



ServiceStream

Annual General Meeting

19 October 2022

Chairman's Address to Shareholders

Fellow Shareholders,

On behalf of the Board, I would like to acknowledge the hard work and dedication of all of Service Stream's personnel throughout 2022. I am particularly delighted by the way Management, led by our Managing Director Leigh Mackender, has navigated the complexities of the Lendlease Services acquisition and challenges of the current economic conditions which Australian businesses are encountering.

The welfare of our people and the community we serve remains the Board's highest priority. Pleasingly, in 2022 the business has continued to maintain our industry leading health and safety performance.

2022 financial performance

Turning to our financial performance.

Despite the impacts of the many flood events experienced on the eastern seaboard, the one-off margin impact associated with a major Queensland project, the business delivered a solid EBITDA from Operations in Financial Year 2022. The result was underpinned by an exceptional cash flow performance, a better than expected contribution from the rebased Telecommunications Division, and contributions from the Lendlease Services business in-line with expectations. Management continues to successfully manage the lingering impacts of COVID-19, including the challenges associated with a resource constrained environment and the pressures of rising inflation.

Following the acquisition, the business' contracted pipeline of ongoing work across its blue-chip client base now exceeds \$6 billion. This sets the business up for future long-term growth, providing certainty and continuity for our workforce and management.

Combined Service Stream Group

The Board is delighted with the significant progress made by Management in FY22 on the integration of Lendlease Services. The successful exit from the Transitional Services Agreement and the delivery of forecasted synergies ahead of schedule were notable highlights.

Service Stream Limited ABN 46 072 369 870

HEAD OFFICE Level 4, 357 Collins Street, Melbourne VIC 3000 | Mailing Address: PO Box 14570, Melbourne VIC 8001
T +61 3 9677 8888 | F +61 3 9677 8877 | E info@servicestream.com.au | www.servicestream.com.au



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As a multi-network essential service provider, I am particularly excited at the opportunities now open to the consolidated Service Stream business as infrastructure investment continues to grow in the telecommunications, utilities, and transportation markets.

Leigh will provide a further update on the status of the integration along with the business's current performance later in the meeting.

Dividends and Share Price

The Board is aware that many of our retail shareholders invest in Service Stream on the expectation that the Company will return a portion of its earnings to shareholders via dividends. I am pleased that we have resumed the payment of dividends for the full-year ending 30 June 2022. The Board anticipates the continuation of dividends in FY23, subject to business performance.

The Board is aware of the fall in our share price over the recent period and is disappointed like many of our shareholders. The Board and Management remain focused on continuing to deliver on objectives that provide strong and sustainable returns for all our shareholders. The Board remains of the view that this focus will assist in re-establishing market confidence and delivering longer term growth and value to our shareholders.

Board Renewal

As part of our Board renewal process, I am delighted that Martin Monro agreed to join the Board on 3 October of this year as a Non-Executive Director. Martin brings to the Board extensive operational, contracting, and commercial expertise gained across large-scale infrastructure projects in Australia and overseas. His skills will be advantageous to the business as it enters its next growth phase. I, along with the rest of the directors, strongly support Martin's election today.

The business has also recently announced that Greg Adcock will retire as a Non-Executive Director at the conclusion of today's AGM. Greg joined the Board in 2016 and was appointed Chair of the Health, Safety, Environment & Sustainability Committee in 2017. I, along with other directors of the Board, would like to thank Greg for his substantial contribution to Service Stream during his tenure as a Non-Executive Director and wish him every success in the future.

The Board renewal strategy will continue throughout FY23, and I anticipate being in a position to make further announcements in this regard in the near future.

Remuneration

During the year the Board engaged with Ernst & Young to conduct a review of Service Stream's incentive framework against market practices. We consulted with our investor community to obtain feedback on proposed amendments and have since revised Incentive Plans. The Board is of the view that the changes are appropriate, encourage and reward Management to take a longer-term view of



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the business, drive behaviours which will ultimately deliver long-term sustainable value to shareholders, and ensure that the business remains market competitive.

However, the proxy voting on the Remuneration Report that we will present at Resolution 1 today will show an against vote of more than 25% which means we will likely incur a first strike. Naturally we are very disappointed by this, however we have heard your concerns. The Board will use this feedback from shareholders on our remuneration approach and review what changes, if any, we want to make going forward. The Board will continue to review the structure of the Company's Incentive Plans to ensure that they remain relevant, market competitive and align with shareholder expectations.

Looking Ahead

With the consolidated business offering broader capabilities to new and existing clients in new, current, and adjacent markets, the business remains in a strong position to continue to grow its operations and diversify its revenue in the coming years. As a large shareholder in the business, I'm excited for what the future holds for a consolidated Service Stream.

I would like to thank my fellow board members for their contributions and commitment over the course of a challenging but successful year. Their dedication to the continuing growth and success of the Company is considerable and greatly appreciated.

Finally, I would also like to thank Leigh, his executive team and all our valued staff and contractors for their hard work and dedication during the year.

Thank you.

Brett Gallagher
Chairman