver the revenue/production volume, a number of production lines were relocated from Malaysia to Ringwood manufacturing site temporarily between March to May 2022.

The normalised EBITDA for the year ended 30 June 2022 was $12.5M (2021: $10.0M), up by 26.0%.

A summary of the Group's financial results from its continuing operations for the financial year ending 30 June 2022 and the prior comparative year is set out below.

Underlying operations defined in this report are the Group's reported financial results as set out in the financial statements, adjusted for significant items that are non-recurring or items incurred outside the ordinary operations of the Group. Significant items include expenses incurred in relation to acquisitions, and costs to accelerate the commercialisation of new products. Significant items arose in the prior financial year from forgiveness of the US PPP loan and non-recurring costs associated with the IPO.

The below table provides a reconciliation of the Group's results as contained in the financial statements and non-IFRS (International Financial reporting Standards) underlying operations. The Directors believe the additional information included in the report is useful for measuring the financial performance of the Group. The following non-IFRS reconciliation has not been subject to the Group's audit but is extracted from the audited financial statements.

Trajan Group Holdings Limited listed on the Australian Stock Exchange on 7th June 2021. It should be noted that the Group results for the year ended 30 June 2021 include the financial results prior to listing.

	Consolidated	
Reconciliation of Normalised EBITDA to Statutory EBITDA	**2022 $'000**	**2021 $'000**
Statutory EBITDA	**7,212**	**5,473**
Items not included in normalised PBT		
Listing expenses	–	4,389
Listing Share-based payment expenses	–	2,114
PPP loan forgiveness	–	(1,263)
Ongoing listed expenses	–	(1,256)
Adjustment to purchase price of business combinations	–	(660)
Strategic Investment and acquisition expenses (non-recurring)[1]	2,790	–
Accelerate investment in manufacturing infrastructure (Project Neptune)	220	–
Accelerate commercialisation of new products	2,074	–
Non-recurring restructuring costs	247	1,156
Total items not included in normalised EBITDA	5,331	4,480
Normalised EBITDA	**12,543**	**9,953**

1. Strategic Investment and Acquisition expenses.

Strategic Investment and Acquisition expenses	**2022 $'000**	**2021 $'000**
Travel and entertainment expenses	32	–
Professional fees	2,758	–
Total	**2,790**	**–**

Strategic Investment – Humankind Ventures Ltd

On 4 November 2021, the Group purchased newly issued shares in Humankind Ventures Ltd, a UK private company limited by shares, trading under the name Forth®, for a cash consideration of $1.3M (£0.7M), representing 235,298 preferred ordinary shares or 9.6% of issued shares (8.4% fully diluted), and 9.9% voting rights. This investment supports Trajan's strategy towards health technology that interfaces directly with the consumer.

Strategic Business Acquisition – Axel Semrau GmbH & Co. KG and Semrau Immobilien GmbH & Co.KG.

Effective 30 September 2021, Trajan Scientific Germany Holdings GmbH and Trajan Scientific Germany Property GmbH entered into a share purchase and transfer agreement relating to all partnership shares in Axel Semrau GmbH & Co.KG and Semrau Immobilien GmbH & Co.KG for a total cash consideration of $31.5M (€20.2m), funded through a mix of cash and debt. The closing of the agreement occurred on 18 November 2021 ('closing date'). The business acquisitions have been consolidated in the financial statements from the closing date. The acquisitions expand and enhance Trajan's global automation solutions offering to environmental, pharmaceutical, food, proteomics, clinical and academic laboratories.

Strategic Business Acquisition – Neoteryx, LLC

On 29 December 2021, Trajan Scientific Americas Inc acquired 100% of the shares in Neoteryx LCC through a share swap and cash payment arrangement. The vendor, Farrona LLC was issued 4,659,843 ordinary fully paid shares in Trajan Group Holdings Limited and also received an initial debt funded cash payment of $3.9M (US$2.8M). The shares issued to Farrona LLC were held in voluntary escrow for 180 days. An additional $2.5M (US$1.8M) will be held in escrow for a period of 12 months in accordance with the Purchase Agreement.

This acquisition enables Trajan to accelerate the global commercialisation and adoption of microsampling at scale. Remote sampling in Trajan's view is an essential element in progressing personalised, preventative and data-based healthcare.

Strategic Asset Acquisition – LEAP PAL Parts

On 30 December 2021, Trajan Scientific Americas Inc completed the asset acquisition of LEAP Pal Parts and Consumables, LCC (LPP) for a cash consideration of $10.6M (US$7.7M), partially debt funded. LPP joins Trajan with a team specialised in laboratory instrumentation and liquid handling consumables, supporting customers operating automated laboratory workflows. The acquisition of LPP allows Trajan to provide integrated and streamlined customer support throughout the entire life of an installed automated workflow solution.

Strategic Business Acquisition – Chromatography Research Supplies

On 16 June 2022, Trajan Scientific Americas Inc entered into a Share Purchase Agreement for the acquisition of 100% of the shares in Chromatography Research Supplies Inc. The acquisition also includes the property associated with the operations of Chromatography Research Supplies Inc. The total consideration for the acquisition was $63.8M (US$44.0M). The effective date of the acquisition was 24 June 2022.

The acquisition is highly complementary to Trajan's existing product portfolio in the analytical workflow and consolidates Trajan's current market leading position in gas chromatography sample introduction, supporting the quality of flow path connection and sealing functions with two leading product lines – septa and ferrules.

Key operating and financial metrics (consolidated)

$'000	2022	2021
Sales – Analytical Products	60,288	52,422
Sales – Life Science Solutions	47,286	24,146
Sales – Total	107,574	76,568
Sales Growth % – Analytical Products	15.0%	0.5%
Sales Growth % – Life Science Solutions	95.8%	22.5%
Sales Growth % – Total	40.5%	6.6%
Gross Profit – Analytical Products	23,281	19,978
Gross Profit – Life Science Solutions	19,350	8,506
Gross Profit – Total	42,631	28,484
GP margin % – Analytical Products	38.6%	38.1%
GP margin % – Life Science Solutions	40.9%	35.2%
GP margin % – Total	39.6%	37.2%
EBITDA	7,212	5,473
Normalised EBITDA	12,543	9,953
EBITDA margin %	6.7%	7.1%
Normalised EBITDA margin %	11.7%	12.4%
EBITDAR&DC margin %	11.3%	13.0%
Normalised EBITDAR&DC margin %	16.2%	18.3%
R&DC expenses (% revenue)	4.6%	5.9%
Total operating expenses (% revenue)[1]	35.5%	36.1%

1. The total operating expenses (% revenue) for FY2022 would be 31.0% when excluding commercialisation costs, Strategic Investment and acquisition costs.

Financial Position

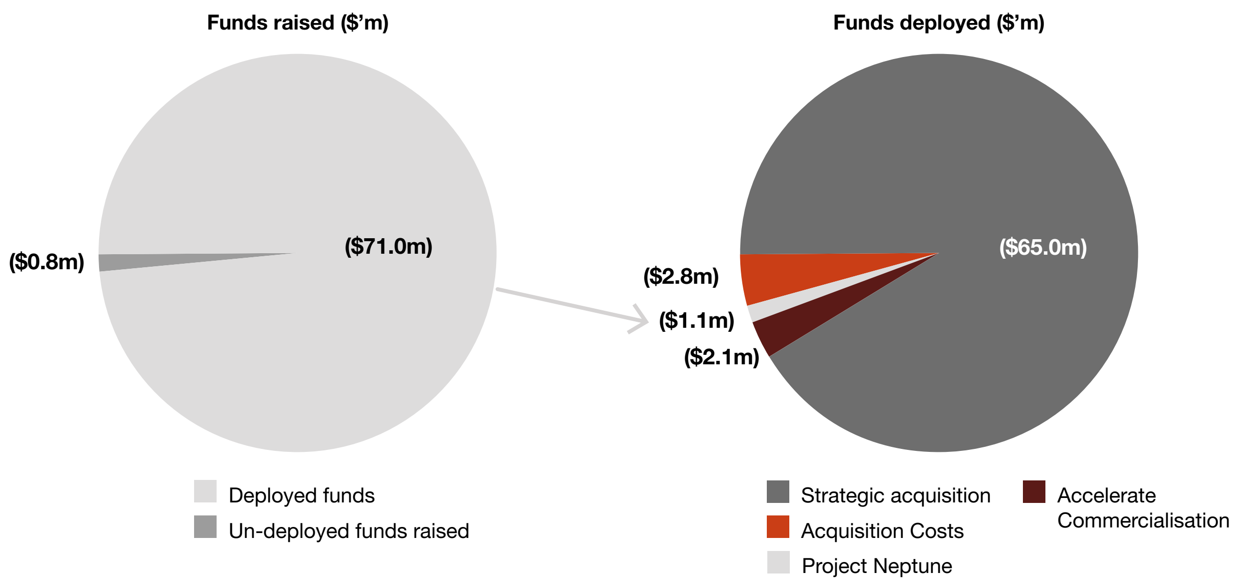
The Group's net assets for the year ended 30 June 2022 were $116.5M (2021: $66.1M), an increase of $50.4M (inclusive of $18.5m from issuing new shares relating to Neoteryx acquisition).

The Group invested a total of $132.1M ($18.5M of equity and $113.6M of cash consideration) on the investment in Humankind Ventures Ltd and business acquisitions of Axel Semrau GmbH & Co. KG and Semrau Immobilien GmbH & Co.KG, LEAP PAL Parts, Neoteryx LLC and Chromatography Research Supplies Inc. As a result of these acquisitions, the Group's intangibles increased by $106.3M and investments increased by $1.3M.

During the period, the Group increased its debt capacity by $47.8M, extending its facilities to $56.6M (2021: $8.8M). The extension of debt facilities was secured at acceptable terms. The debt facilities were used to finance the business acquisitions completed during the year, and as such this is deemed as an investing activity for the purpose of the cash flow statement.

The Group gearing ratio (debt to equity ratio) increased from 11.0% to 47.1%. The Group has a total of $1.8M of unutilised debt facility and $13.2M of cash reserves available to support the Group's execution of strategies and projects and to extend production and manufacturing capability.

The proceeds of the capital funds received by the Group were applied in the manner described in the table below:



The Board retains the right to vary these uses of funds, acting in the best interests of shareholders and as circumstances require.

DIRECTORS' REPORT

Strategy and Outlook

Our priorities are to:

- Remain focused 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 ($50.0M) and subsequent capital raise ($29.7M).
- 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 FY23 include:

- Completing one or more medium scale strategically aligned acquisitions.
- 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 the state of affairs

Business Acquisition

During the year, the Group completed a number of business acquisitions and strategic investments for a total consideration of $132.1M.

- Investment in Humankind Ventures Ltd for a consideration of $1.3M (£0.7M)
- Axel Semrau GmbH & Co. KG and Semrau Immobilien GmbH & Co.KG for a consideration of $31.5M (€20.2M)
- LEAP PAL Parts for a consideration of $10.6M (US$7.7M)
- Neoteryx, LLC for a consideration of $24.9M (US$18.0M), part of which was in the form of shares issued to the seller at fair value of $18.5M as at acquisition date
- Chromatography Research Supplies Inc for a consideration of $63.8M (US$44.0M)

Capital Raise

In May 2022, the Group completed a capital raise of $29.7M (before share-issue costs) by the issue of 14,834,054 fully paid ordinary shares at an issue price of $2.00 each.

Issuance of Share Options

On 28 February 2022, the Group granted 6,075 share options to certain employees of Trajan under the Employee Option Offer. The options are exercisable at $1.70 each. All options will vest in equal third after 12, 24 and 36 months and 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 the options are granted).

On 1 June 2022, the Group granted 81,000 share options to key staff of newly acquired businesses under the company's Long-term Incentive Plan (LTIP). The options are exercisable at $3.30 each. All options will vest in equal third after 12, 24 and 36 months and 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 the options are granted).

No other matter or circumstance has arisen since 30 June 2022 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:	**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 and 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

DIRECTORS' REPORT

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 was 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 and 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:	992,941 ordinary shares
Interests in options:	132,354 share options
Contractual rights to shares:	None

DIRECTORS' REPORT

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:	267,715 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:	3,164 ordinary shares
Interests in options:	88,235 share options
Contractual rights to shares:	None

DIRECTORS' REPORT

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 overall leadership of the organisation.
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 and Risk Committee Member of the Remuneration and Nomination Committee
Interests in shares:	71,092 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 2022 and the number of meetings attended by each director were:

	Full board		Remuneration and Nomination Committee		Audit and Risk Committee	
	Attended	Held[1]	Attended	Held[1]	Attended	Held[1]
Executive Directors						
Robert Lyon	25	25	–	–	–	–
Stephen Tomisich	24	25	–	–	–	–
Non-Executive Directors						
Dr Rohit Khanna	22	25	5	5	5	6
John Eales AM	25	25	5	5	6	6
Sara Watts	25	25	5	5	6	6
Tiffiny Lewin	24	25	5	5	6	6

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

Company Secretary

Alister 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 of Mertons Corporate Services, now part of Acclime Australia and is responsible for Acclime Australia's Listed Services Division. He is also an ASX-experienced director and chair of public and private companies, with expertise in the listed investment, infrastructure, bio-technology and digital sectors. He currently serves as a director on a number of Australian company boards as well as foreign controlled entities and private companies. During his executive career, Mark held roles in banking and finance, funds management, investment and infrastructure development businesses, including being the Company Secretary for ASX:100 companies Transurban Group and Australian Foundation Investment Company Limited. Mark holds a Bachelor of Business degree in accounting, a Graduate Diploma in Governance and is a Fellow of the Chartered Governance Institute, the Governance Institute of Australia and the Australian Institute of Company Directors.

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 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 has 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 roles. 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.

On 13 May 2021, the Board approved the offer of 2,256,239 share options under the LTIP to directors, key management personnel and employees of the Group.

The terms of the options issued under the LTIP are:

- The offer was made to directors, key management personnel and employees of the Group. These people received a separate offer and acceptance letter in relation to their personal offers of options.
- Each option is to acquire one ordinary share in Trajan Group Holdings Limited.
- The options were issued for nil consideration.
- The options were issued on 7 June 2021.
- The employee must remain employed by the company during the vesting period.
- The options will expire on the date which is five years after the issue date.
- The options will vest on the vesting date as set out in the offer letter.
- 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.

On 23 December 2021, the Board approved the offer of 6,075 share options under the LTIP to certain employees of the Group.

The terms of the options issued under the LTIP are:

- The offer was made to certain employees of the Group. These people received a separate offer and acceptance letter in relation to their personal offers of options.
- Each option is to acquire one ordinary share in Trajan Group Holdings Limited.
- The options were issued for nil consideration.
- The options were issued on 28 February 2022.
- The employee must remain employed by the company during the vesting period.
- The options will expire on 1 July 2027.
- The options will vest on the vesting date as set out in the offer letter.
- 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.

On 26 April 2022, the Remuneration and Nomination Committee approved the offer of 81,000 share options under the LTIP to key staff of newly acquired business on the terms and conditions listed below.

The terms of the options issued under the LTIP are:

- The offer was made to certain employees of the Group. These employees received a separate offer and acceptance letter in relation to their personal offers of options.
- Each option is to acquire one ordinary share in Trajan Group Holdings Limited.
- The options were issued for nil consideration.
- The options were issued on 1 May 2022.
- The employee must remain employed by the company during the vesting period.
- The options will expire on the date which is five years after the issue date.
- The options will vest on the vesting date as set out in the offer letter.
- 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.

Group performance and link to remuneration

Remuneration for certain individuals is directly linked to the performance of the Group. Cash bonuses are dependent on defined profitability and growth targets. 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:

- Dr Rohit Khanna, Non-Executive Director
- John Eales AM, Independent Non-Executive Chair
- Robert Lyon, Executive Director and Head of Corporate Development and General Counsel
- Sara Watts, Non-Executive Director
- Stephen Tomisich, Chief Executive Officer and Managing Director
- Tiffiny Lewin, Non-Executive Director

And the following persons:

- Alister Hodges, Chief Financial Officer (CFO)
- Dr Andrew Gooley, Chief Scientific Officer
- Nigel Gilligan, Chief Operations Officer
- Sam Evans, Senior Vice President Business Development

Changes since the end of the reporting date

None.

2022	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments		
	Salary and fees $	Bonus $	Non-monetary $	$	$	Equity-settled shares $	Equity-settled options $	Total $
Non-Executive Directors:								
Dr Rohit Khanna[2]	40,000	–	–	–	–	–	87,375	127,375
John Eales AM	63,636	–	–	6,364	–	–	131,063	201,063
Sara Watts	54,545	–	–	5,455	–	–	87,375	147,375
Tiffiny Lewin	36,364	–	–	3,636	–	–	87,375	127,375
Executive Directors:								
Robert Lyon	306,240	–	–	23,568	7,971	–	4,491	342,270
Stephen Tomisich	438,000	62,081	–	25,000	9,310	–	–	534,391
Other Key Management Personnel:								
Alister Hodges	241,113	18,344	–	23,568	15,329	–	4,491	302,845
Dr Andrew Gooley	269,503	27,338	–	23,568	13,062	–	–	333,471
Nigel Gilligan	324,605	24,696	–	23,568	4,829	–	21,585	399,283
Sam Evans[2]	327,187	24,898	–	27,211	–	–	15,971	395,267
Total	**2,101,193**	**157,357**	**–**	**161,938**	**50,501**	**–**	**439,726**	**2,910,715**

2021	Short-term benefits Salary and fees $	Bonus $	Non-monetary $	Post-employment benefits $	Long-term benefits $	Share-based payments Equity-settled shares $	Equity-settled options $	Total $
Dr Rohit Khanna[2]	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
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[2]	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**

2. 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 2022 %	Fixed remuneration 2021 %	Short-term incentive[3] 2022 %	Short-term incentive[3] 2021 %	Long-term incentive 2022 %	Long-term incentive 2021 %
Non-Executive Directors:						
Dr Rohit Khanna	31%	66%	–	–	69%	34%
John Eales AM	35%	4%	–	–	65%	96%
Sara Watts	41%	75%	–	–	59%	25%
Tiffiny Lewin	31%	66%	–	–	69%	34%
Executive Directors:						
Robert Lyon	99%	34%	–	–	1%	66%
Stephen Tomisich	88%	90%	12%	10%	–	–
Other Key Management Personnel						
Alister Hodges	92%	39%	6%	8%	2%	53%
Dr Andrew Gooley	92%	52%	8%	5%	–	43%
Nigel Gilligan	88%	90%	6%	6%	6%	4%
Sam Evans	90%	93%	6%	6%	4%	1%

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

Name	Short-term Incentive paid 2022 %	Short-term Incentive paid 2021 %	Short-term Incentive forfeited 2022 %	Short-term Incentive forfeited 2021 %
Executive Directors				
Stephen Tomisich	50.7%	45.0%	49.3%	55.0%
Other Key Management Personnel				
Alister Hodges	50.7%	45.0%	49.3%	55.0%
Dr Andrew Gooley	50.7%	45.0%	49.3%	55.0%
Nigel Gilligan	50.7%	45.0%	49.3%	55.0%
Sam Evans	50.7%	45.0%	49.3%	55.0%

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 $408,000 (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) 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 $241,113 (exclusive of superannuation) Annual performance-based cash bonus (STI) on achieving growth target and profit target 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 $269,503 (exclusive of superannuation) Annual performance-based cash bonus (STI) on achieving growth target and profit target 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 $324,605 (exclusive of superannuation) Annual performance-based cash bonus (STI) on achieving growth target and profit target 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 US$237,602 (exclusive of superannuation) Annual performance-based cash bonus (STI) on achieving growth target and profit target 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 $210,000 is currently utilised.

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

	2022 $	2021 $
Board fees		
Chairman	60,000	60,000
Other Non-Executive Directors	40,000	40,000
Committee fees		
Audit and Risk Committee – chair	20,000	20,000
Remuneration and Nomination Committee – chair	10,000	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

Issues of Shares

There is no issuance of shares as a form of share-based compensation for the year ended 30 June 2022 (2021: 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.

The ASX granted a waiver from ASX Listing Rule 10.14 to the extent necessary to permit the company to grant options to directors at the time of the IPO for Trajan.

DIRECTORS' REPORT

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	44,074	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	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
Dr Rohit Khanna	29,382	29,382	7 June 2021	1 July 2022	7 June 2026	–	$1.70
Dr Rohit Khanna	29,382	–	7 June 2021	1 July 2023	7 June 2026	–	$1.70
Dr Rohit Khanna	29,471	–	7 June 2021	1 July 2024	7 June 2026	–	$1.70
Sara Watts	29,382	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
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	8,224	7 June 2021	1 July 2022	7 June 2026	$1.70	$0.58
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	8,224	7 June 2021	1 July 2022	7 June 2026	$1.70	$0.58
Alister Hodges	64,706	64,706	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	10,280	7 June 2021	1 July 2022	7 June 2026	$1.70	$0.58
Nigel Gilligan	15,718	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	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 2022 are set out below.

	Value of options vested during the year $	Value of options exercised during the year $	Value of options lapsed during the year $	Remu-neration consisting of options for the year %
Directors				
Dr Rohit Khanna	87,375	–	–	69%
John Eales AM	131,063	100,001	–	65%
Sara Watts	87,375	–	–	59%
Tiffiny Lewin	87,375	–	–	69%
Robert Lyon	4,491	–	–	1%
Other Key Management Personnel				
Alister Hodges	4,491	190,001	–	2%
Dr Andrew Gooley	–	–	–	–
Nigel Gilligan	21,585	–	–	6%
Sam Evans	15,971	–	–	4%

Additional disclosures relating to Key Management Personnel

The financial performance of the Group for the five years to 30 June 2022 are summarised below:

	2022 $000	2021 $000	2020 $000	2019 $000	2018 $000
Revenue	107,574	76,568	71,852	67,766	57,193
EBITDA	7,212[4]	5,473[4]	6,614	4,932	2,867
Profit after income tax	1,704[4]	1,880[4]	2,608	2,142	1,448

4. 2022 includes non recurring acquisition and restructuring costs of $3.0M and investments in commercialisation and infrastructure [including project Neptune] of $2.3M. 2021 includes IPO related cost expenses of $4.4M, share-based payment expenses of $2.1M, and PPP loan forgiveness of $1.3M.

The factors that are considered to affect total shareholders return are summarised below:

	2022 $	2021 $
Share price at financial year end	2.00	2.29
Total dividends declared	–	3,350,000
Basic earnings per shares	0.01	0.05

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	–	98,824	–	992,941
Tiffiny Lewin	58,823	–	12,269	–	71,092
Sara Watts	–	–	3,164		3,164
Executive Directors					
Robert Lyon	252,940	–	14,775	–	267,715
Stephen Tomisich	76,470,588	–	–	–	76,470,588
Other Key Management Personnel					
Alister Hodges	588,235	–	111,765	–	700,000
Dr Andrew Gooley	58,824	–	–	–	58,824
Nigel Gilligan	23,529	–	–	–	23,529

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	–	(58,824)	–	132,354
Sara Watts	88,235	–	–	–	88,235
Tiffiny Lewin	88,235	–	–	–	88,235
Robert Lyon	439,250	–	–	–	439,250
Other Key Management Personnel					
Alister Hodges	255,085	–	(111,765)	–	143,320
Dr Andrew Gooley	210,002	–	–	–	210,002
Nigel Gilligan	77,296	–	–	–	77,296
Sam Evans	47,060	–	–	–	47,060

On 4th July 2022, John Eales exercised 44,074 share options.

On 7th June 2022, Robert Lyon exercised 200,000 share options.

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	
	2022 $'000	**2021 $'000**
Transactions with related parties		
Interest income – Bass Park Investments	–	(59)
Management fees – Bass Park Investments	–	(70)
Depreciation expense – Ringwood Facility Property Lease – Bass Park Investments	549	546
Interest expense – Ringwood Facility Property Lease – Bass Park Investments	369	248
Listing expense – Trajan SaleCo Limited	–	1,627
Legal fees – Hive Legal Pty Ltd	76	64
	994	**2,356**

	Consolidated	
	2022 $'000	**2021 $'000**
Balances with related parties		
Right-of-use assets – Ringwood Facility Property Lease – Bass Park Investments	5,762	6,311
	5,762	**6,311**
Trade payables – Hive Legal Pty Ltd	7	7
Trade payables – Bass Park Investments	62	–
Lease liabilities – Ringwood Facility Property Lease – Bass Park Investments	6,145	6,446
	6,214	**6,453**

Bass Park Investments Pty Ltd is ultimately held by a trust of which Stephen Tomisich is a beneficiary. Stephen Tomisich is also a director of Bass Park Investments Pty Ltd and Robert Lyon served as a director of Bass Park Investments Pty Ltd during the year, resigning as a director on 1 April 2022. 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.

In 2021, Trajan SaleCo Limited ('SaleCo') was incorporated and 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 to 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 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 under option
7 June 2021	7 June 2026	7 June 2021	$1.24	260,028
7 June 2021	7 June 2026	7 June 2021	$1.68	133,044
7 June 2021	7 June 2026	7 June 2021	$1.59	36,284
7 June 2021	7 June 2026	7 June 2021	$1.67	148,165
7 June 2021	7 June 2026	7 June 2021	$1.70	111,765
7 June 2021	7 June 2026	7 June 2021	$1.70	57,568
7 June 2021	7 June 2026	7 June 2021	–	535,295
7 June 2021	7 June 2026	1 July 2022	$1.70	54,034
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
1 May 2022	1 May 2027	1 May 2023	$3.30	20,002
1 May 2022	1 May 2027	1 May 2024	$3.30	20,000
1 May 2022	1 May 2027	1 May 2025	$3.30	19,998
1 May 2022	1 May 2027	1 July 2023	$3.30	7,000
1 May 2022	1 May 2027	1 July 2024	$3.30	7,000
1 May 2022	1 May 2027	1 July 2025	$3.30	7,000
28 February 2022	1 July 2027	1 July 2023	$1.70	2,025
28 February 2022	1 July 2027	1 July 2024	$1.70	2,025
28 February 2022	1 July 2027	1 July 2025	$1.70	2,025

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

The following ordinary shares of Trajan Group Holdings Limited were issued during the year ended 30 June 2022 and up to the date of this report on the exercise of options granted:

Date options granted	Exercise price	Number of shares issued
7 June 2021	–	111,765
7 June 2021	$1.24	181,412
7 June 2021	–	58,824
7 June 2021	$1.59	6,048
7 June 2021	$1.68	6,048
7 June 2021	$1.24	12,095
7 June 2021	$1.24	24,189
7 June 2021	$1.24	6,048
7 June 2021	$1.70	2,948
7 June 2021	–	44,074
7 June 2021	–	200,000

No shares were issued following exercise of options for the year ended 30 June 2021.

Dividends

The Directors do not propose to make any recommendation for dividends for the year ended 30 June 2022 (2021: $3.4M fully franked dividends were declared and paid).

Indemnification and insurance of Directors and officers

During or since the financial year, the Group paid $553,050 (2021: $41,950) 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.

DIRECTORS' REPORT

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 licenses 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.

Events after the reporting date

Acquisition of Warehouse

On 30 June 2022, Axel Semrau GmbH & Co. KG signed an agreement for the acquisition of a new warehouse for a consideration of €1.1M. This warehouse will be used as the location for system preparation of capital equipment instruments before delivery. The warehouse is located very close to the facility of Axel Semrau GmbH & Co. KG and will be the base for future growth of Trajan inside the European Union, especially regarding automation systems. The acquisition is expected to be settled in September 2022.

Share Purchase Plan

On 23 June 2022, Trajan Group Holdings Limited launched its Share Purchase Plan (SPP). The participation was optional, and all eligible shareholders could apply for up to $30,000 worth of new shares, which will rank equally with existing fully paid ordinary shares. On 12 July 2022, upon the closing of the SPP, Trajan raised $4.7M. A total of 2,351,250 shares are issued.

No other 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 of amounts

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

DIRECTORS' REPORT

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

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

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
Chair

24th August 2022

AUDITOR'S INDEPENDENCE DECLARATION

Celebrating 100 Est.1922 in Australia

RSM

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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 2022, 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

Date: 24 August 2022
Melbourne, Victoria

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2022

	Notes	Consolidated 2022 $'000	2021 $'000
Revenue			
Sale of goods	4a	107,574	76,568
Cost of sales		(64,943)	(48,084)
Gross profit		42,631	28,484
Other income	4b	683	2,643
Employee and Directors' benefits expenses	4c	(27,499)	(20,150)
Occupancy expenses	4e	(1,040)	(556)
General admin and marketing expenses	4d	(6,840)	(6,950)
Acquisition-related expenses		(2,790)	–
Finance expenses	4f	(1,265)	(522)
Depreciation and amortisation	4g	(1,630)	(1,045)
Profit before income tax		**2,250**	**1,904**
Income tax benefit/(expense)	5	(546)	(24)
Profit for the year after income tax		**1,704**	**1,880**
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		608	(230)
Total other comprehensive income for the year, net of tax		**608**	**(230)**
Total comprehensive (loss)/ income for the year		**2,312**	**1,650**
Profit for the year after income tax is attributable to:			
Equity holders of the parent		1,704	1,880
Minority interests		–	–
		1,704	**1,880**
Comprehensive (loss)/ income for the year is attributable to:			
Equity holders of the parent		2,312	1,650
Minority interests		–	–
		2,312	**1,650**
		$	**$**
Basic earnings per share	21	0.01	0.05
Diluted earnings per share	21	0.01	0.05

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

Consolidated Statement of Financial Position

as at 30 June 2022

	Notes	Consolidated 2022 $'000	Consolidated 2021 $'000
ASSETS			
Current assets			
Cash and cash equivalents	6	13,164	51,717
Trade and other receivables	7	20,266	10,331
Inventories	8	28,271	13,569
Financial assets	10	142	750
Other assets	9	3,022	2,175
Total current assets		**64,865**	**78,542**
Non-current assets			
Financial assets	10	1,460	1,109
Property, plant and equipment	12	18,096	5,320
Right-of-use assets	13	10,608	9,330
Goodwill and intangibles	11	107,411	1,095
Deferred tax assets	16	4,339	3,984
Total non-current assets		**141,914**	**20,838**
TOTAL ASSETS		**206,779**	**99,380**
LIABILITIES			
Current liabilities			
Trade and other payables	14	15,378	8,896
Lease liabilities	23	1,538	1,135
Provisions	15	8,179	5,901
Income tax payable		212	884
Loans and borrowings	17	54,842	7,293
Total current liabilities		**80,149**	**24,109**
Non-current liabilities			
Lease liabilities	23	9,800	8,592
Provisions	15	324	597
Loans and borrowings	17	–	–
Total non-current liabilities		**10,124**	**9,189**
TOTAL LIABILITIES		**90,273**	**33,298**
NET ASSETS		**116,506**	**66,082**
EQUITY			
Issued capital	18	96,258	48,171
Retained earnings	19	17,327	15,623
Foreign currency translation reserve	19	1,022	414
Share-based payment reserve	19	1,899	1,874
TOTAL EQUITY		**116,506**	**66,082**

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

Consolidated Statement of Changes in Equity

for the year ended 30 June 2022

2022	Note	Contributed Equity $'000	Foreign Currency Translation Reserve $'000	Share-based Payment Reserve $'000	Retained Earnings $'000	Total $'000
Balance at 1 July 2021		**48,171**	**414**	**1,874**	**15,623**	**66,082**
Profit after income tax expense for the year		–	–	–	1,704	1,704
Other comprehensive income for the year, net of tax		–	608	–	–	608
Total comprehensive income for the year		**–**	**608**	**–**	**1,704**	**2,312**
Transactions with owners in their capacity as owners						
Issue of share capital (net of transaction costs)	18	47,311	–	–	–	47,311
Share option exercised		776	–	(474)	–	302
Share-based payment costs		–	–	499	–	499
Balance at 30 June 2022		**96,258**	**1,022**	**1,899**	**17,327**	**116,506**

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 for the year, net of tax		–	(230)	–	–	(230)
Total comprehensive income for the year		**–**	**(230)**	**–**	**1,880**	**1,650**
Transactions with owners in their capacity as owners						
Issue of share capital (net of transaction costs)	18	48,168	–	–	–	48,168
Share-based payment		–	–	1,874	–	1,874
Dividend paid	20	–	–	–	(3,350)	(3,350)
Balance at 30 June 2021		**48,171**	**414**	**1,874**	**15,623**	**66,082**

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

Consolidated Statement of Cash Flows

for the year ended 30 June 2022

	Notes	Consolidated 2022 $'000	Consolidated 2021 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		107,267	71,840
Payments to suppliers and employees (inclusive of GST)		(98,621)	(61,650)
Income tax (paid)/received		(2,068)	(279)
Interest income		2	62
Finance expenses		(1,052)	(113)
Investment and acquisition expenses		(2,790)	–
Net cash flows from/(used in) operating activities	29	**2,738**	**9,860**
Cash flows from investing activities			
Net (purchase)/proceeds from disposal of property plant and equipment		(3,415)	(1,106)
Proceeds from Bass Park Investments Pty Ltd		–	2,613
Payment for Investment in Humankind Ventures Ltd		(1,313)	–
Purchase of business combination		(111,654)	(1,105)
Net cash flows from/(used in) investing activities		**(116,382)**	**402**
Cash flows from financing activities			
Proceeds from issue of shares		29,971	50,000
Payment of share issue costs		(857)	(7,112)
Payment of dividends		–	(3,350)
Proceeds from borrowings		49,215	–
Repayment of borrowings		(1,697)	(1,543)
Repayment of lease liabilities		(1,943)	(1,595)
Net cash flows from/(used in) financing activities		**74,689**	**36,400**
Net increase/(decrease) in cash and cash equivalents		(38,955)	46,662
Net foreign exchange difference		402	269
Cash and cash equivalents at beginning of the year		51,717	4,786
Cash and cash equivalents at end of the year	6	**13,164**	**51,717**

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

NOTES TO FINANCIAL STATEMENTS

1. Significant accounting policies

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 24 August 2022.

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.

Going Concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the Group had net current liabilities of $15.3M. The Directors believe that it is reasonably foreseeable that the Group will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factor:

- A working capital deficiency has arisen due to the consequential reclassification of external debt as a current liability resulting from breaches in loan covenants as at 30 June 2022. Trajan has received a no action letter from HSBC in regards to the covenant breaches (refer Note 17: Loans and Borrowings).

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 31.

NOTES TO FINANCIAL STATEMENTS

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Trajan Group Holdings Limited ('company') as at 30 June 2022 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.

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.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

NOTES TO FINANCIAL STATEMENTS

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.

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.

Other revenue

Other revenue is recognised when it is received or when the right to receive 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.

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:

- 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
- 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:

Land and Building – 33 to 40 years	Plant and equipment – 3 to 15 years
Leasehold Improvements – 5 to 30 years	Furniture and Fittings – 5 to 20 years
Motor Vehicles – 4 to 6 years	Computer Equipment – 2 to 10 years
Computer Software – 2 to 5 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.

Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. 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.

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. Generally internally generated intangible assets are not capitalised and expenditure is recognised in profit or loss in the year in which the expenditure was incurred. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit.

NOTES TO FINANCIAL STATEMENTS

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.

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 remeasurement 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 or Black-Scholes 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.

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 of 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 2022. 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 22 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 24 for further information.

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.

Estimation of useful lives of assets

The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

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 are retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

Goodwill and other indefinite life intangible assets

The Group tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 1. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows. Refer to note 11 for further information.

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 transactions with any of the Group's other components.

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 CFO and Managing Director to make decisions about resources to be allocated to the segment and to assess its performance.

The Group reports in 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

Intersegment receivables, payables and loans

There are no intersegment receivables, payables and loans.

Transfer between segments

All transactions and transfers 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 2022, approximately $20.9M (US$15.1M) (2021: $16.5M (US$12.5M)) 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 Australia and New Zealand (ANZ)), USA and Europe, Middle East, Africa, and India (EMEA).

	Asia[5] $'000	USA $'000	EMEA $'000
30 June 2022			
Revenue from external customers	20,967	52,569	34,038
Non-current assets[6]	13,018	95,661	27,436
30 June 2021			
Revenue from external customers	21,373	37,215	17,980
Non-current assets[6]	12,003	3,525	217

5. Includes Malaysia, Japan and ANZ.
6. Non-current assets other than financial instruments, deferred tax assets, post-employment benefits assets and rights arising under insurance contracts.

Consolidated – 2022	Analytical Products $'000	Life Science Solutions $'000	Corporate Services $'000	Total $'000
Revenue				
Sales to external customers	60,288	47,286	–	107,574
Total sales revenue	60,288	47,286	–	**107,574**
Other revenue	–	–	–	–
Total segment revenue	60,288	47,286	–	**107,574**
Intersegment eliminations				–
Unallocated revenue:				
Realised/unrealised foreign currency gains/(losses)				421
Rental Income				58
Sundry income				204
Total other income				**683**
EBITDA	**21,136**	**7,240**	**(21,164)**	**7,212**
Depreciation and amortisation	(2,211)	(800)	(633)	(3,644)
Interest revenue	–	–	2	2
Interest expense	(584)	(493)	(243)	(1,320)
Profit before income tax expense				**2,250**
Income tax expense				(546)
Profit after income tax expense				**1,704**
Assets				
Segment assets	3,420	10,702	14,149	28,271
Intersegment eliminations				
Unallocated assets:				
Cash and cash equivalents				13,164
Trade and other receivables				20,266
Other assets				3,022
Financial assets				1,602
Property, plant and equipment				18,096
Right-of-use assets				10,608
Goodwill and Intangibles				107,411
Deferred tax assets				4,339
Total assets				**206,779**
Liabilities				
Unallocated liabilities:				
Trade and other payables				15,378
Lease liabilities				11,338
Provisions				8,503
Income tax payable				212
Loans and borrowings				54,842
Total liabilities				**90,273**

Consolidated – 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
Insurance claim recovery				1,263
Sundry income				25
Adjustment to purchase price of Business Combinations				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**

4. Revenue and expenses

	Consolidated 2022 $'000	Consolidated 2021 $'000
a. Revenue		
Rendering of services (over time)	1,945	592
Sale of goods (at a point in time)	105,629	75,976
Total revenue	**107,574**	**76,568**

The Group disaggregates revenue by operating segment. Refer Note 3 Operating Segments for revenue by operating segment and geographical split. Refer Note 7 for further information on contact assets and Note 14 for further information on contract liabilities.

	2022 $'000	2021 $'000
b. Other income		
Realised/unrealised foreign currency (losses)/gains	421	626
Management fees – Bass Park Investments Pty Ltd	–	70
Loan forgiveness – unsecured PPP funding	–	1,263
Rental income	58	–
Other income	204	684
Total other income	**683**	**2,643**
c. Employee and Directors' benefits expenses		
Salaries and wages	(41,174)	(31,944)
Post-employment benefits	(3,161)	(2,675)
Provision for long-term incentive plan[7]	(498)	(1,874)
Employee share gift	–	(240)
Salaries and wages, post-employment benefits and taxes allocated to cost of sales	23,235	20,470
Taxes, insurance and amenities	(5,901)	(3,887)
Total employee and Directors' benefits expenses	**(27,499)**	**(20,150)**
d. General admin and marketing expense		
Travel and entertainment expenses	(805)	(130)
Professional and licence fees	(2,870)	(1,649)
Listing and restructuring expenses	–	(4,389)
Advertising expenses	(689)	(122)
Operational expenses	(1,967)	(394)
Communication expenses	(509)	(266)
Total general admin and marketing expenses	**(6,840)**	**(6,950)**

7. The Group established a new LTIP at the Board meeting held on 23 March 2021. Refer to note 22 for further information on share-based payments.

	Consolidated 2022 $'000	Consolidated 2021 $'000
e. Occupancy expenses		
Short-term and low-value assets lease payments	(95)	(247)
Repairs and maintenance	(574)	(257)
Utilities and cleaning	(951)	(728)
Building costs	(357)	(117)
Property taxes	(186)	(151)
Occupancy expenses allocated to cost of goods sold	1,123	944
Total occupancy expenses	**(1,040)**	**(556)**
f. Finance expenses		
Interest and finance charges paid/payable on borrowings	(716)	(202)
Interest income	2	62
	(714)	(140)
Interest and finance charges paid/payable on lease liabilities	(604)	(412)
Interest expenses allocated to cost of sales	392	303
Interest expenses	(926)	(249)
Bank and sundry charges	(336)	(198)
Bad debts and impairments	(1)	3
Impairment of GST	(2)	(78)
Total finance expenses	**(1,265)**	**(522)**
g. Depreciation and amortisation		
Depreciation	(1,972)	(1,685)
Depreciation on right-of-use assets	(1,672)	(1,332)
Minor assets expensed	(10)	(6)
	(3,654)	(3,023)
Depreciation on assets allocated to cost of sales	1,052	1,012
Depreciation on right-of-use assets allocated to cost of sales	972	966
Total depreciation and amortisation	**(1,630)**	**(1,045)**

5. Income tax expense

	Consolidated 2022 $'000	Consolidated 2021 $'000
Income tax expense		
Current tax (expense)/income	(520)	(1,127)
Deferred tax (expense)/income	(10)	1,128
(Under)/overprovision of tax in prior periods	(16)	(25)
Total income tax (expense)/income	**(546)**	**(24)**
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	2,250	1,904
At Australia's income tax rate of 30% (2021: 30%)	(675)	(571)
Add/(less) tax effect of;		
(Under)/overprovision of tax in prior periods	(16)	(25)
Research and development tax benefit	457	295
Non-deductible Consulting Fees – relating to acquisitions	(221)	–
Deferred tax benefit in IPO costs	–	160
Employee share options	(150)	(634)
Loan forgiveness – unsecured PPP funding	–	272
Effect of different tax rates in overseas entities	29	467
Other non-allowable items	30	12
Income tax expense attributable to profit	**(546)**	**(24)**

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:

	Consolidated 2022 $'000	Consolidated 2021 $'000
Cash at bank and in hand	12,278	50,968
Cash equivalents[8]	886	749
Total cash and cash equivalents	**13,164**	**51,717**

8. Cash equivalents are bank drafts and DENSAI receivable by Trajan Scientific Japan Inc.

7. Current assets – trade and other receivables

	Consolidated	
	2022 $'000	**2021 $'000**
Trade receivables	20,266	10,331
Total trade and other receivables	**20,266**	**10,331**

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 instances of material 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 2022 (2021: $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 the customers' debts.

Ageing of trade receivables

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

	Carrying amount	
	2022 $'000	**2021 $'000**
0-30 Days	14,628	6,997
31-60 Days	3,478	2,522
61-90 Days	1,493	579
Over 90 Days	667	233
	20,266	**10,331**

8. Current assets – inventories

	Carrying amount 2022 $'000	2021 $'000
Raw materials	8,573	4,664
Work in progress – Manufacturing	6,877	4,756
Work in progress – Automation	531	321
Finished goods	14,550	5,624
Provision for stock obsolescence	(2,834)	(2,237)
Stock for demonstrations	574	441
Total inventories	**28,271**	**13,569**

The inventories are measured at cost and adjusted for any provision for stock obsolescence. The carrying amount was significantly higher on 30 June 2022 due to business acquisitions as detailed in Note 32 Business Combinations.

9. Current assets – other assets

	Consolidated 2022 $'000	2021 $'000
Prepayments	2,216	1,416
Prepaid insurance on retirement – Japan	301	501
GST (or equivalent) receivables	479	242
Deposits on purchases	26	16
Total other assets	**3,022**	**2,175**

10. Financial assets

Current financial assets	Consolidated 2022 $'000	2021 $'000
Foreign exchange contracts	**142**	**750**
Non-current financial assets		
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
Unlisted ordinary shares in Humankind Ventures Ltd	1,254	–
	1,460	206
Foreign exchange contracts	–	903
Total non-current financial assets	**1,460**	**1,109**
Total financial assets	**1,602**	**1,859**

11. Non-current assets – goodwill and intangibles

		2022 $'000	2021 $'000
Goodwill – MyHealthTest	a.	239	330
Goodwill – Grale		765	765
Goodwill – Axel Semrau GmbH & Co. KG and Semrau Immobilien GmbH & Co.KG		19,351	–
Goodwill – Neoteryx LLC		23,835	–
Goodwill – LEAP PAL Parts (LPP)		8,340	–
Goodwill – CRS	b.	50,900	–
Total goodwill		**103,430**	**1,095**
Patent		174	–
Customer relationships		1,977	–
Trademark		200	–
Technology		1,630	–
Total goodwill and intangibles		**107,411**	**1,095**

a. Pursuant to finalisation of acquisition accounting of MyHealthTest in the current reporting period (being the measuring period), the Group has recognised an adjustment to the provisional amount as if the accounting for the business combination had been completed at the acquisition date (31 March 2021). The Group reversed $0.1M of make good provision of the Canberra office lease as the Group is no longer required to settle the obligation. The reduction of liabilities was offset by a corresponding adjustment to the goodwill.

b. Acquisition of this cash generating unit ("CGU") completed in June 2022. Therefore, management believes that the recoverable amount of the goodwill is expected to be materially the same as determined under AASB 3 *Business Combination*.

Impairment testing

The Group performs its impairment testing as at 30 June and 31 December each year using a value-in-use (VIU), discounted cash flow methodology. For VIU calculations, cash flow projections are based on Trajan's business forecasts prepared by management and approved by the Board. The business forecasts are developed annually with a five-year outlook and, for these calculations, are adjusted to exclude the costs and benefits of expansion capital and on the understanding that actual outcomes may differ from the assumptions used.

Cash flows beyond the five-year business forecasts are projected using estimated terminal value, which are based on the Group's estimation, taking into consideration historical performance as well as expected long-term operating conditions. Discount rates used in the calculations are based on the weighted average cost of capital determined by prevailing or benchmarked market inputs, risk adjusted where necessary. Increases in discount rates or changes in other key assumptions, such as operating conditions or financial performance may cause the recoverable amounts to fall below carrying values.

The key assumptions used for assessing the recoverable amount of these CGUs are set out below.

	2022	2021
MyHealthTest		
Pre-tax discount rate	25.6%	25.6%
Terminal value	3.0%	3.0%
Grale		
Pre-tax discount rate	25.6%	25.6%
Terminal value	3.0%	3.0%
Axel Semrau GmbH & Co. KG		
Pre-tax discount rate	12.6%	–
Terminal value	3.0%	–
Neoteryx LLC		
Pre-tax discount rate	18.2%	–
Terminal value	3.0%	–
LPP		
Pre-tax discount rate	22.2%	–
Terminal value	3.0%	–

The discount rate of pre-tax reflects management's estimate of the time value of money and the Group's weighted average cost of capital adjusted for the acquired entities, the risk-free rate and the volatility of the share price relative to market movements. Management believes the projected 3% revenue growth rate is prudent and justified.

Compared to prior years, management have reduced their estimation of the increase in operating costs and overheads, with an intention by the Group to contain costs.

Sensitivity

As disclosed in note 2, the directors have made judgements and estimates in respect of impairment testing of goodwill. Should these judgements and estimates not occur the resulting goodwill carrying amount may decrease. The sensitivities are as follows:

MyHealthTest

- Revenue would need to decrease by more than 3.1% for MyHealthTest before goodwill would need to be impaired, with all other assumptions remaining constant.
- The margin would be required to decrease by more than 3.1% points for the MyHealthTest before goodwill would need to be impaired, with all other assumptions remaining constant.

Grale

- Revenue would need to decrease by more than 9.2% for Grale before goodwill would need to be impaired, with all other assumptions remaining constant.
- The margin would be required to decrease by more than 9.2% points for the Grale before goodwill would need to be impaired, with all other assumptions remaining constant.

Axel Semrau GmbH & Co. KG

- Revenue would need to decrease by more than 18.0% for Axel Semrau GmbH & Co. KG before goodwill would need to be impaired, with all other assumptions remaining constant.
- The margin would be required to decrease by more than 7.8% points for Axel Semrau GmbH & Co. KG before goodwill would need to be impaired, with all other assumptions remaining constant.

Neoteryx LLC

- Revenue would need to decrease by more than 3.7% for Neoteryx LLC before goodwill would need to be impaired, with all other assumptions remaining constant.
- The margin would be required to decrease by more than 2.6% points for Neoteryx LLC before goodwill would need to be impaired, with all other assumptions remaining constant.

LPP

- Revenue would need to decrease by more than 12.72% for LPP before goodwill would need to be impaired, with all other assumptions remaining constant.
- The margin would be required to decrease by more than 3.6% points for LPP before goodwill would need to be impaired, with all other assumptions remaining constant.

Other than as noted above, no reasonably possible change in a key assumption used in the determination of the recoverable value of CGUs would result in a material impairment to the Group.

12. Non-current assets – property, plant and equipment

2022	Land and Building $'000	Plant and Equip-ment $'000	Furniture and Fittings $'000	Computer Software and Equip-ment $'000	Motor Vehicles $'000	Leasehold Improve-ment $'000	Capital in Progress $'000	Total $'000
Cost at 1 July 2021	**–**	**7,918**	**615**	**2,136**	**–**	**1,562**	**626**	**12,857**
Additions	–	1,540	112	378	–	671	1,569	4,270
Addition from business combination	7,914	1,050	221	686	153	1,471	–	11,495
Disposals	–	(341)	–	(58)	(149)	–	(794)	(1,342)
Exchange rate impact	(87)	538	2	7	143	(190)	28	441
Balance at 30 June 2022	**7,827**	**10,705**	**950**	**3,149**	**147**	**3,514**	**1,429**	**27,721**
Depreciation and impairment as at 1 July 2021	**–**	**(4,321)**	**(383)**	**(1,744)**	**–**	**(1,089)**	**–**	**(7,537)**
Depreciation charge	(56)	(1,156)	(102)	(354)	(16)	(288)	–	(1,972)
Disposals	–	30	–	53	12	–	–	95
Exchange rate impact	9	(332)	(11)	(14)	–	137	–	(211)
Balance at 30 June 2022	**(47)**	**(5,779)**	**(496)**	**(2,059)**	**(4)**	**(1,240)**	**–**	**(9,625)**
Cost at 30 June 2022	**7,827**	**10,705**	**950**	**3,149**	**147**	**3,514**	**1,429**	**27,721**
Accumulated depreciation and impairment	**(47)**	**(5,779)**	**(496)**	**(2,059)**	**(4)**	**(1,240)**	**–**	**(9,625)**
Net carrying value at 30 June 2022	**7,780**	**4,926**	**454**	**1,090**	**143**	**2,274**	**1,429**	**18,096**

2021	Land and Building $'000	Plant and Equip-ment $'000	Furniture and Fittings $'000	Computer Software and Equip-ment $'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	–	842	35	48	–	–	–	925
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**

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

	Consolidated	
	2022 $'000	**2021 $'000**
Land and buildings – right-of-use assets	14,231	11,749
Less: Accumulated depreciation	(3,837)	(2,562)
	10,394	**9,187**
Plant and equipment – right-of-use assets	389	287
Less: Accumulated depreciation	(175)	(144)
	214	**143**
Total	**10,608**	**9,330**

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 rental payments are 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 vehicles under agreements of two to three years.

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

Additions to the right of use assets during the year were $2.7M (2021: $13.1M).

14. Current liabilities – trade and other payables

	Consolidated	
	2022 $'000	**2021 $'000**
Trade payables	8,570	5,107
Accruals	5,046	2,941
Contract liabilities	1,762	848
Total	**15,378**	**8,896**

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

The carrying amount of contract liabilities relates to performance obligations that are unsatisfied at the end of the reporting period. The balance was higher on 30 June 2022 due to a growth in capital equipment business during the year. $1.0M of the contract liabilities are contributed by one of the acquired entity, Axel Semrau GmbH & Co. KG. The amount is expected to be recognised as revenue in the next 12 months.

15. Provisions

	Consolidated 2022 $'000	2021 $'000
Current liability		
Annual leave	4,738	2,751
Long service leave – Australia	3,441	3,150
	8,179	**5,901**
Non-current liability		
Long service leave – Australia	324	597
	324	**597**
Total provisions	**8,503**	**6,498**

16. Non-current – deferred tax assets and liabilities

	Consolidated 2022 $'000	2021 $'000
Deferred tax assets	4,514	4,310
Deferred tax liabilities	(175)	(326)
Total net deferred tax assets/(liabilities)	**4,339**	**3,984**
a. Deferred tax assets		
Deferred tax asset comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Plant and equipment	177	165
Inventory	364	443
Employee benefits	1,997	1,784
Right-of-use assets	(1,729)	(1,903)
Leases	1,844	1,944
Accrued expenses	171	156
Business capital costs	1,289	1,065
Borrowing costs	101	–
Others	(67)	4
	4,147	3,658
Amounts recognised in equity:		
Transaction costs on share issue	367	652
	367	652
	4,514	**4,310**
Movement		
Opening balance	4,310	2,441
Credited to profit or loss	(163)	1,282
Utilisation of prior year tax losses	–	(65)
Credited to equity	367	652
Closing balance	**4,514**	**4,310**

	Consolidated 2022 $'000	Consolidated 2021 $'000
b. Deferred tax liabilities		
Deferred tax liabilities comprise temporary differences attributable to:		
Amounts recognised in profit or loss:		
Financial assets at fair value through profit or loss	(175)	(326)
	(175)	**(326)**
Movement		
Opening balance	(326)	(172)
Credited to profit or loss	151	(154)
Closing balance	**(175)**	**(326)**

17. Loans and borrowings

	Consolidated 2022 $'000	Consolidated 2021 $'000
Current liability		
Loan HSBC – secured and interest bearing	54,307	7,293
Bank overdraft	535	–
	54,842	**7,293**
Non-current liability		
Loan HSBC – secured and interest bearing	–	–
	–	–
Total	**54,842**	**7,293**

HSBC loan is made up of a combination of rolling bills within longer term funding facility that can be called for repayment by HSBC on demand and term loans with a 3 year fixed term. Loans are secured by a charge over business assets.

Refer to Note 23 for further information on financial instruments.

NOTES TO FINANCIAL STATEMENTS

Loan facilities

	2022 $'000	2021 $'000
Amount utilised	54,842	7,293
Unused loan facility	1,774	1,461
Loan facilities	**56,616**	**8,754**

On 17 June 2022, Trajan has restructured the agreement with HSBC Bank Australia Limited which provides the Group with access to the following facilities:

- Working Capital facility, on Demand, of $5.8M. 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 $0.6M (US$0.5M). Interest is calculated as BBSY or LIBOR plus a margin,
- Single Fully Drawn Advances, 3-year term of $48.9M. Interest is calculated as BBSY or LIBOR plus a margin, and
- HSBC Corporate Credit Cards facility of $0.2M.

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.

Axel Semrau GmbH has access to an on demand, unsecured, bank overdraft facility provided by HypoVereinsbank Germany of €0.75M ($1.14M). At 30 June 2022, the facility was drawn to €0.35M ($0.54M).

Covenant breach

During the reporting period Trajan renegotiated its debt arrangements with HSBC ensuring capacity to fund the acquisition of Chromatography Research Supplies Inc. (CRS) which closed on 24 June 2022. The HSBC facilities are provided subject to the provision of customary financial covenants, including a net leverage ratio and a requirement to hold a minimum amount of funds in HSBC bank accounts at all times. Trajan utilises alternate financial institutions for its transactional bank requirements in jurisdictions where HSBC does not have a transactional bank presence.

Drawdown of debt funds to finance the CRS acquisition resulted in a change to the requirement to hold a minimum amount of funds in HSBC bank accounts at all times from $10.0M to $12.5M. At the reporting date Trajan reported total cash and cash equivalents of $13.2M (refer note 6 Cash and Cash Equivalent). On closing the CRS transaction on 24 June 2022, the amount of cash on hand, within HSBC bank accounts, was below the revised minimum. Trajan actively communicated with the bank through this temporary period, triggered by the acquisition and change in covenant clause, receiving a no action letter from HSBC.

Calculation of the net leverage ratio includes a limit of $1.5M annualised acquisition related expenses to be deducted from calculated EBITDA. During the reporting period, acquisition related expenses were $2.8M (refer Consolidated Statement of Profit or Loss and Other Comprehensive Income). The difference between the limit for annualised acquisition related expenses within the covenant calculation, and the actual expense, lowered EBITDA in the net leverage ratio calculation, contributed to the breach of the covenant. Trajan subsequently received a no action letter from HSBC.

Due to the breach of the covenant clauses, the bank could be contractually entitled to request immediate repayment of the outstanding loan Facility amount of $54.3M. The bank has not requested early repayment of the loan. The outstanding loan Facility balance is therefore presented as a current liability as at 30 June 2022.

Changes in liabilities arising from financing activities

	2022 $'000	2021 $'000
Opening balance	7,293	10,226
Net proceeds from/(repayment of) borrowings	47,549	(1,542)
Loan forgiveness – unsecured PPP funding	–	(1,391)
Closing balance	**54,842**	**7,293**

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

18. Equity – issued capital

	2022 Shares	2021 Shares	2022 $'000	2021 $'000
Ordinary shares – fully paid	149,456,159	129,552,885	96,258	48,171

Details	Date	Shares	Issue price	$'000
Balance	1 July 2020	12		3
Issue of shares	7 June 2021	99,999,998	–	–
Issue of shares	7 June 2021	29,411,765	1.70	50,000
Share issue transaction cost, net of tax	7 June 2021	–	–	(1,832)
Issue of share (Employee share gift)	7 June 2021	141,120	–	–
Balance	1 July 2021	129,552,885		48,171
Exercise of share options	13 October 2021	111,765	1.70	190
Exercise of share options	13 October 2021	181,412	2.02	367
Exercise of share options	20 October 2021	58,824	1.70	100
Exercise of share options	2 November 2021	6,048	2.22	13
Exercise of share options	7 December 2021	6,048	2.27	14
Issue of shares	31 December 2021	4,659,843	3.97	18,500
Exercise of share options	5 April 2022	12,095	2.02	24
Exercise of share options	20 April 2022	24,189	2.02	49
Exercise of share options	17 May 2022	6,048	2.02	12
Issue of share	22 June 2022	14,834,054	2.00	29,668
Share issue transaction cost, net of tax	22 June 2022	–	–	(857)
Exercise of share options	28 June 2022	2,948	2.28	7
Balance	30 June 2022	149,456,159		96,258

As at 7 June 2021, a voluntary escrow arrangement pursuant to a voluntary escrow deed between the Tomisich Family Trust, the company and Stephen Tomisich (being one of the effective controllers of the Tomisich Family Trust) came into effect. Pursuant to that deed, 76.5M of ordinary shares issued to Tomisich Family Trust were placed in escrow. Twenty-five percent (25%) of the escrowed shares are in escrow until the release of Trajan's annual report for FY2022 and the remaining 75% will remain in escrow until the release of Trajan's annual report for FY2023.

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. (2021: none).

Capital risk management

The Group's objective 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. The Group is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions.

During the reporting period Trajan renegotiated its debt arrangements with HSBC ensuring capacity to fund the acquisition of Chromatography Research Supplies Inc. (CRS) which closed on 24 June 2022. The HSBC facilities are provided subject to the provision of customary financial covenants, including a net leverage ratio and a requirement to hold a minimum amount of funds in HSBC bank accounts at all times. Trajan utilises alternate financial institutions for its transactional bank requirements in jurisdictions where HSBC does not have a transactional bank presence.

Drawdown of debt funds to finance the CRS acquisition resulted in a change to the requirement to hold a minimum amount of funds in HSBC bank accounts at all times from $10.0M to $12.5M. At the reporting date Trajan reported total cash and cash equivalents of $13.2M (refer Note 6 Cash and Cash Equivalent). On closing the CRS transaction on 24 June 2022, the amount of cash on hand, within HSBC bank accounts, was below the revised minimum. Trajan actively communicated with the bank through this temporary period, triggered by the acquisition and change in covenant clause, receiving a no action letter from HSBC.

Calculation of the net leverage ratio includes a limit of $1.5M annualised acquisition related expenses to be deducted from calculated EBITDA. During the reporting period, acquisition related expenses were $2.8M (refer Consolidated Statement of Profit or Loss and Other Comprehensive Income). The difference between the limit for annualised acquisition related expenses within the covenant calculation, and the actual expense, lowered EBITDA in the net leverage ratio calculation, contributed to the breach of the covenant. Trajan subsequently received a no action letter from HSBC.

Due to the breach of the covenant clauses, the bank could be contractually entitled to request immediate repayment of the outstanding loan Facility amount of $54.3M. The bank has not requested early repayment of the loan. The outstanding loan Facility balance is therefore presented as a current liability as at 30 June 2022.

The capital risk management policy remains unchanged from the 30 June 2021 Annual Report.

19. Equity – reserves and retained earnings

	Note	2022 $'000	2021 $'000
Foreign currency translation reserve	(a)	1,022	414
Share-based payment reserve	(b)	1,899	1,874
Retained earnings	(c)	17,327	15,623
		20,248	**17,911**

a. Foreign currency translation reserve

		2022 $'000	2021 $'000
Movement in reserve			
Opening balance		414	644
Exchange differences on translation of foreign operation		608	(230)
Closing balance		**1,022**	**414**

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

b. Share-based payment reserve

		2022 $'000	2021 $'000
Movement in reserve			
Opening balance		1,874	–
Share-based payments expensed during the year		499	1,874
Exercised of share option during the year		(474)	–
Closing balance		**1,899**	**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	2022 $'000	2021 $'000
Movement in retained earnings			
Opening balance		15,623	17,093
Dividends declared during the year	20	–	(3,350)
Net profit for the year		1,704	1,880
Closing balance		**17,327**	**15,623**

20. Equity – dividends

Dividend paid during the financial year were as follows:

	2022 $'000	2021 $'000
Interim dividend declared and paid for the year ended 30 June 2021	–	1,000
Final dividend declared and paid for the year ended 30 June 2021	–	2,350
Total dividend declared and paid	**–**	**3,350**

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

Franking credits

	2022 $'000	2021 $'000
Franking credits available for subsequent financial years based on a tax rate of 30%	791	85

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

21. Earnings per share

	2022 $'000	2021 $'000
Earnings per share for profit		
Profit after income tax attributable to Trajan Group Holdings Limited	1,704	1,880
	$	**$**
Basic earnings per share	0.01	0.05
Diluted earnings per share	0.01	0.05

Weighted average number of ordinary shares

	Number	Number
Weighted average number of ordinary shares used in calculating earnings per share	134,326,734	39,670,463
Adjustment for calculation of diluted earnings per share:		
Options over ordinary shares	1,533,971	102,776
Weighted average number of ordinary shares used in calculating diluted earnings per share	135,860,705	39,773,239

22. 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 and are granted in accordance with performance guidelines established by the Remuneration and Nomination Committee. Set out below are summaries of options granted under the plan:

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	–	(174,744)	–	203,082
2	7 June 2021	7 June 2026	$1.68	82,203	–	(3,574)	–	78,629
3	7 June 2021	7 June 2026	$1.59	26,669	–	(3,810)	–	22,859
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	–	(290,001)	–	910,002
6	7 June 2021	7 June 2026	$1.70	33,164	–	(1,716)	–	31,448
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
9	1 May 2022	1 May 2027	$3.30	–	35,004	–	–	35,004
10	1 May 2022	1 May 2027	$3.30	–	35,000	–	–	35,000
11	1 May 2022	1 May 2027	$3.30	–	34,997	–	–	34,997
12	1 May 2022	1 May 2027	$3.30	–	12,250	–	–	12,250
13	1 May 2022	1 May 2027	$3.30	–	12,250	–	–	12,250
14	1 May 2022	1 May 2027	$3.30	–	12,239	–	–	12,239
15	28 Feb 2022	1 Jul 2027	$1.70	–	4,293	–	–	4,293
16	28 Feb 2022	1 Jul 2027	$1.70	–	4,293	–	–	4,293
17	28 Feb 2022	1 Jul 2027	$1.70	–	4,293	–	–	4,293
				2,647,701	154,619	(473,845)	–	2,328,475
Weighted average option value				$1.17	–	–	–	$1.20

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

Tranche	Grant date	Expiry date	2022 Number	2021 Number
1	7 June 2021	7 June 2026	260,028	483,772
2	7 June 2021	7 June 2026	133,044	139,092
3	7 June 2021	7 June 2026	36,284	42,332
4	7 June 2021	7 June 2026	148,165	148,165
5	7 June 2021	7 June 2026	111,765	111,765
5a	7 June 2021	7 June 2026	57,568	–
5b	7 June 2021	7 June 2026	535,295	705,884
6	7 June 2021	7 June 2026	54,034	–
6a	7 June 2021	7 June 2026	132,220	–
			1,468,403	1,631,010

The weighted average option value during the financial year was $1.20 (2021: $1.17).

The weighted average remaining contractual life of options outstanding at the end of the financial year was 4.0 years (2021: 4.9 years).

For the options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

	Option granted
Grant date	28 February 2022
Expiry date	28 February 2027
Share price	$3.34
Expected volatility	53%
Weighted average risk-free interest rate	0.27%
Dividend yield	–

	Option granted
Grant date	1 May 2022
Expiry date	1 May 2027
Share price	$3.66
Expected volatility	53%
Weighted average risk-free interest rate	0.27%
Dividend yield	–

NOTES TO FINANCIAL STATEMENTS

23. 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 large proportion 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 between July 2022 and June 2023.

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:

	2022 AUD $'000 EBITDA	2021 AUD $'000 EBITDA	2022 AUD $'000 NPAT	2021 AUD $'000 NPAT
+2.50%	(978)	(366)	(901)	(350)
-2.50%	978	366	901	350

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.

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 $54.3M (2021: $7.3M), are principal and interest payment loans. The average monthly cash outlays of approximately $50,685 (2021: $13,055) are made to service the interest payments. The average monthly principal repayments of $163,015 (2021: $66,620) are made for the year ended 30 June 2022. An official increase/ decrease in interest rates of 100 (2021: 100) basis points would have an adverse/favourable effect on profit before tax of $543,069 (2021: $72,920) 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 2022 was $20.3M (2021: $10.3M). 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 17 provides additional details on the Group's borrowing arrangements.

2022	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	8,570	–	–	–	8,570
Other payables – Accruals	5,046	–	–	–	5,046
Interest bearing loans and borrowings	54,842	–	–	–	54,842
Lease liabilities	1,538	1,433	3,291	5,076	11,338
Total	**69,996**	**1,433**	**3,291**	**5,076**	**79,796**
2021					
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	**16,475**	**1,071**	**3,363**	**4,158**	**25,067**

24. 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

2022	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
Assets				
Forward foreign exchange contract	–	142	–	142
Unlisted ordinary shares in LBPR Pty Ltd	–	–	137	137
Unlisted ordinary shares in Healthier Delivery Pty Ltd	–	–	69	69
Unlisted ordinary shares in Humankind Ventures Ltd	–	–	1,254	1,254
	–	**142**	**1,460**	**1,602**

2021				
Assets				
Forward foreign exchange contract	–	1,653	–	1,653
Unlisted ordinary shares in LBPR Pty Ltd	–	–	137	137
Unlisted ordinary shares in Healthier Delivery Pty Ltd	–	–	69	69
	–	**1,653**	**206**	**1,859**

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 trade and other receivables and trade and other payables are assumed to approximate their carrying amounts as disclosed in the consolidated statement of financial position and notes to the consolidated financial statements. The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

Movement in level 3 assets during the current and previous financial year are set out below:

	Unlisted ordinary shares $'000	**Total $'000**
Balance at 30 June 2021	206	206
Additions during the year	1,313	1,313
Unrealised FOREX gain/(loss)	(59)	(59)
Balance at 30 June 2022	1,460	1,460

25. 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:

	2022 $'000	2021 $'000
Short-term employee benefits	2,259	2,023
Post-employment benefits	161	121
Long-term benefits	51	52
Share-based payments	440	1,301
	2,911	**3,497**

26. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries:

		Ownership interest	
Name	Principal place of business/ Country of incorporation	2022 %	2021 %
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	Australia	100%	100%
Trajan Scientific Americas Inc	United States	100%	100%
Neoteryx LLC	United States	100%	–
Chromatography Research Supplies Inc	United States	100%	–
Trajan Scientific and Medical Pty Ltd	Australia	100%	100%
Trajan Scientific Australia Pty Ltd	Australia	100%	100%
Trajan Scientific Europe Ltd[1]	United Kingdom	100%	100%
Trajan Scientific Germany GmbH	Germany	100%	100%
Trajan Scientific Germany Holdings GmbH	Germany	100%	–
Trajan Scientific Germany Property GmbH	Germany	100%	–
Axel Semrau GmbH & Co. KG	Germany	100%	–
Semrau Immobilien GmbH & Co. KG	Germany	100%	–
Trajan Scientific Japan Inc	Japan	100%	100%
Trajan Scientific Malaysia Sdn Bhd	Malaysia	100%	100%
Trajan Scientific Switzerland Sarl	Switzerland	100%	100%
Biopsy Solutions Pty Ltd	Australia	100%	–

1. Trajan Scientific Europe Ltd includes a branch in France, Trajan Scientific France.

27. Related Party Transactions

Parent entity

Trajan Group Holdings Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in Note 26.

Key management personnel

Disclosures relating to key management personnel are set out in Note 25 and the remuneration report included in the directors' report.

Transactions with related parties

The following transactions occurred with related parties:

	Consolidated 2022 $'000	Consolidated 2021 $'000
Interest income – Bass Park Investments	–	(59)
Management fees – Bass Park Investments	–	(70)
Depreciation expense – Ringwood Facility Property Lease – Bass Park Investments	549	546
Interest expense – Ringwood Facility Property Lease – Bass Park Investments	369	248
Listing expense – Trajan SaleCo Limited	–	1,627
Legal fees – Hive Legal Pty Ltd	76	64
	994	**2,356**

Receivable from and payable to related parties

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

	Consolidated 2022 $'000	Consolidated 2021 $'000
Assets		
Right-of-use assets – Ringwood Facility Property Lease – Bass Park Investments	5,762	6,311
	5,762	**6,311**
Liabilities		
Trade payables – Hive Legal Pty Ltd	7	7
Trade payables – Bass Park Investments	62	–
Lease liabilities – Ringwood Facility Property Lease – Bass Park Investments	6,145	6,446
	6,214	**6,453**

Terms and conditions

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

NOTES TO FINANCIAL STATEMENTS

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.

	2022 $'000	2021 $'000
Audit Services – RSM Australia		
Audit or review of the financial statements	129	73
Audit or review of the financial statements – Trajan Malaysia	12	7
Review of the financial statements – Trajan America	15	–
Other services – RSM Australia		
Tax services	10	90
Transfer Pricing services	48	
Advisory services: Debt structuring	25	
Due diligence review	164	
Investigation accounting services	–	111
	403	**281**
Audit Services – RSM network firms		
Audit or review of the financial statements	304	123
Other services –RSM network firms		
Tax services	88	65
Due diligence review	284	–
Others	12	–
	688	**188**
Total	**1,091**	**469**

29. Cash flow information

Reconciliation of cash flow from operations, with profit after income tax

	2022 $'000	2021 $'000
Profit after income tax	**1,704**	**1,880**
Adjustments for:		
– Depreciation and amortisation	3,644	3,017
– Net gain/(loss) on disposal of assets	214	(235)
– Foreign exchange contracts	1,511	(661)
– Foreign exchanges impacts	(421)	(624)
– Loan forgiveness – unsecured PPP funding	–	(1,263)
– Capital raising costs	–	4,389
– Share-based payments	499	2,114
– Bad Debts and Impairments	1	(3)
– Interest on Lease Liabilities	604	412
Net (increase)/decrease in operating assets		
– Trade and other receivables	(2,471)	(3,537)
– Inventory	(4,720)	1,177
– Deferred tax assets	(355)	(1,128)
– Other assets	74	(287)
Net increase/(decrease) in operating liabilities		
– Trade and other payables	1,772	4,069
– Provisions	1,432	532
– Contract liabilities	180	(990)
– Income tax payable	(930)	998
Net cash provided by/(used in) operating activities	**2,738**	**9,860**

30. Non-cash investing and financing activities

	2022 $'000	2021 $'000
Additions to the right-of-use assets	2,584	6,525
Employee share gift	–	240
Shares option issued under employee share plan	499	1,874
Shares issued for business combination	18,500	–
	21,583	**8,639**

31. 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.

	2022 $'000	2021 $'000
STATEMENT OF FINANCIAL POSITION		
Assets		
Current assets	98,396	50,702
Non-current assets	2,000	2,000
Total assets	**100,396**	**52,702**
Liabilities		
Current liabilities	102	520
Non-current liabilities	2,000	2,000
Total liabilities	**2,102**	**2,520**
Equity		
Share capital	96,255	48,168
Retained earnings	140	140
Capital reserve	1,899	1,874
Total equity	**98,294**	**50,182**
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 2022 and 30 June 2021.

Capital commitments – Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2022 and 30 June 2021.

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.

32. Business combinations

a. Acquisition of Axel Semrau GmbH & Co. KG and Semrau Immobilien GmbH & Co.KG.

On 30 September 2021 ('Locked box date'), Trajan Scientific Germany Holdings GmbH and Trajan Scientific Germany Property GmbH entered into a share purchase and transfer agreement relating to all partnership shares in Axel Semrau GmbH & Co.KG and Semrau Immobilien GmbH & Co.KG (acquired entities) for a total cash consideration of $31.5M (€20.2M). The financial closing of the agreement occurred on 18 November 2021 ('Closing date').

Management acknowledges whilst there are significant indicators of control such as economic and protective measures including the benefit of cash generated by the acquired entities from Locked box date, that, in its current form, the share purchase agreement does not contain sufficient substantive rights to conclude the ability to control the acquired entities pass at Locked box date. The business acquisitions have been consolidated from the Closing date.

An independent valuation of the purchase price accounting for the acquisition was obtained. The values of the separately identifiable intangible assets were calculated based on the royalty method for brand names and the multi-period excess earnings method for customer relationships respectively. The key inputs to these calculations included management revenue forecasts, management's estimate of employee costs, historical customer attrition rates and the company's weighted average cost of capital. Intangible assets acquired include trademarks, technology and customer relationships. Trademarks are to be amortised over a useful life of five years, while the acquired technology and customer relationships will be amortised over a useful life of ten years.

The goodwill that arose on the combination can be attributed to the synergies expected to be derived from the combination and the value of the workforce of the acquired entities which cannot be recognised as an intangible asset. Goodwill has been allocated to the cash-generating unit of Axel Semrau business unit as at 30 June 2022. The goodwill that arose from this business combination is deductible for tax purposes in Germany over a period of fifteen years.

The acquisition expands and enhances Trajan's global automation solutions offering to environmental, pharmaceutical, food, proteomics, clinical and academic laboratories.

Details of the acquisition are as follows:

Axel Semrau GmbH & Co. KG	**18 November 2021 $'000**
Cash and cash equivalents	(54)
Trade and other receivables	2,380
Inventories	4,227
Other assets	75
Property, plant and equipment	682
Intangible assets	3,904
Trade and other payables	(1,313)
Contract liabilities	(734)
Provisions	(574)
Income tax payable	(258)
Interest bearing loans and borrowings	(31)
Net identifiable assets acquired	**8,304**
Goodwill arising on acquisition	19,646
Total cash consideration paid	**27,950**

Semrau Immobilien GmbH & Co.KG	18 November 2021 $'000
Cash and cash equivalents	125
Trade and other receivables	6
Property, plant and equipment	3,251
Trade and other payables	(51)
Net identifiable assets acquired	**3,331**
Goodwill arising on acquisition	195
Total cash consideration paid	**3,526**

Acquisition-related costs amounting to $0.7M are not included as part of consideration transferred and have been recognised as an expense in the consolidated statement of profit or loss, as part of acquisition expenses.

From the date of the acquisition to 30 June 2022, Axel Semrau GmbH & Co.KG and Semrau Immobilien GmbH & Co.KG contributed $14.9M to the Group's revenues and $1.1M to the Group's profit before tax. If the acquisition had occurred on 1 July 2021, Axel Semrau GmbH & Co.KG and Semrau Immobilien GmbH & Co.KG would have contributed a further $10.9M to the Group's revenues and $0.7M to the Group's profit before tax.

b. Acquisition of Neoteryx LLC

On 29 December 2021, Trajan Scientific Americas Inc acquired 100% of the shares in Neoteryx, LCC through a share swap and cash payment arrangement. Former shareholder of Neoteryx, Farrona LLC was issued 4,659,843 ordinary fully paid shares in Trajan Group Holdings and an initial cash payment of $3.9M (US$2.8M). An additional $2.5M (US$1.8M) was deposited into an escrow account, which is payable to Farrona LLC or to Trajan Scientific Americas Inc, as the case may be, in accordance with the Purchase Agreement.

This acquisition enables Trajan to accelerate the global commercialisation and adoption of microsampling at scale. Remote sampling in Trajan's view is an essential element in progressing personalised, preventative and data-based healthcare.

The allocation of the fair value to goodwill has been made on a provisional basis. Under AASB 3 – Business Combinations management has up to 12 months to finalise the carrying value of assets and liabilities acquired on completion of an acquisition.

Details of the acquisition are as follows:

	29 December 2021 $'000
Cash and cash equivalent	455
Trade and other receivables	761
Inventories	658
Prepayment	217
Property, plant and equipment	1,307
Trade and other payables	(1,174)
Net identifiable assets acquired	**2,224**
Goodwill arising on acquisition	22,687
Fair value of the consideration transferred	24,911
(less) Fair value of shares issued to Farrona LLC	18,500
Cash consideration paid	**6,411**

Based on the terms of the Purchase Agreement, the funds held in escrow to be paid to Farrona LLC if all conditions for that payment are satisfied. Any claims for losses that have yet to be paid or otherwise satisfied on the Escrow Termination Date would be deducted from the escrow amount and retained by Trajan.

Acquisition-related costs amounting to $1.5M are not included as part of consideration transferred and have been recognised as an expense in the consolidated statement of profit or loss, as part of acquisition expenses.

From the date of the acquisition to 30 June 2022, Neoteryx contributed $2.7M to the Group's revenues and a $0.5M loss to the Group's profit before tax. If the acquisition had occurred on 1 July 2021, Neoteryx would have contributed a further $2.7M to the Group's revenues and a $0.6M loss to the Group's profit before tax.

c. Acquisition of LEAP PAL Parts (LPP)

Trajan Scientific America entered into an Asset Purchase Agreement on 7 December 2021, for the acquisition of the assets used in or related to the operation of the Business. The total consideration for the acquisition was $10.6M (US$7.7M). The effective date of the acquisition was 30 December 2021.

LPP joins Trajan with a team specialised in laboratory instrumentation and liquid handling consumables, supporting customers operating automated laboratory workflows. The acquisition of LPP allows Trajan to provide integrated and streamlined customer support throughout the entire life of an installed automated workflow solution.

The allocation of the fair value to goodwill has been made on a provisional basis. Under AASB 3 – *Business Combinations* management has up to 12 months to finalise the carrying value of assets and liabilities acquired on completion of an acquisition.

Details of the acquisition are as follows:

	30 December 2021 $'000
Trade and other receivables	1,576
Inventories	1,521
Property, plant and equipment	83
Trade and other payables	(690)
Net identifiable assets acquired	**2,490**
Goodwill arising on acquisition	8,136
Total cash consideration paid	**10,626**

Acquisition-related costs amounting to $0.1M are not included as part of consideration transferred and have been recognised as an expense in the consolidated statement of profit or loss, as part of acquisition expenses.

From the date of the acquisition to 30 June 2022, LPP contributed $4.7M to the Group's revenues and $0.7M to the Group's profit before tax. If the acquisition had occurred on 1 July 2021, LPP would have contributed a further $5.5M to the Group's revenues and $0.5M to the Group's profit before tax.

d. Acquisition of Chromatography Research Supplies

On 16 June 2022, Trajan Scientific Americas Inc entered into a Share Purchase Agreement for the acquisition of 100% of the shares in Chromatography Research Supplies Inc. The acquisition also includes the property associated with the operations of Chromatography Research Supplies. The total consideration for the acquisition was $63.8M (US$44.0M). The effective date of the acquisition was 24 June 2022.

The acquisition was funded via a fully underwritten $29.7M (before fees) institutional placement, $20.0M in acquisition debt financing through a facility with HSBC and $15.1M from existing cash reserve.

The acquisition is highly complementary to Trajan's existing product portfolio in the analytical workflow and consolidates Trajan's current market leading position in gas chromatography sample introduction, supporting the quality of flow path connection and sealing functions with two leading product lines – septa and ferrules.

The allocation of the fair value to goodwill has been made on a provisional basis. Under AASB 3 – Business Combinations management has up to 12 months to finalise the carrying value of assets and liabilities acquired on completion of an acquisition.

Details of the acquisition are as follows:

	24 June 2022 $'000
Cash and cash equivalent	146
Trade and other receivables	2,741
Inventories	3,745
Property, plant and equipment	6,224
Prepayments	621
Other assets	10
Trade and other payables	(567)
Net identifiable assets acquired	**12,920**
Goodwill arising on acquisition	50,893
Total cash consideration paid	**63,813**

$2.2M of the consideration payable to the former shareholders of Chromatography Research Supplies Inc was placed into escrow pursuant to the terms of the Escrow agreement. Any claims for losses that have yet to be paid or otherwise satisfied on the Escrow Termination Date would be deducted from the escrow amount and retained by Trajan.

Acquisition-related costs amounting to $0.4M are not included as part of consideration transferred and have been recognised as an expense in the consolidated statement of profit or loss, as part of acquisition expenses.

From the date of the acquisition to 30 June 2022, Chromatography Research Supplies contributed $0.4M to the Group's revenues and $0.2M to the Group's profit before tax.

33. Commitments

	2022 $'000	2021 $'000
Capital commitments committed at the reporting date but not recognised as liabilities:		
Not later than 12 months	1,893	56
Between 12 months and 5 years	–	–
Later than 5 years	–	–
Total capital commitments	**1,893**	**56**

On 30 June 2022, Axel Semrau GmbH & Co. KG signed an agreement for the acquisition of a new warehouse of $1.7M (€1.1M). The acquisition is expected to be settled in September 2022. Refer to Note 35 for further details.

	2022 $'000	2021 $'000
Lease commitments committed at the reporting date but not recognised as lease liabilities:		
Not later than 12 months	47	95
Between 12 months and 5 years	15	18
Later than 5 years	–	–
Total lease commitments	62	113
Total commitments	**1,955**	**169**

34. 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 2022 (2021: nil).

35. Events after the reporting date

Acquisition of Warehouse

On 30 June 2022, Axel Semrau GmbH & Co. KG signed an agreement for the acquisition of a new warehouse for a consideration of €1.1M. This warehouse will be used as the location for system preparation of capital equipment instruments before delivery. The warehouse is located very close to the facility of Axel Semrau GmbH & Co. KG and will be the base for future growth of Trajan inside the European Union, especially regarding automation systems. The acquisition is expected to be settled in September 2022.

Share Purchase Plan

On 23 June 2022, Trajan Group Holdings Limited launched its Share Purchase Plan (SPP). The participation was optional, and all eligible shareholders could apply up to $30,000 worth of new shares, which will rank equally with existing fully paid ordinary shares. On 12 July 2022, upon the closing of the SPP, Trajan raised $4.7M. A total of 2,351,250 shares are issued.

No other 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 2022 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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
Chair

Melbourne
This 24th day of August 2022

INDEPENDENT AUDITOR'S REPORT

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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 2022, 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 2022 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.

RSM

Key Audit Matters (continued)

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 2022 was $107.6 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 the Group's internal controls related to revenue recognition; • Performing tests of detail on a sample basis to test the validity and accuracy of revenue transactions, including the inspection of sales contracts and delivery documentation; • Performing 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 $28.3 million as at 30 June 2022. 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 inventory is being held at the lower of cost and net realisable value; • Assessing the reasonableness of the Group's Inventory methodology 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.

RSM

Key Audit Matters (continued)

Key Audit Matter	How our audit addressed this matter
Acquisition Accounting Refer to Note 32 in the financial statements	
During the year, the Group completed a number of acquisitions as described in note 32 of the financial statements. The Group has determined these acquisitions to be business combinations. The acquisition accounting was considered a key audit matter as the accounting for these transactions is complex and involves significant judgements in applying the accounting standard AASB 3 *Business Combinations* ('AASB 3'). This includes the recognition and valuation of consideration paid, the identification and valuation of intangible assets, and the determination of the fair value of the tangible assets acquired and liabilities assumed.	Our audit procedures to assess the accounting treatment of the acquisitions included: • Obtaining the share purchase agreements and other associated documents and ensuring that the transactions has been accounted for in compliance with AASB 3; • Testing the consideration transferred to the signed purchase agreements and to bank statements; • Assessing the accuracy and completeness of the fair values of the identified assets and liabilities acquired; • Reviewing the work performed by management's experts on the valuation of the identified tangible and intangible assets and the reasonableness of underlying assumptions in their respective valuations; with reference to the requirements of ASA 500 *Audit Evidence,* which establishes mandatory requirements in relation to using the work of management's expert; • Assessing the Group's determination of the fair value of the remaining assets and liabilities, having regard to the completeness of assets and liabilities identified, and the reasonableness of any underlying assumptions in their respective valuations, including useful lives of the intangible and tangible assets acquired; and • Reviewing the disclosures in note 32 to the financial statements in order to assess compliance with the disclosure requirements of AASB 3.

RSM

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 2022, 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.

INDEPENDENT AUDITOR'S REPORT

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 24 to 37 of the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Trajan Group Holdings Limited, for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

RSM AUSTRALIA PARTNERS

B Y CHAN
Partner

Date: 24 August 2022
Melbourne, Victoria

SHAREHOLDER INFORMATION

The shareholder information set out below was applicable as at 12 August 2022.

Distribution of equitable securities

Analysis of number of security holders by size of holding:

Distribution of Fully Paid Ordinary Shares

	Total Holders	Units	% Units
1 to 1,000	921	468,077	0.31
1,001 to 5,000	662	1,869,064	1.23
5,001 to 10,000	353	2,717,245	1.79
10,001 to 100,000	575	16,107,452	10.59
100,001 and over	46	130,889,645	86.08
	2,557	**152,051,483**	**100.00**

	Minimum Parcel Size	Total Holders	Units
Holding less than a marketable parcel (Minimum $500.00 parcel at $2.34 per unit)	214	148	18,803

Distribution of Unlisted Options over Ordinary Shares

Unlisted Options with various vesting dates and exercise prices.

	Total Option Holders	Units	% Units
1 to 1,000	–	–	–
1,001 to 5,000	–	–	–
5,001 to 10,000	26	176,808	10.46%
10,001 to 100,000	20	846,716	50.11%
100,001 and over	5	666,339	39.43%
	51	**1,689,863**	**100.00**

SHAREHOLDER INFORMATION

Ordinary Shareholders

Twenty largest quoted ordinary shareholders

		Units	% Units
1	TOMISICH FAMILY PTY LTD <TOMISICH FAMILY A/C>	76,485,588	50.30
2	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	14,761,677	9.71
3	NATIONAL NOMINEES LIMITED	9,760,896	6.42
4	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	6,419,273	4.22
5	CITICORP NOMINEES PTY LIMITED	4,954,506	3.26
6	FARRONA LLC	4,659,843	3.06
7	TRUEBELL CAPITAL PTY LTD <TRUEBELL INVESTMENT FUND>	1,800,000	1.18
8	BNP PARIBAS NOMS PTY LTD <DRP>	1,431,355	0.94
9	UBS NOMINEES PTY LTD	1,334,827	0.88
10	RUCK & MAUL PTY LTD <THE JOHN EALES FAMILY A/C>	925,353	0.61
11	MR ALISTER JOHN HODGES	700,000	0.46
12	BNP PARIBAS NOMS(NZ) LTD<DRP>	662,595	0.44
13	BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD <DRP A/C>	646,343	0.43
14	INVESTMENT HOLDINGS PTY LTD <INVESTMENT HOLDINGS UNIT A/C>	615,000	0.40
15	MS DANIELLE MARIE TOMISICH	588,235	0.39
16	TELUNAPA PTY LTD <TELUNAPA CAPITAL A/C>	515,000	0.34
17	NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	357,620	0.24
18	MORRIS EQUITY INVESTMENTS PTY LTD <THE KDLM A/C>	251,765	0.17
19	ZEN VENTURES PTY LTD <ZEN VENTURES A/C>	228,422	0.15
20	ROB LYON	200,000	0.13
	Totals: Top 20 holders of ORDINARY FULLY PAID SHARES (Total)	**127,498,298**	**83.85**
	Total Remaining Holders Balance	**24,553,185**	**16.15**

Substantial Holders

The following have disclosed a substantial shareholder notice in the period to 12 August 2022.

	Units	% of voting power	Date of interest notice
TRAJAN GROUP HOLDINGS LIMITED*	76,470,588	51.17	23/06/2022
TOMISICH FAMILY PTY LTD <TOMISICH FAMILY A/C>	76,470,588	51.17	23/06/2022
AUSTRALIANSUPER PTY LTD	7,259,742	5.39	05/01/2022

* 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>.

SHAREHOLDER INFORMATION

Voting rights

The voting rights attached to equity securities are set out below:

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	31 May 2024	141,120
		141,120

Securities subject to voluntary escrow

Securityholder	Class	Expiry date	No. of shares
TOMISICH FAMILY PTY LTD <TOMISICH FAMILY A/C>	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 A/C>	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.

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CORPORATE INFORMATION

ACN

152 617 706

Directors

John Eales AM (Chairman)

Dr Rohit Khanna

Robert Lyon

Sara Watts

Stephen Tomisich

Tiffiny Lewin

Company Secretary

Alister Hodges

Mark Licciardo

Registered Office

7 Argent Place Ringwood
Victoria 3134 Australia

Principal Place of Business

7 Argent Place Ringwood
Victoria 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
Victoria 3000 Australia

Auditors

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

Share Register

Computershare Investor Services Pty Limited
GPO Box 2975
Melbourne VIC 3000 AUSTRALIA

Stock Exchange Listing

Trajan Group Holdings Limited 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

TRAJAN