

25 November 2021

ASX Announcement

2021 AGM Chairman's Address

This has been a 'watershed' year for the Mayfield Group with its public listing on the ASX on 20 November 2020 by way of a reverse acquisition of Stream Group Ltd. This step was taken to gain access to equity markets to fund our growth aspirations and support our passion to provide electrical and telecommunications infrastructure solutions across our nation's infrastructure.

Review of Operations & Strategy

Consolidated net profit for the Mayfield Group for the year ended 30 June 2021 was \$788,783 which was well down on that of 2020. This was driven by the impact of the Covid pandemic on operating margins and the non-recurring, non-cash expenses of \$1,053,030 relating to the reverse acquisition and listing. The Group qualified for the government JobKeeper subsidy for part of the year, receiving \$2,792,400 before improvements in revenue ended participation.

By year end the Company was seeing a return to profitability in the manufacturing businesses, but the Delta variant saw borders again close, preventing high voltage maintenance services in Victoria, NSW and ACT. This situation has persisted into the current financial year, but management is confident of an improvement with SA borders having been reopened on 23 November.

Despite the impacts of Covid, the Company was able to deliver on its strategy and consolidate its position as an electrical and telecommunications service provider:

- In February 2021, the remaining 35% of Walker Control was acquired and by year end that business had been relocated to available workshop space in Edinburgh SA.
- In April 2021, the growing WA manufacturing business was relocated to a 2,900m² workshop in Henderson WA.
- In March 2021, a depot supporting high voltage maintenance services in Victoria was opened in Ballarat but has been temporarily closed due to Covid.
- In June 21, the Edinburgh property housing the main manufacturing business was purchased to enable rent savings and provide the ability to expand our manufacturing facilities as the business grows.
- Despite delays and restrictions from Covid, the Company made a commitment to Australian manufacturing through installation of a Euromac robotic, sheet metal bender. This has eliminated the need for sheet metal imports and shortened supply lead times.
- Since year end, the Company has completed the acquisition of the remaining 60% of ATI Australia, a wireless telecommunications provider that complements our critical power infrastructure solutions.

Looking ahead

The Company is now well placed to take advantage of the relaxing Covid restrictions and the focus on transitioning the economy to renewable energy. This focus is also driving significant expansion, interconnection and renewal of the electricity network, and presages a continuing high level of demand for our products and services. We believe that we now have the human, physical and financial resources to take advantage of this growing market. We are committed to continue our investment in our WA capability to provide the local support required by that market. We acknowledge that the world-wide supply chain threats can impact our business and will work closely with our equipment suppliers to mitigate the impacts.

We now enjoy our strongest ever orderbook which is linked to the rapid growth in the Renewables sector. We expect to see the markets that we serve continue to grow at above-average rates into the foreseeable future as the surge in Renewables continues. Our orderbook covers mining, agriculture, power generation, renewables, infrastructure and industry. With Covid restrictions lifting we anticipate a strong recovery in our high voltage services orderbook as well.

Finally I would like to acknowledge our employees, the management and my Board colleagues for their commitment during what has been a challenging year. I also want to thank you our shareholders for your support.

This announcement is authorised by the Chairman of Mayfield, Larry Case.

Further Information:

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