

**CHAIRMAN'S ADDRESS
MAINSTREAM GROUP HOLDINGS LIMITED
ANNUAL GENERAL MEETING
28 OCTOBER 2020**

Chair: I am pleased to report another year of solid results despite the competitive and challenging market conditions.

While the last six months or so have been overshadowed by the COVID-19 pandemic, Mainstream has responded swiftly, safeguarding the health of our employees while maintaining service levels and business continuity for our clients. We have continued to build our global platform to take advantage of ongoing growth opportunities in our core markets.

In uncertain times like these, I think it is important to reflect on the sustainability of our Company.

We have built a business where more than 90% of revenue is recurring via long term contracts with our clients.

Our fees are diversified, generally based on a combination of minimum fees or basis points plus the number of transactions processed and the number of investors.

We now administer 1,149 funds for our 358 clients who are diversified across traditional and alternative assets and public and private equity. This provides variation in our exposure to market movements which is important during volatile markets. The number of fund closures has, so far, been below our expectations, and new business demand has proved buoyant, with fund launches proceeding above our expectations.

Over the year we have strengthened our balance sheet and improved liquidity. Our CFO will discuss the balance sheet further in her address.

We remain committed to paying regular dividends to shareholders. A final dividend of 1.0 cent per share for the year ended 30 June 2020, franked at 50%, was paid to shareholders earlier this month.

Last financial year was a busy year for our Board, with 20 board meetings held. This reflected a combination of market conditions,

company activity, sector consolidation as well as acquisition and defence activity.

All of our operating entities are wholly owned subsidiaries. These subsidiaries, whether regulated or unregulated, conduct quarterly board meetings. As directors of the subsidiaries, the Group Chair and CEO chair and attend these board meetings. The Group Chair and CEO are also on the licence of each regulated entity.

For a range of reasons our sector is now seen as attractive for investors. Recent takeover announcements for two of our listed peers in Australia are indicative of new investors' desire to enter our segment.

Recent share price movements are indicative of shareholder activity in our sector.

From time to time we have to respond to approaches from investors seeking an understanding of our business and we deal with each approach on its merit.

While this can be time consuming, your board has a responsibility to respond.

We also receive offers for us to make acquisitions. Once again, these are assessed as they arise. The number of Board meetings held over the last year is indicative of the increased activity in our sector.

I would like to make a few comments on the Board's approach to corporate governance and succession planning.

Since listing in 2015, the Board has made several changes to its composition to move in line ASX Corporate Governance Council recommendations.

These include:

- Separation of the Chair and CEO roles,
- Increasing the number of independent directors from 1 to 2, and
- Increasing the proportion of female directors from 25% to 40%.

The Board is actively reviewing its Board development plan and future skills requirements. The resulting framework includes plans to move towards a majority of independent directors, including an independent chair. This plan will be communicated and executed over the coming 12 months.

In closing, I would like to thank my fellow Directors for their dedication and time commitment to the Company over the last year.

I also want to thank our CEO, Martin Smith, and the 270+ members of the Mainstream team for their extraordinary hard work and agility in these uncertain times. In particular I would like to thank our company secretary, Alicia Gill, for her efforts during this difficult period of increased board activity.

Five years after we listed Mainstream, we have built a very robust and attractive business. I remain very optimistic about our future. We expect to continue to benefit from ongoing structural shifts, including ongoing consolidation with the Australian fund administration and custody sectors, and the trend towards outsourcing driven by demand for technology and compliance requirements.

Finally, thank you to our shareholders for your ongoing support.

Thank you.

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